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EAST INDIA (FINANCE).

RETURN to an Address of the Honourable The House of Commons, dated 29 July 1874;—*for*,

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'COPY of a PAPER entitled 'OBSERVATIONS on some Questions of INDIAN FINANCE, by Sir *John Strachey*, K.C.S.I.'

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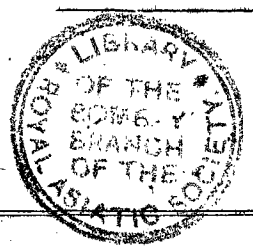

HENRY WATERFIELD,
Secretary,
Statistics and Commerce Department.

OBSERVATIONS on some Questions of INDIAN FINANCE, by Sir *John Strachey*, K.C.S.I.

THE subjects to which I propose more particularly to refer in the following Paper are connected with the system inaugurated by Lord Mayo in December 1870, under which fixed annual grants were assigned to the Local Governments in India to meet the charges for certain provincial services, and with the measures of taxation for local purposes which have been adopted during the last few years. I think that no clear account of what has been actually done in regard to these questions has been laid before the Committee of the House of Commons which has been lately sitting. I claim no special consideration for any opinions which I may offer, but having been a Member of the Government of India during the whole period of Lord Mayo's administration, I may fairly say that I have had access to sources of information as to the facts which were available to hardly any of the witnesses who have given evidence on these subjects before that Committee.

I shall conclude with some remarks on the future prospects of Indian finance. It is natural that more than usual anxiety should be felt on this subject at the present time. In addition to the ordinary difficulties experienced in the past of maintaining a proper equilibrium between income and expenditure, the complication of a severe famine has arisen, which will require a large immediate outlay; and, what is financially far more serious, there are indications that future large expenditure will become obligatory on the Government, in order to provide against the effects of calamitous droughts, the recurrence of which, at frequent intervals, experience shows to be certain.

Before speaking of the special matters which I have mentioned, I must state briefly what seem to me to have been the main causes of the financial difficulties of which we have heard so much. To appreciate these causes properly we must look back, and must picture to ourselves what India was, and how it was governed, some 30 or 40 years ago.

It is not too much to say that there was then, comparatively speaking, little in India of what we now think the first necessities of a civilised administration. When I went from Calcutta to my first station in the North-Western Provinces, I was carried about a thousand miles in a box on men's shoulders; there were no other means of travelling through the richest and most advanced and most important parts of India. Speaking broadly, roads and bridges had but begun to appear; there were no canals to save the people from destruction by famine, or those that existed were on a very small scale; there were few barracks in which English soldiers could live with tolerable health and comfort; there were few jails in which a sentence of imprisonment did not carry with it a serious

probability that it would prove a sentence of death. The country at that time was entering on a phase of rapid change. The energies of the Government and its officers, which had at first been unable to do more than secure the bare existence of British power in India, by degrees rendered it paramount. Then they were applied to its consolidation, and to the evolution of an organised system of administration, out of the chaos bequeathed to us by the old rulers of the country. The firm establishment of order was followed by improvements in all directions. At the period of which I speak a vigorous impulse had already been given to material progress. Among the most active causes of change must undoubtedly be ranked the establishment of new and rapid means of communication. These not only stimulated greatly the internal vitality of the administration, but brought England and India closer together, and English influence became stronger and stronger. This was felt in every branch of Indian administration. People set before themselves a new and higher standard, and men who were frequently brought into contact with European habits and civilisation were no longer satisfied with the old style of Indian life and Indian government.

Even before the mutinies of 1857 this process of change had made great progress. After that great revolution, which for a time almost swept away our Government through a large part of India, the change went on with enormously accelerated speed. Thousands of Englishmen, not only soldiers, but Englishmen of almost every class, poured into India. Ten thousand things were demanded which India had not got, but which it was felt must be provided. The country must be covered with railways and telegraphs, and roads and bridges. Canals must be made to preserve the people from starvation. Barracks must be built for a great European army, and every sort of sanitary arrangement which could benefit the troops must be carried out; for we did not choose to let our soldiers go on dying like sheep in the old fashion. In fact the whole paraphernalia of a great civilised administration, according to the modern notions of what that means, had to be provided.

This was not only true in regard to matters of Imperial concern. Demands for improvement, similar to those which fell upon the Central Government, cropped up in every city and in every district of the country. I wish, for example, that the Committee of the House of Commons could have seen what Calcutta was 12 or 15 years ago, and what it is now. This city, the capital of British India, affords an excellant type of what has been going on throughout the country, and furnishes a good illustration of the causes of the financial difficulties of India in modern times.

Twelve or 15 years ago, in Calcutta there was no drainage. The filth of the city rotted away in the midst of the population in horrible pestilential ditches, or was thrown into the river, there to float backwards and forwards with every change of tide. To nine-tenths of the inhabitants clean water was unknown. They drank either the filthy water of the river, polluted with every conceivable abomination, or the still filthier contents of the shallow tanks. The river, which was the main source of supply to thousands of people, was not only the receptacle for ordinary filth; it was the great graveyard of the city. I forget how many thousand corpses were thrown into it every year. I forget how many hundred corpses were thrown into it from the Government hospitals and jails alone, for these practices were by no means confined to the poor and ignorant; they were followed or allowed, as a matter of course, by the officers of the Government and of the municipality. I wish the Committee could have seen the sights which were to be seen in Calcutta in those days, in the hospitals, and jails, and markets, and slaughter-houses, and public streets. The place was declared by myself, in official reports which I sent to the Government, when Sanitary Commissioner in the year 1864, of which, the language, although strong, was not, and could not be, stronger than the truth required, to be hardly fit for civilised men to live in.

I do not mean to say that Indian cities generally were so bad as Calcutta. This was very far from being the case, but Calcutta affords, not the less, a good illustration of what has been and still is, to a great extent, going on in India. I might easily multiply illustrations of the same sort. Only about a year ago, for instance, the Chief Commissioner of British Burmah reported that in the great city of Rangoon, containing more than 100,000 people, with half a million tons of shipping, there was not a single public lamp, no supply of wholesome water,

water, not a single drain except the surface drains at the sides of the streets, and no proper means of removing the night-soil and filth out of the town.

When I say that, to a great extent, the requirements of civilised life and of modern administration have had to be provided for India, for the first time, within the space of a few years, I do not speak only of material objects, of roads, and railways, and canals, and barracks, and city improvements, and so forth. The demand for improved administration has been so strong that it is not too much to say that the whole of the public services have been reorganised. Thus, for example, the police, which was in a shameful condition throughout India, has been placed on a completely new footing. The changes in the judicial service, and in the laws which it administers, have hardly been less great. Lord Lawrence, when he was Viceroy, declared that the inadequacy of the pay given to the native judges, and other subordinate officers employed in posts of importance in the courts, was a public scandal. Among more than four thousand of these officers in the Bengal Presidency, the highest paid of all, and of these there were very few, received 180 *l.* a year. The great majority received from 12*l.* to 24*l.* a year, sums less than those earned in many parts of India by common bricklayers and carpenters. No even tolerably honest administration of justice was, under such conditions, possible.

Causes of this kind, demands for every sort of public improvement, moral and material, brought with them constantly increasing demands for the expenditure of money. It is easy to say that the demands ought to have been resisted, but resistance was practically almost impossible, and, if possible, it would often have been little less than criminal. For example, the Royal Commission appointed to inquire into the sanitary state of the army in India declared that thousands of the lives of our soldiers had been and were still being sacrificed in consequence of bad and insufficient barrack accommodation and neglect of essential sanitary precautions. I do not myself believe that the rate of avoidable mortality among the troops had been nearly so great as the Commission supposed, but there can be no sort of question that, after all, their main conclusions were perfectly correct, and that there had been a great and lamentable amount of preventible mortality and disease. Lord Lawrence and the Government of India, as well as the Government at home, felt that whatever might be the cost, and however great might be the aggravation of our financial difficulties, a remedy must be provided in the most complete way possible, and in the shortest possible time. The remedy was provided at, doubtless, an enormous expense, but the results are seen in the extraordinary improvement which has taken place in the health of the army.

So again, about the same time, the Government was told, and in many parts of India it was certainly true, that, in consequence, of the insufficiency of jail accommodation, the prisoners were dying at a rate which was frightful to think of, and that the necessary proceedings of our courts of justice thus involved consequences utterly repugnant to humanity. Some people may think that soldiers and prisoners ought to have been allowed a little longer to go on dying, and that more gradual remedies would have been better. They may think so, but I, for my part, honour Lord Lawrence and the Secretary of State for having thought and acted otherwise. So also, when Lord Lawrence saw a scandalous condition of things which, as he and everybody else was satisfied, made the honest administration of justice an impossibility, and when he resolved that such an iniquity should not continue a day longer than he could help, I, for my part, decline to blame him, although there may have been really no sufficient funds available to meet the increased expenditure that was involved.

The demands for improved administration, which were made in behalf of every branch of the public service, and which were so real and so urgent that they were often practically irresistible, have been, I am satisfied, at the root of all our financial difficulties. It is easy to blame the Government for having attempted too much, and I quite admit that it might have been better, in regard to many of the reforms which have been carried out, if a longer time had been devoted to them, and the work of improvement had been more gradual. But the fault has been one on the right side. I believe that a greater or more admirable work was never undertaken in any country than that which has been

undertaken, and, in a great degree, accomplished by Englishmen in India during the last fifteen years, and which is still going on.

That mistakes should have been made in dealing, with most inadequate means, with a country as large and as populous as civilised Europe, was inevitable, and I have no doubt that a good deal of money has been needlessly or wastefully expended. If the object be to pick holes in the proceedings of the Government, it is as easy to do it as it would be in the actions of most people. Nevertheless, the work that has been done has been, on the whole, excellently done, and with this further merit, that there has been little talk about it. And when I say this, I by no means intend to praise the Government in particular. We have been fortunate in our Viceroys, but still more fortunate in the possession of the most admirable and hardworking body of public servants that I ever heard of.

Besides the demands for every kind of public improvement, such as those to which I have been referring, there have obviously been, during the last fifteen years, other serious causes of increased expenditure. The mutinies of 1857, for example, led to a great increase in the strength of the European army, and to a great and permanent addition to our military expenditure. The same causes led to a large and unavoidable increase in the public debt. Again, the expenditure of the Government was very greatly increased by measures which, it is very easy to see now, were mistaken, but which were adopted deliberately by men most competent to judge, and which were generally approved at the time. There is, for instance, in my opinion, no doubt that we have spent upon our railways in India at least twice as much as we need have spent. They have been constructed on a most uselessly expensive scale, and have been, and still are maintained, under an extravagant and mischievous system—that of the Guaranteed Companies. Nevertheless, it may fairly be said that this was, in the first instance, a mistake for which no one deserves blame. It was forced upon the Government by the irresistible pressure of the English superstition (not the less a superstition because it has a solid basis of truth) in regard to the value of so-called private enterprise; and when the Government had to choose between railways on an imperfect and expensive system, and no railways at all, it was perfectly right to choose the former.

Another cause, which has had a most unfortunate effect upon Indian finances, had a somewhat similar origin. I refer to the opinion, which at one time was so strong, that it was a wise policy to borrow money for every sort of permanent or quasi-permanent improvement that India required, and which could not be at once provided out of her annual income. Even in its present modified form, when we profess to borrow only for reproductive and remunerative works, such as railways and canals, which will repay hereafter not only the interest but the capital expended upon them, this policy of incurring debt is one which requires to be applied with the extremest caution. But, not many years ago, it was held that it was right to borrow immense sums of money not only for directly reproductive works, but for such works as barracks and jails and Bombay municipal improvements. Not only was the public debt largely increased, but a general extravagance of feeling was fostered. I am sure, for example, that there would have been a much stronger check upon the great expenditure on barracks and other military works, if there had not been a common feeling, never, however, shared by Lord Mayo, that they ought to be paid for with borrowed money and not out of the taxation of the year.

Another powerful and obvious cause of financial difficulty has been the great rise in prices, which has gone on far more rapidly than the increase of the revenues, and has added to the expenditure of the Government in almost every department of the public service.

The effect of all these combined causes of increased expenditure was, unfortunately, aggravated by other circumstances. In the time of the East India Company, before the mutinies of 1857, there was no Financial Department that deserved the name. The officers of the Civil Service who, by Act of Parliament, were alone eligible to all the more important public offices, had seldom received any training, or possessed any knowledge which enabled them to deal with matters of finance and of account. The organisation of an efficient Financial Department was thus a matter of great difficulty, and it was a difficulty which even the best Indian officers were hardly likely to appreciate. Their

Their imperfect knowledge of financial matters allowed them and the Government to drift on from year to year without recognising the real gravity of the position to which we were coming.

While I believe that the main causes of the financial difficulties of India have been causes most honourable to the Government and its officers, causes arising from the desire and determination to improve the administration, and to increase the prosperity of the people, I think it is impossible to deny the fact that the finances have been managed in a very imperfect manner. I believe that Lord Mayo was thoroughly justified in the conclusion at which he arrived very soon after his arrival in India as Governor General, that our financial position was unsatisfactory, that, if we continued much longer in the old course, our difficulties would become most serious and dangerous, and that stringent measures were at once necessary to place the finances in a safe condition.

Although there is no danger that the financial work which Lord Mayo did in India will be forgotten, or its value misunderstood, I wish to describe briefly the general state of affairs when Lord Mayo took these things in hand. I shall then be the better able to speak of the remedies which he applied, and of those measures to which, as I stated in the beginning of this paper, I desire now particularly to refer.

"In only two years since the commencement of the present budget system," the Government of India wrote to the Secretary of State on the 20th September 1869, "had there been anything more than a nominal surplus of income over "expenditure." The accumulated deficits, from 1860 to 1868-69, exceeded 10½ millions sterling. The chronic condition of our finances was one of deficit, things seemed to be going from bad to worse. In the three years ending with 1868-69 the total deficit was 6¼ millions. During this same period the public debt was increased by 6¼ millions, and the cash balances were reduced by 3½ millions. Lord Mayo satisfied himself, during the autumn of 1869, and the accuracy of the conclusion was proved by the result, that, if immediate precautions were not taken, the year would certainly close, as previous years had closed, with a deficit of at least 1¾ millions. He took such precautions. Of his measures of taxation I shall not speak in detail. They consisted in a temporary increase to the income tax, and in a small increase to the salt duties in Madras and Bombay. Their permanent financial effect was not very great; the effect of his other measures was far more important.

Lord Mayo made, in the first place, a great reduction of expenditure, and, as the event has proved, a reduction which may fairly be called permanent. I call it permanent, because it was not a mere temporary reduction to meet a temporary difficulty, but the commencement of a process of reduction which, during the last four years, has been constantly going on. The total expenditure in 1868-69 charged against the revenues of the year was 52 millions. It fell in the following year, the first of Lord Mayo's administration, to 50¾ millions, and in 1871-72 it was about 47 millions, rising again to 48½ millions in 1872-73. It is not always easy to compare particular heads either of income or expenditure at different periods, for it often happens that there have been changes of system or of taxation which make such comparisons misleading, but of the main fact there can be no doubt that, since Lord Mayo undertook his financial reforms, there has been a total reduction in expenditure of between three and four millions a year. The largest savings have been in the Public Works Department, the charges for which have fallen from more than 6½ millions to less than four millions. But there has been more or less reduction of expenditure, or, at worst, cessation of increase, under almost every head. Not the least satisfactory reduction is that in the military charges, which, although still far beyond what Lord Mayo confidently believed and repeatedly declared, in accordance with the highest military authorities, to be necessary, are now three quarters of a million less than they were four years ago.

I believe, however, that the most important of all Lord Mayo's financial reforms, and that which will have the greatest results hereafter in preventing the increase both of expenditure and of new taxation, was that by which he made over to the Local Governments the responsibility for the management of certain branches of provincial expenditure, and assigned to them for this purpose certain sources of income. In a Minute on Lord Mayo's administration, written by myself in April 1872, which has not hitherto been published in England, I gave the following

lowing account of the main objects with which this change of policy was carried out:—

"Under the system which Lord Mayo found in force when he became Viceroy, "the Local Governments, which practically carry on the whole administration of "the country, had almost no powers of financial control over the affairs of their "respective provinces, and no financial responsibility. Everything was rigor- "ously centralized in the Supreme Government, which took upon itself in "detail the provision of funds for every branch of the public service throughout "India. The business of supervising in a central office all the details of the "receipts and expenditure of the empire had become so enormous that its "proper performance was impossible. 'I do not think,' wrote Sir Henry Maine "in 1867, 'that anybody can have observed the recent workings of our system "'of financial control without coming to the conclusion that, if it be not on the "'point of an inevitable collapse, it is at all events in great danger of going to "'pieces unless the strain be lightened somewhere. The rules imposed on the "'Local Governments depend for their force, like all laws, on the efficacy of "'the penalty which they threaten in the event of disobedience. The penalty is, "'in the present case, a reproof from the Government of India. But if any "'Local Government has become, which any Local Government might become "'at any day, entirely callous to the rebukes of the Government of India, "'through discovering, which any Local Government may at any time discover, "'that these rebukes lead to no ulterior consequences, what impediment re- "'mains to the employment of one or more among the hundred expedients by "'which the Central Government may be morally compelled to condone in- "'fractions of its rules, and to allow the share of its revenues which it has "'allotted to a particular province to be exceeded?'

"For many years before Lord Mayo became Viceroy, the ordinary financial "condition of India had been one of chronic deficit, and one of the main causes "of this state of affairs was the impossibility of resisting the constantly in- "creasing demands of the Local Governments for the means of providing every "kind of improvement in the administration of their respective provinces. "Their demands were practically unlimited, because there was almost no limit to "their legitimate wants. The Local Governments had no means of knowing "the measure by which their annual demands upon the Government of India "ought to be regulated. They had a purse to draw upon of unlimited, because "unknown, depth. They saw on every side the necessity for improvements, "and their constant and justifiable desire was to obtain for their own provinces "and people as large a share as they could persuade the Government of India "to give them out of the general revenues of the empire. They found by ex- "perience that the less economy they practised, and the more importunate their "demands, the more likely they were to persuade the Government of India of "the urgency of their requirements. In presenting those requirements they "felt that they did what was right, and they left to the Government of "India, which had taken the task upon itself, the responsibility of refusing to "provide the necessary means.

"The Government of India had totally failed to check the constant demands "for increased expenditure. There was only one remedy; to prevent the "demands being made; and this could only be done by imposing on the Local "Governments a real and effectual responsibility for maintaining equilibrium in "their local finances. There could be no standard of economy until apparent "requirements were made absolutely dependent upon known available means. "It was impossible for either the Supreme or Local Governments to say what "portion of the provincial revenues was properly applicable to local wants. "The revenues of the whole of India went into a common fund, and to deter- "mine how much of this fund ought fairly to be given to one province, and how "much to another, was impracticable. 'The distribution of the public income,' "Major General R. Strachey wrote, 'degenerates into something like a scramble, "'in which the most violent has the advantage, with very little attention to "'reason. As local economy leads to no local advantage, the stimulus to "'avoid waste is reduced to a minimum. So, as no local growth of the "'income leads to an increase of the local means of improvement, the interest "'in developing the public revenues is also brought down to the lowest "'level."

"The

" The unsatisfactory condition of the financial relations between the Supreme " and the Local Governments led to still more serious evils. Constant diffe- " rences of opinion about petty details of expenditure, and constant interference " of the Government of India in matters of trivial importance, brought with " them, as a necessary consequence, frequent conflicts with the Local Govern- " ments regarding questions of provincial administration of which they were " the best judges, and of which the Government of India could know little. The " relations between the Supreme and Local Governments were altogether inhar- " monious, and every attempt to make financial control more stringent increased " an antagonism the mischief of which was felt throughout the public service.

" To Lord Mayo belongs the honour of applying the only effectual remedy " for these serious evils. He resolved to give to the Local Governments the " economical standard which they required; to make over to them a certain " income by which they must regulate their local expenditure, and to leave to " them, subject to certain general rules and conditions, the responsibility of " managing their own local affairs.

" From the commencement of the official year 1871–72 the financial control " of the following services was transferred to the Local Governments:—Jails, " Police, Education, Registration, Medical Services, Printing, Roads, and Civil " Buildings. The views of Lord Mayo were stated by himself in the Legislative " Council on the 18th March 1871, as follows:—

" ' Under these eight heads, it is proposed to entrust the administration under " ' a few general conditions to the Provincial Governments, and a fixed contri- " ' bution will be made from Imperial revenue every year. * * It is impossi- " ' ble to prophesy or say at present what can be done in the far future; but I " ' should be misleading the Local Governments if I were not to say that it is " ' our opinion that these sums are now fixed at an amount which cannot be " ' exceeded for at least a number of years. I think it desirable that this " ' should be perfectly understood, because one of our objects is the attainment " ' of as great an amount of financial certainty as is possible. We believe that, " ' in justice to other public claims which are certain hereafter to be made on " ' Imperial revenue, in view of increased charges for the payment of interest " ' and other objects, we cannot without recourse to large additional Imperial " ' taxation increase this sum, as now fixed, to any very considerable amount. " ' We know that, if it is necessary, the sums which have been hitherto " ' allotted for this purpose can be increased by local taxation in a manner " ' much less burdensome and much less offensive to the people than they " ' could be by Imperial taxation. If it is necessary or desirable to spend more " ' money, that money must come from some other source. It is possible that " ' the wants of the Local Governments may increase, and I daresay they will; " ' but if they do, we believe, after the most mature consideration, that these " ' wants can better be supplied within the limits of the provinces themselves, " ' than they can be by adding to the Imperial taxation and to the general " ' burdens of the people. But, in addition to the increased power of adminis- " ' tration which it is proposed to give to the Local Governments, an adminis- " ' trative change will take place which I think they will be able to exercise " ' with advantage. They will have a large sum to devote to local objects; the " ' power of allotment will be left absolutely to them, and they will be able to " ' vary their grants from roads, civil buildings, education, and other heads, " ' from year to year, as they may think most desirable. In some provinces it " ' may be desirable in one year to spend a larger sum on roads, in others it " ' may be desirable to fill up some shortcomings with regard to education or " ' other objects. The Local Governments will thus be able to exercise that " ' power of allotment with much greater satisfaction to themselves and to the " ' public than they did under the old system, when they were obliged to con- " ' sult the Supreme Government, not only as to the allotments that were made " ' in the beginning of the year, but also with regard to any appropriations " ' that were thought desirable within the year, provided that those appropria- " ' tions exceeded a certain amount. * * I have heard it stated that, by the " ' proposals which we make, there may arise a separation of interests between " ' the Supreme and Local Governments. I fail to perceive any strength " ' whatever in this assertion. I believe that, so far from there being a " ' separation of interests, the increased feeling of responsibility and the feeling " ' of

"'of confidence which is reposed in them will unite and bind together the "'Supreme and Local Governments to a greater extent than before. * * "'I believe that we shall see, in place of greater uncertainty, greater certainty; "'we shall see works and objects carried on with more vigour, enthusiasm, "'and with less hesitation, when these works and these objects are effected "'under the immediate responsibility of those who are most interested in them.'

"These were not the only results which Lord Mayo anticipated from the "adoption of this scheme. He believed that it would have a most important "effect in stimulating and developing local and municipal institutions. 'Local "'interest,' he wrote himself in the Resolution of the 14th December 1870, "'supervision, and care are necessary to success in the management of funds "'devoted to education, sanitation, medical charity, and local public works. "'The operation of this Resolution, in its full meaning and integrity, will "'afford opportunities for the development of self-government, for strengthening "'municipal institutions, and for the association of Natives and Europeans to "'a greater extent than heretofore in the administration of affairs. The "'Governor General in Council is aware of the difficulties attending the practical "'adoption of these principles; but they are not insurmountable. Disappoint-"'ments and partial failures may occur; but the object in view being the "'instruction of many people and races in a good system of administration, "'his Excellency in Council is fully convinced that the Local Government and "'all their subordinates will enlist the active assistance, or at all events the "'sympathy, of many classes which have hitherto taken little or no part in the "'work of social and material advancement.'

"The gross sum made over to the Provincial Governments for these services, "and some few others transferred since the scheme was first introduced, amounts, "including receipts given up, to about 5,600,000 *l.*, being nominally 331,000 *l.* "less than the grants that would have been assigned for these services upon "the old system. I say nominally, for it is believed that the sum of *331,000l.* "did not greatly, if at all, exceed the saving effected upon these grants in "ordinary years. The Local Governments generally accepted the arrange-"ments with alacrity, valuing the large increase of power accorded to them "more highly than the small sum curtailed from their grants, and experience, "while it has proved that they were right, has entirely confirmed the Govern-"ment of India in the belief that the measure was wholly beneficial. From "the day on which the Provincial Services scheme was introduced until the "present moment, scarcely a single expression of dissatisfaction affecting the "principle of the scheme has reached the Government of India, while most of "the Local Governments have warmly commended the working of the new "system. The relief to the Government of India from ever-recurring financial "demands, leading to embittering controversies, has been immense, and the "Local Governments have, almost without exception, carried on the services "of the first year of their financial emancipation to their entire satisfaction, "while they have saved large resources for future years. This really great "result has been attained without the least sacrifice of Imperial financial power "and control, which has, on the contrary, gained in efficiency and completeness. "I do not claim for Lord Mayo the merit of devising the scheme. In one "shape or another it had been presented to the Government of India, discussed, "and re-discussed, advocated, and rejected, for some years before Lord Mayo "assumed the Government. But in such matters the merit of accomplishing "the fact is greater than the merit of its invention. I do not hesitate to say "that, but for Lord Mayo's sagacity in discerning the absolute necessity of this "change in our financial system, but for his tact and decision in obviating "doubts and difficulties, and carrying the measure through, it would have been "to this hour unaccomplished. The system will, doubtless, be further im-"proved and developed, but the honour of practically inaugurating it belongs "to Lord Mayo, and it will remain one of the most important monuments of "his administration."

We have now had nearly three years' practical experience of the new system, and are in a position to judge what the actual results have been. It is idle to discuss the subject any longer on purely speculative grounds. The facts are easily available, and nearly all the highest authorities in India have given their opinions in regard to the results which have been obtained.

The

The first questions are, I think, these: What has been the effect of the new system on the relations between the Supreme and Local Governments? Have those relations been really more harmonious and satisfactory? How have the powers of control by the Supreme Government been affected? Has the change really led to economy, and to increased efficiency in the management of the branches of the public service transferred to the Local Governments?

The second, and still more important questions, are: What has been the effect of this change of system on the people of India? Has the result been, as some have asserted, a great increase to the burdens of the people, a sort of juggle, by which we have thrown upon the people, under the name of provincial or local taxation, fresh demands to meet charges which were formerly met out of the Imperial revenue?

The first class of questions, regarding the effect of the new system on the relations between the Imperial and Local Governments, and in regard to economy and efficiency in the administration, is, I think, easy to answer. I confidently assert that, in India at least, no difference of opinion remains on the subject. Objections have been made to certain details of the new arrangements, and imperfections have been pointed out. For my own part, I have no doubt that many of these objections are well founded, and that there are various changes and improvements which it will be essential, sooner or later, to make. But in regard to the general success of the new system, so far as it has gone, there neither has been, nor is, any difference of opinion. I will give a few quotations from the recorded opinions of high authorities to which I happen at the present time to have access.

Sir George Campbell, the Lieutenant Governor of Bengal, writes as follows:—

"It will be well," he says, "first, briefly to review the situation to which we "succeeded. While the Local Governments had very great powers in many "respects, and as regards some of the principal sources of income, especially "the land revenue, exercised practically almost complete discretion, the power "of the purse in respect of expenditure was completely centralised in the Govern- "ment of India, by whom grants to the various Local Governments were made "on detailed estimates of the needs of each department. It was impossible that "the central power could efficiently scrutinise these demands over so vast an "empire, and the result was sometimes that the Local Governments asked as "much as possible, and the Central Government gave as little as possible; and "so grants were adjusted by a series of compromises, under which, however, "the general result seems to have, to some extent, been that those who asked "most, and asked it most boldly and pertinaciously, got most. On this system "many of the civil departments were constantly progressing in their expenditure, "when the Government of the late Earl of Mayo determined to apply a remedy "which had been long talked of but never carried into practical effect, viz., "the assignment of certain funds and resources to the Local Governments for "certain purposes to be by them made the most of. The arrangement adopted "was as follows: No sources of revenue were made over other than the *per* "*contra* receipts of the executive departments transferred. But the previous "net assignments to certain departments, viz., police, jails, education, registra- "tion, medical, printing, and civil public works, were taken; a proportion "(about 7 per cent.) was deducted as a relief to the Imperial finances, and as "representing a share of the burden 'to be charged upon local resources;' the "remainder was made over as a fixed annual income. It was intended that any "deficiency thus caused, and any additional expenditure resulting from progress "and improvement, should be met either by economy or local taxation. It is "fair, however, to mention here, though the view was not taken in the original "resolution, that there had in fact usually been certain savings and unspent "balances in some departments at the end of the year, and that these might "fairly be set off against the deduction from the usual assignments. At the "same time it must, on the other hand, be remembered that the assignments "on which the fixed allowances were calculated were those which had been "made after the financial crisis of 1869, when all expenditure had been cut "down to the lowest point, and were very far short of those which had been "made before the financial crisis. In Bengal, for instance, there had been an "enormous reduction in the sums allowed for civil public works, and a very "large reduction in the assignments for the police."

After explaining his determination, notwithstanding the special difficulties in which he was placed, to propose no fresh taxation to meet provincial expenditure, but "to try the effect of constant economy and thrift, and see if he could "manage to pull through with the resources which we had," Sir George Campbell goes on to say that "this course, determined on with anxiety and hesi- "tation, has succeeded beyond the Lieutenant Governor's most sanguine hopes. "No extensive reductions of establishment have been made in any department, "for in the only department in which some branches have been reduced, addi- "tions have been made to other branches; really reasonable demands have "not, it is hoped, been rejected; real necessities have been provided for; but "a constant watchfulness has been maintained over little things; nothing has "been spent, so far as the Government could help, without necessity, merely "because it was the custom to spend it; excrescences have been retrenched "whenever they came to light. The previous scale of efficiency in regard to "public works has been maintained, but there has been no indulgence in the "æsthetics of brick and mortar except so far as the completion of the already "far advanced High Court rendered this necessary. The result has been that "in most of the civil departments there has been a considerable saving. * * "Before leaving this subject the Lieutenant Governor would ask to be allowed "to submit his humble testimony to the wisdom and the practical efficiency of "the system of provincial finance inaugurated by the Government of the late "Earl of Mayo. It seems to him that for a beginning it went far enough, and "not too far; that it has most successfully supplied a motive to economy and "method which has taken full effect; that it has immensely diminished the "friction between the Supreme and subordinate Governments to which the "finance of the civil departments gave rise; and that it has enabled the Local "Governments to mould and shape the departmental establishments and "expenses with a view to their efficiency and their adaptation to local require- "ments in a way which was impossible under the old system. The experiment "has been, the Lieutenant Governor ventures to say, a complete and unalloyed "success."

In another Despatch, addressed to the Government of India on the 14th December 1872, the Lieutenant Governor of Bengal wrote as follows:—

"The Lieutenant Governor considers it to have been extremely fortunate that "the Government of India, in December 1870, did not attempt to formulate "very closely the rules within which the Local Governments might administer "the provincial departments and the provincial assignment. It is partly owing "to this absence of narrow restrictions, and partly to the consideration shown "by the Supreme Government in all provincial finance matters, that the scheme "of December 1870 has, in Bengal at any rate, proved a very great success. "There has, of course, been much less friction in the administration of the "provincial Governments than before; the Local Government has had very "much less occasion to trouble the Supreme Government with long references "and reports, while the Supreme Government has been much less often put to "the pain of having to negative measures wise and desirable in themselves "merely on the ground of expense. The hands of the Local Government have "been much strengthened; it has been enabled to localise much more than "heretofore the administration of the spending Departments of Public Works "and Education. The Lieutenant Governor fully believes that this localisation "of responsibility and power has been, and will be, productive of much economy "and efficiency. He can say for his part that he now looks more narrowly into "the necessity and usefulness of any proposed measure or expenditure than "might have been the case otherwise. When he has sanctioned expenditure "he has been more particular than ever to see that no money was wasted, and "that not a rupee was spent that could be saved. One chief means of effecting "this last object has been by delegating more power and responsibility in these "matters to local officers and to local bodies. He feels satisfied that small "funds which have to be spent in driblets all over the country will be better "and more economically spent if the responsibility rests with trustworthy local "officers or local bodies. Almost every useful measure or reform must, at "some time or other, become a money question in some shape or form; and "when the Local Government has to obtain the sanction of the Supreme "Government

"Government to every increase or redistribution of charge, it is more or less "debarred from any measures which involve expenditure. It may perhaps be "as well to trace very briefly the way in which the decentralisation system has "affected the measures of the Local Government under each head of service.

"Taking the order in which the services appear, we find that under—

"*Jails.*—The Lieutenant Governor has been able to push forward new jail "buildings, to set in train a plan for completing jail accommodation to an extent "that was not possible in former years. In so doing he has only carried out "the policy which the Supreme Government long ago enjoyed, but which "financial exigencies had heretofore checked. He has also been able to forego "a certain amount of manufacturing profit, so as to ensure the really sharp, "though often unremunerative, punishment of short-termed prisoners. He "has incurred some outlay, and is about to incur much more, in separating "prisoners of different classes from each other. All these measures cost money, "and could hardly have been so rapidly sanctioned and carried out under the "former system. Yet, notwithstanding all these measures, the jail expenditure "is kept considerably below the Budget Estimate of the year 1870-71, or the "last year before the decentralization.

"The *Registration* Department received, under the orders of December 1870, "about 60,000 rupees below its receipts. But notwithstanding this, the Lieutenant "Governor has been able to extend the convenience of registration offices to "fresh tracts of country.

"Under the head of *Police* no considerable saving has been possible, because "it turns out that when, under the pressure of the Government of India, a large "reduction was shortly before effected, a good many items were left unprovided "for, to be met from 'general savings.' The chief police measures of the year "have been unconnected with questions of expenditure. The Lieutenant "Governor's concern for the provincial finances has, however, led him to abstain "from filling a certain number of police assistant superintendentships, the "abolition of which may perhaps be possible. In the higher departments of "general *Education* considerable savings have been effected, which will enable "the Lieutenant Governor to provide for the teaching of science and art, and "perhaps to save something for general education.

In the *Department of Public Works* economy has been practised so success- "fully as to lead to a large saving.

"It was perhaps feared at one time that Local Governments would exercise "their powers of raising and spending money too freely, and that the check "upon expenditure would be less strict than when every proposal involving "money was jealously watched by the Financial Department of the Govern- "ment of India. So far as Bengal is concerned, the experience of the last "18 months warrants the belief that the Local Government will check pro- "vincial expenditure and examine all applications for provincial funds quite as "closely as, and perhaps more successfully than, the Supreme Government "could do. In Bengal, at any rate, the power of raising further provincial "funds by fresh taxation has not been abused, and has not been at all exer- "cised. No proposal of the kind has even been brought forward."

Sir William Muir, Lieutenant Governor of the North Western Provinces, has given not less emphatic testimony to the success of the new system. "It has," he wrote in a Despatch dated the 11th May 1872, "on the whole fulfilled the "expectations which his Honor conceived, and with which he hailed the intro- "duction of the measure. It has strengthened the hands of this Government, "and enabled it to carry out many minor measures of departmental re- "form. It has given it a direct and vivid interest in the attempt to combine "economy with efficiency. The greater facility of moulding establishments and "other expenses to the varying circumstances of the day, by giving in one "direction and taking in another, has certainly tended to promote the power "of administration, and diminish the expense of working it. And it has in "some cases conduced to a saving by the power it conveyed to carry out reforms "at once, without the generally long protracted delays entailed by a reference "to the Supreme Government. During the year 1871-72, almost every one "of the transferred departments has been thoroughly and minutely overhauled

"and examined. The Jail Establishment, the Registration Department, and "some branches of the Educational Department, have been entirely revised "and reorganised upon a more effective and vigorous plan of action. In the "Vaccination, Dispensaries, and Printing Departments considerable reforms "have been carried out. Lastly, the Public Works Department has been "entirely recast, and a new system organised, which is in accordance with "the altered administrative arrangements of the day. There remains, indeed, "much still to be done, doubtful questions to be decided, and reforms to be "carried out, but his Honor cannot regard without real satisfaction the "measure of progress which has been made during the past year."

It would be easy to multiply these quotations to any extent that I desired, but it would really be waste of time to do so, and I could quote no judgments that would carry greater weight than those of Sir William Muir and Sir George Campbell. I repeat that in regard to the practical success of these measures in promoting economy and efficiency, there has been no difference of opinion in India. The Viceroy, the Members of the Government of India, the Governors and Lieutenant Governors, and Chief Commissioners, and, to the best of my belief, all other authorities, not only official but non-official, who have had opportunities of forming an opinion, have virtually been unanimous on the subject. The published proceedings of the Government of India show that Lord Northbrook has, in regard to this matter, adopted the policy of Lord Mayo, and has recognised its wisdom.

As I before observed, however, there are questions relating to the new financial system still more important than those of which I have just been speaking. How has it affected the people of India, and the burden of taxation imposed upon them? If the result has been, as some have asserted, to make a great addition, which might otherwise have been avoided, to those burdens under a new name, I say without hesitation that the result has been mischievous, for I entirely disbelieve that calling a tax provincial or local instead of Imperial makes it one atom less unpopular or less objectionable.

Although the main thing to be looked to is of course actual results, and not previous intention, it is not unimportant to observe that one of the objects with which this system of provincial assignments was originally proposed and adopted was to prevent the necessity of new taxation. I have a right to speak with some authority on the point, because I was a member of the Government when this policy was discussed and adopted, and I think that I may say without impropriety that I was as well acquainted as any man could be with the views of Lord Mayo upon the subject.

In the course of the discussion which led to the measures of 1870, I wrote as follows:—"The very important question remains of the extent to which "the power of imposing new local taxes will follow the transfer of financial "responsibility for local objects to the Local Governments. The proposals that "have now been made adopt the principle of transferring to those Governments an equivalent of revenue and charge together, with the express "object, among other things, of preventing any present necessity for new "local taxes. The last and most difficult step in financial administration is "the proper adjustment of new taxation. The first thing to accomplish is the "introduction of local economical management of existing local resources. "When this has been done, and a habit of financial administration has been "in some degree acquired, the time will come, and not till then, for considering what powers of taxation for local purposes may properly be given to the "Local Governments. It seems in no way necessary or advisable to complicate the present discussion with the consideration of how new local taxes "may safely be imposed, or how far the imposition of any such new taxes is "likely to be required. And this appears to Mr. Strachey to be one of the "most important advantages which the present proposals possess over all "former schemes for transferring to the Local Governments the responsibility "of meeting certain portions of the public charges. Hitherto it has always "been assumed that this responsibility was to be met by the imposition of new "local taxes. Mr. Strachey has always believed that such propositions are "unwise and dangerous. He is satisfied that there is no power which the "Government of India ought so jealously to watch, and so carefully to limit, "as the power of taxation. There is a very common but altogether vague "notion, that Local Governments have the means of discovering sources of

"local

"local taxation suitable to the circumstances of particular provinces, and that "the taxes thus levied for local purposes will be less distasteful to the people "than those taxes which are levied for Imperial purposes. Mr. Strachey is "satisfied that these notions have been derived from European and not from "Indian observation, and that they have little or no foundation in fact. * * "It is a complete delusion to suppose that local taxes, which really fall upon "those for whose advantage they are imposed, are, in this country, paid more "willingly than those taxes which are levied for Imperial purposes. The truth "rather is, that no taxes are, in India, so unwillingly paid as those which are "avowedly levied for the advantage of the taxpayers. People recognise, to a "certain extent, the obligation of contributing to meet Imperial necessities, "the reality of which is not denied, although their nature and extent may be "unknown. To be called upon to contribute for purposes of local improvement "in which, with rare exceptions, no one takes the smallest interest, is felt to "be a more serious hardship."

No man was more alive than Lord Mayo to the danger of imposing fresh taxation. He declared, in words which have been repeatedly quoted, that the increase of taxation which had been going on had caused "a feeling of dis-"content and dissatisfaction among every class," and that the "continuance of "that feeling is a political danger, the magnitude of which can hardly be over-"estimated." Holding these views, it is incredible that Lord Mayo should have adopted a policy which he believed would lead to an increase of taxation. The truth is, that he was satisfied that there could be no proper economy, no efficient check upon a constantly increasing expenditure, and therefore no check upon constant demands for fresh taxation, until the Local Governments, in whose hands the administration of nearly the whole of the practical business of the country rests, were made responsible for regulating their expenditure in accordance with their actual income; and until the Supreme Government was relieved from the moral obligation of providing the funds for almost every important work of improvement that was required. The justice of Lord Mayo's convictions on this subject has been, in my opinion, completely proved by the experience of the last three years. So far from it being true that the result of his measures was to increase the burden of taxation, it is certain that the first and immediate result was to reduce that burden, and that the same process of reduction has been going on since. The causes which have led some persons to a different opinion can I think easily be explained.

The inauguration of the new system happened at an unfortunate time. I have already noticed the main facts regarding the financial position of the Government, and have shown, not only that it was unsatisfactory, but that it threatened to become extremely dangerous. Matters had drifted into such a state that, after all practicable reductions of expenditure, it was only by means of an income tax, levied at an exceptionally high rate, that it seemed possible, under the existing system, to avoid another serious deficit. Lord Mayo hated the income tax; he believed it to be altogether unsuitable to India, and he had a strong desire to get rid of it. This desire, however, did not incline him to commit the folly of abolishing, or even of reducing, the income tax, when he believed that such a course would lead to serious financial difficulty.

The grants to the Local Governments throughout India had already been brought down to such a point that it was declared by almost all of them to be *hardly* possible to carry on the public service with proper efficiency. Towards the close of 1870, however, Lord Mayo was satisfied that, unless those grants were still further diminished, a course which appeared impracticable, his determination to reduce the rate of the income tax to one per cent. could not be carried out. He had to choose between two evils—between, on the one hand, the maintenance of taxation which he believed to be more objectionable than any other that could be named, and, on the other hand, the imposition of new taxation which would, to a certain extent, provide a substitute for income tax surrendered. Of those two evils the former appeared to be the greater, but I know how much Lord Mayo regretted that measures, which he believed to be necessary, could not be effected without the imposition of some fresh burdens to meet local charges in the place of the Imperial taxation which he was at the same time remitting.

The principle that fresh local requirements, such as district roads and bridges, and schools and hospitals, and other works of local utility, must be provided, if at all,

all, from local resources, and that it was altogether impossible to go on providing for such things out of the Imperial revenues, at the cost of the general taxpayer, was one that was obviously true, and one which hardly any reasonable person denied; but it was unfortunate that it became necessary to proclaim an act upon this principle to a greater extent than had been done before, at this particular time. The result undoubtedly, and not unnaturally, was to give apparent colour to the notion that the Government had really little desire to reduce taxation, and that the effect of its measures would rather be to impose, under another name, fresh burdens on the people.

It is easy to show what has been the amount of fresh taxation for provincial and local purposes imposed in consequence of the new system of provincial assignments. A great deal of the evidence given before the Committee on this subject has been altogether inaccurate and misleading, in consequence of its authors failing to distinguish between local taxation imposed in consequence of the new arrangements, and local taxation of an entirely independent sort imposed without any reference to those arrangements, and, for the most part, before they were even thought of. It might easily be supposed, from the manner in which such persons have spoken, that the greater part of the increase which of late years has taken place in local taxation in India, and to which I shall again refer, has been due to the so-called decentralization measures of 1870. To prove how unfounded such notions are, I shall take each province separately, and shall show for each what taxation has really been imposed.

In Bengal, in Madras, and in British Burmah, the new system did not lead to any fresh taxation of any kind. It is true that, in Bengal and in Madras, laws imposing cesses for certain local purposes have been passed by the local legislatures since 1870, but they had no connection with the financial changes of that year. The Bengal Road Cess, which, however, has even now hardly anywhere come into actual operation, was the result of a discussion extending over several years, in which the Governments of India and of Bengal and the Secretary of State took part. It was proposed by Lord Lawrence, who disapproved the system of provincial assignments, and with that system it had nothing whatever to do. There has been no other fresh taxation in Bengal, and the only result of the measures of 1870, so far as taxation was concerned, was that the province was relieved from the demand for income tax to the extent of 379,000 *l.*

In Madras, the case was somewhat similar. Bills for the imposition of rates for local purposes upon immoveable property were introduced by the Government of Madras into the local legislature without any reference to the new system, and before there was any idea that it would be carried out. Although it was not until 1871 that these Bills became law, the proceedings of the Government of India did not affect them, and, in regard to taxation in the Madras Presidency, the only result of those proceedings was the remission of 142,000 *l.* income tax. I do not, of course, mean to say that, in these or other cases, the reduction of Imperial taxation was caused entirely by the introduction of the system of provincial assignments. But, when it is asserted that the immediate result of the measures of 1870 was to increase the total burden of taxation, Imperial and local, it is necessary to compare the amount levied under both heads before and after those measures were adopted. It is also, of course, true that, although in cases in which fresh local taxation was imposed, the amount may have been less than the amount of Imperial taxation remitted, the interests burdened were different from those which were relieved. This last point leads to questions to which I shall refer further on.

In regard to the local rates imposed in the North-West Provinces, there has been much misapprehension. For many years past, the total amount of the cesses imposed upon the land, at the time of the revision of settlement, has been 10 per cent. on the land revenue. These cesses were originally imposed by executive order only. Doubts arose whether they rested on a sound basis of law, and whether the cesses could legally be collected in temporarily settled districts in which the term of the old settlement had expired. The Local Rates Bill, which became law as Act XVII. of 1871, was prepared under the orders of Sir William Muir, and was introduced and carried through the Legislative Council by Mr. Inglis. It removed the doubts to which I have referred, as it sanctioned the levy of cesses for certain purposes at the rate of 10 per cent. on the land revenue in the temporarily settled districts, which comprise nearly the whole of the

the North-Western Provinces, but it did not impose any new rates in those districts, nor did it increase their amount. In the permanently settled districts of the Benares Division, the case was different. Here it was thought right to impose new rates upon the land for local purposes, for reasons similar to those which led to the determination to impose them in Bengal. Although there cannot, in my opinion, be the least doubt that these rates would have been imposed under any circumstances, not only because such a course was obviously right, but because almost every reason which had been held to require their imposition in Bengal applied equally to the permanently settled portion of the North-Western Provinces, it is true that the so-called decentralization system was the immediate cause of these rates being levied, and I will assume, therefore, that they were due to it. The total annual amount which they yield is about 32,000 *l.* To this extent the taxation of the North-Western Provinces was increased, but there was simultaneously a reduction of 196,000 *l.* in the demand for income tax.

The facts regarding fresh taxation in the Central Provinces which have been laid before the Committee have been incomplete and misleading. The truth is that not only did the so-called decentralization measures lead to no fresh taxation in those provinces, but they were followed, independently of a reduction in the demand for income tax to the extent of 57,000 *l.*, by a positive reduction in the amount of local provincial taxation. The only possible exception that can be made to this statement is, that in 1871 a toll was established on certain roads, yielding an annual revenue of about 4,000 *l.* The account given to the Committee of the proceedings in regard to the Pándhree tax in the Central Provinces was so inaccurate that it is desirable to state what the facts really are. This was an old tax of the Native Government before our time, and until 1871 it was one of the sources of Imperial revenue. It falls only upon traders and artisans; incomes derived from agricultural and other sources are exempt. Under the Native Government every trader and artisan was liable to this tax, however poor he might be. An Act of the Legislature passed in 1867 provided that no person whose income was less than 75 rupees a year should be taxed; that the rate of assessment should in no case exceed 2 per cent.; that no person should be assessed at a sum exceeding 500 rupees; and that no person paying income tax should be assessed to Pándhree tax also. After the scheme of provincial assignments had been carried out, the Government of India abandoned the Pándhree tax althogether as a source of Imperial revenue, and made it over to the local administration, to be expended for the benefit of the province. Relief was at the same time given to the taxpayers. Incomes between 75 rupees and 100 rupees were exempted altogether; the total number of persons assessed was reduced by one half, and 22 per cent. of the revenue was given up. The tax now yields about 24,000 *l.* a year. Although it has the merit of being no novelty, and although less burdensome than it was, it is nevertheless a bad tax, and the Chief Commissioner was ordered last year by the Government of India to report whether some further modifications ought not to be made in it, with the object of extending still further the exemption of the lower classes of taxpayers. I have not heard the result of this reference, but this at least is certain, that not only was there no increase of taxation in the Central Provinces as a result of the measures of 1870, but a positive, and, considering the poverty of the country, a large decrease.

In the Punjab, on the other hand, the measures of 1870 undoubtedly led to the imposition of new rates upon the land. The "Punjab Local Rates Act" (No. XX. of 1871) authorises the levy of a rate upon land, not exceeding six pies in the rupee, or about three per cent. of the annual value. The money is to be expended on roads, education, hospitals, wells, and other useful local works, and the whole amount raised in any district must be expended in that district, under the supervision of the local Committee. The gross annual amount yielded by these rates is about 137,000 *l.* There were, however, in parts of the Punjab various local cesses of more or less old date, for the support of dispensaries, schools, roads, and other purposes. When the new rates were introduced, the whole of these cesses, amounting to about 23,000 *l.*, were abolished. The actual amount of additional local taxation imposed in 1871 in the Punjab was, therefore, 114,000 *l.* The amount of income tax remitted at the same time was 123,000 *l.* In this, as in the case of the other provinces, my object is merely to show the actual effect of the measures of December 1870 on the amount of taxation levied from the people of India. I should be going beyond my present purpose if I were to enter into

the reasons which led the Government of India to agree with the Local Government that some fresh local taxation was necessary. I may, however, observe that although I have stated that the imposition of these rates in the Punjab was the immediate result of the change of system adopted in 1870, the propriety of placing additional rates upon land to meet necessary local charges, had been discussed long before, and had been strongly advocated by Sir Donald M'Leod and other high authorities.

In Bombay, in consequence of the measures of December 1870, Act II. of 1871 was passed by the local legislature. It imposed a cess upon certain non-agricultural classes. In 1871-72 the amount collected was, I believe, about 54,000 *l.* The cess was levied for only one year, and was then given up, as it was the opinion of the local authorities that it had proved objectionable and oppressive, and that, on financial grounds, it was unnecessary. My knowledge of the facts connected with this cess is imperfect, but the impression on my mind is strong that its imposition was unwise, and its abandonment altogether right. The only other power given to the Local Government to increase local taxation was that given by the local legislature in Act I. of 1871. It was a peculiarity of the system of the Bombay Presidency that the charge for the police of the large towns fell almost entirely on the Imperial revenues. In other parts of India this charge was mainly borne by the inhabitants of the towns. The Act gave power to the Local Government to call upon municipalities to meet the charges for their local police, provided that the total demand did not exceed one-fifth of the municipal income. This might have had the effect of rendering increased local taxation necessary, but I believe that, in fact, there was no such fresh taxation, except, to a small extent, in Ahmedabad and a few other places. The Resolution of the Government of India, dated 21st March 1873, stated that it had been determined to hold in abeyance the powers given by Act I. of 1871. The general result of the new system in the Bombay Presidency was that new taxation, to the extent of about 56,000 *l.*, was imposed for one year, but that there has been no permanent increase. At the same time, the amount of income tax remitted in Bombay in 1871 was 269,000 *l.**

I have kept to the last the case of the local rates imposed in Oudh, because Sir Charles Wingfield has given to the Committee evidence regarding them, and he has expressed the opinion that, in increasing those rates, the Government has been guilty of something very like a breach of the settlement engagments entered into with the landholders. Coming from so high an authority, this opinion obviously deserves the most careful consideration.

I must in the first place observe that, although there are some special circumstances, to which I shall refer hereafter, affecting the propriety of levying these rates in Oudh, many of the questions noticed in Sir Charles Wingfield's evidence are quite as applicable to other provinces. For several years past they have been under almost constant consideration in India, and I may safely say that no great Indian question of modern times has been more completely and elaborately discussed than this of imposing rates upon land for local purposes. The principles involved possess the utmost importance, and it is, I think, impossible for any one to understand the subject as it affects Oudh, or any other province, unless he has made himself acquainted with the discussions which have taken place, and with the conclusions at which both the Government of India and the Secretary of State have arrived. Although I will endeavour to state some of the more important facts, as they present themselves to my mind, I should be going altogether beyond the purpose with which this paper is written, if I were now to enter fully into these subjects.

I think that much misapprehension of the facts of the case and much confusion of thought has arisen in consequence of two questions, one affecting the land revenue, the other a question of taxation, having been mixed up together. From time immemorial the State has possessed, both in theory and in practice, the greater part of the property in land in India, and has taken such portion of the rent as it has appeared possible or expedient to take. The land revenue of India is

* I should notice that, although Act I. of 1871 did not apply to the city of Bombay, a fresh charge was thrown upon the Bombay municipality in 1871 by the withdrawal, by order of the Local Government, of the contribution which had been made by the State towards the cost of the town police. The financial arrangements of three Presidency towns, Calcutta, Madras, and Bombay, are quite distinct from those of other municipalities, and their income and expenditure are not included in the Provincial and Local revenue accounts.

is simply this portion of the rent of the land. It has been the policy of the British Government, especially in the Bengal Presidency, to encourage the growth of private property in land, and even to create such property, when no private owners could be found; and it has been an essential part of that policy to limit, either for a term of years or in perpetuity, the share of the rent which the State is to receive. The remainder of the rent is private property. The right of the State to its share of the rent is, in its nature, identical with the right of the private proprietor, both being founded on long established co-existing customs. The object of our so-called settlements of the land revenue is to define the portions of the rent which the State and private proprietors are respectively entitled to receive, and to give security to the latter that improvements made by them on their estates shall not lead to an increased demand on the part of the Government. A settlement has nothing to do, except indirectly, with questions of taxation, using that word in the sense commonly given to it. The determination of the share of the rent which the private proprietor is to retain has, of course, the greatest possible effect in determining the value of his property, and affects immensely his capabilities of meeting taxation, but his liability to taxation is not affected at all. It is, however, very natural that the proprietors of land should see little or no difference between payments of rent and payments of taxes, when both are made to the same party, the Government, and this is especially true when, as in the case of these local rates, the tax is collected at the same time, and through the same machinery with the land revenue. It has been repeatedly found that when a tax is imposed upon the private proprietors of land, the Government is charged with a breach of the conditions under which the settlement of the land revenue was made. Thus, for example, when, in Mr. Wilson's time, the income tax was first imposed in Bengal, the zemindars loudly declared that a gross breach of faith was being committed; that the demand of the Government upon their estates had been fixed for ever, and that they were liable to no taxation of any profits which they derived from the land. While the income tax lasted, this outcry lasted too.

Exactly the same thing has been said, over and over again, of the local rates which have been imposed in various provinces. Nor is there any real difference between the case as it presents itself in the permanently and in the temporarily settled provinces. Whether the settlement was made for a term of years or for ever, it is in both cases equally true that it applied only to the limitation of the portion of the rent to be taken by the State as co-proprietor of the land, and had nothing to do with the right of the State to impose taxes either for Imperial or local purposes.

The plan was formerly adopted, not only in Oudh, but also in the North-Western Provinces, of consolidating at the time of the settlement the demand for land revenue and for local cesses, and taking a single engagement for the payment of both. Sir Charles Wingfield has stated to the Committee his opinion that this plan should have been maintained. It is not necessary that I should now enter at length into the subject. It is sufficient to say that, after a very long discussion, the Government of India and the Secretary of State concurred in the determination that the plan in question was objectionable, and that it ought to be abandoned for the future. I have myself no doubt that this conclusion was right. These local rates are taxes, and to take an engagement for the payment of taxes is, in my opinion, not only open to other obvious objections, but to this objection in particular, that it obscures the difference between land revenue and taxation, that it exposes Government to misapprehension, and makes possible charges of breach of faith such as those which have been brought forward.

Of these last charges I must say a few words. They have been urged, in the strongest terms in Bengal, in regard not only to local but to Imperial taxation on the land, and less strongly, but in a similar manner, in other provinces.

If a former Government had done anything so unwise, and so completely beyond its rightful powers, as to give a pledge that no taxation should in future be imposed upon certain classes of persons or property, for any purposes, whether the pledge was to remain in force for ever or for 30 years, I think that it would have been a serious question whether it ought not to have been deliberately set aside, as having been made altogether *ultra vires*. If, for example, the zemindars of Bengal had been able to make good their contention that, by the conditions of

the permanent settlement, they were exempted for ever from all taxation upon any of the profits derived by them from the land, I think that it can hardly be doubted that an alteration in the conditions of the settlement would have become inevitable. To say that because the Government nearly a hundred years ago made certain arrangements in Bengal, therefore the richest interest in the richest part of India is to be exempted for ever from taxation, both for Imperial and local purposes; that therefore the wealthiest people in India are not only to contribute nothing to the necessities of the State, but that their roads and bridges, their police, their hospitals, and their schools, are to be provided for them for ever at the cost of their poorer neighbours in other parts of India, would have been such a manifest absurdity and injustice that the conclusion could not possibly have been accepted. Fortunately, however, the decision come to by the Government of India, and come to with complete confidence that the decision is a right one, prevents any such question from arising either in regard to the permanently or temporarily settled provinces.

The general principles in accordance with which the power to impose local rates upon land is to be exercised by the Government have been explained with great force and clearness in the published Despatch of the Duke of Argyll to the Governor General in Council, dated the 12th May 1870. The following quotation will render it unnecessary for me to say more on this part of the subject:—

"12. It has been contended that the rates levied in other provinces of India "are essentially distinct in principle from the rates which it is proposed to levy "in Bengal. The argument appears to be, that in other provinces of India the "local rates are simply so much addition to the ordinary land revenue, an "addition which is there legitimate, because the Government had not in those "provinces debarred itself by positive engagements from increasing the land "assessment. This appears to be only another form of stating the argument "already dealt with, which is founded on the terms of the permanent settlement. "But the distinction thus drawn between the character of such rates when levied "in Bengal and the character of similar rates when levied elsewhere is a dis-"tinction which I concur with your Excellency in considering to be unsound. "Whatever character may be assigned to these rates as a matter of mere verbal "definition, they were unquestionably intended by the Government, in all the "provinces in which they have been raised, to be in addition to the land "revenue, and not a part of it. This separation was expressly defined and "marked in the proceedings of the Government of Bombay before any special "legislation had been passed upon the matter. In the resolution of that "Government, dated 9th March 1860, the superintendents of survey were directed, "'after fixing the assessment of a district,' to add the rate 'over and above the "'amount which on other considerations they may deem appropriate.' Although "incorporated with the land revenue in respect to the mode of levy, as being "the most convenient, it is again in the same sentence explained to be 'calcu-"'lated over and above the ordinary assessment;' and Sir Charles Wood, in his "Despatch of 25th May 1861, in which he dealt with the proposal, speaks of it as "a proposal 'for the imposition of a school rate and road cess in addition to the "'revised rates of land assessment which have been, and still are, in course of "'introduction.'

"13. Her Majesty's Government are, therefore, of opinion that it cannot be "said with justice that to impose rates in Bengal would be to impose a special "tax on that province which is not imposed on other parts of India.

"14. It is true that, in making some of the more recent land settlements in "various Provinces of India, the Government has given notice that in fixing the "assessment of land revenue for 20 or 30 years it retained the power of "imposing some additional rates for local expenditure. In the Bombay Act of "1865* a notice to this effect has been made permanent by law. But this notice, "so far from indicating that such rates are to be considered as part of the land "revenue, is, on the contrary, a distinct indication that they are to be considered "separate. The notice was issued because the Government was warned by the "misunderstanding which had arisen in Bengal, and because it knew that pre-"cisely the same misunderstanding might arise under any settlement, the "misunderstanding, namely, that during the term for which such settlement "might

* Act I. of 1865, Sect. XXIX., Clause 1.

"might be made the Government absolutely surrendered all power of additional "taxation upon the land. But although, under these circumstances, it was "expedient to prevent such misunderstanding in future by a warning explanation "to all with whom new settlements might be made, Her Majesty's Government "do not admit that, where no such notice has been given, no rates can be levied "in addition to the assessment. This, indeed, would involve a result in direct "antagonism with the principle laid down in this Despatch, and sanctioned in the "case of the Income Tax. That principle is, that any extra taxation or rating "levied from the agricultural classes over and above the land revenue, must be "imposed as equally as possible upon all holders of property accessible to the "impost. But if those holders of landed property are to be free from the tax "to whom notice was not given at the time of settlement, the rates cannot be "imposed equally, but, on the contrary, there must be an extensive system of "exemptions. And those exemptions must especially include the holders of "inams, of alienated villages and all permanent tenures either rent-free or at "small fixed quit-rents. The guarantee under which these persons hold their "lands, free from any increase of the land assessment, is a guarantee quite as "binding as the promise given to any holder in Bengal. But the practical "injustice of exempting inamdars, or the owners of alienated villages, is as "apparent as the departure it involves from the principle of making rates equal "and general in their incidence. It must always be remembered, in matters of "taxation, that when a given work is to be done, and a given amount of expen-"diture is required to do it, the exemption of any class is simply an aggravation "of the burden on all other classes who are not exempt. And in this case those "would be the exempted classes who have been otherwise most favoured by the "State, and those would be the classes bearing an aggravated burden who "already contribute most to the public expenditure. Moreover, the holders of "property thus exempted would derive equal, or indeed greater, benefit from the "rates than the holders of property, who alone would be called upon to pay "them. On these grounds Her Majesty's Government feel that, in rejecting any "claim to exemption from rates on the part of those who did not expect to pay "them at the time of the Land Settlements, or on the part of those who hold "under permanent tenures, whether of one kind or another, they are not adopting "any mere verbal plea in order to justify a foregone conclusion which otherwise "might be difficult of defence. They are satisfied, on the contrary, that they "are rejecting a claim founded solely on a mistaken interpretation of the mere "wording of a particular document, and which, if admitted, would lead to results "at once anomalous and unjust.

"15. It is the more important that a final decision on this matter should be "arrived at, because it must be admitted that the misunderstanding on which "such claims to exemption are founded is a misunderstanding which has been "long prevalent, and has imparted a character of doubt and hesitation to the "language and to the acts of the Government, both in India and at Home. "There has been, on the one hand, a feeling and a conviction of the essential "distinction between the ordinary Land Revenue and the rates which it was "desired to levy, whilst, on the other hand, there has been a difficulty in defining "that distinction, and a fear lest it should be found to be incapable of explana-"tion to the people. Hence there has been a variety of suggestions for evading "the difficulty, by raising the required amount of money through a House Tax, "or a License Tax, or some other tax which could not be confounded with the "Land Revenue, and respecting which, therefore, there could be no doubt of "the right of the Government to impose it. But all these suggestions have, for "various sufficient reasons, been rejected. The Despatch of Sir J. Lawrence, "of 22nd February 1867 (No. 9, Revenue Department), exhibits the embar-"rassment felt by the Government of India in this condition of affairs, and its "anxiety lest rates on landed property should appear to the people to be a breach "of faith. It is injurious alike to the Government and to the people that this "condition of things should continue. The Government has nothing to conceal, "and the people have nothing to fear or lose in the re-affirmation of the same "principle as regards rating, which has already been affirmed as regards the "Income Tax.

"16. An important step in the practical decision of this question has been "taken in the passing of the Bombay Act, No. III. of 1869. The special object "of that Act is to raise 'Funds for expenditure on objects of local public utility

" 'and improvement,' and for this purpose it imposes rates upon all holders of " land, without making any distinction between those who received and those " who did not receive a notice at the time of settlement. No exemption of any " class of landholder is admitted. On the contrary, the holders of rent-free, of " alienated villages and of other permanent tenures are expressly subjected to " the rates.

" In view, therefore, of these various facts and considerations, Her Majesty's " Government have now to intimate to your Excellency the conclusion to which " they have come, after a careful consideration of a controversy which has now " been going on for a long course of years. This conclusion is, that rating for " local expenditure is to be regarded, as it has hitherto been regarded in all the " provinces of the Empire, as taxation separate and distinct from the ordinary " Land Revenue; that the levying of such rates upon the holders of land, irre- " spective of the amount of their land assessment, involves no breach of faith on " the part of the Government, whether as regards holders of permanent or of " temporary tenures; and that, where such rates are levied at all, they ought, " as far as may be possible, to be levied equally, without distinction and without " exemption, upon all the holders of property accessible to the rate."

With regard to the new local rates which were imposed in Oudh, I maintain that there was even less need, if possible, for charging the Government with breach of the settlement engagements than there was in Bengal. It is quite true that the instructions issued Sir Charles Wingfield, as Chief Commissioner, before the regular settlement of the land revenue was commenced, contemplated the abolition of all local rates separated from the land revenue. Sir Charles Wingfield, as he has already informed the Committee, was of opinion that " the " levy of any cesses in addition to the Government demand proper is viewed with " great suspicion by the people, who regard them as exactions to which no limit " can be assigned, and by far the preferable course, in the Chief Commissioner's " opinion, is to include all cesses in the Government demand, and to set aside, " from the general revenues thus raised, a fixed proportion for specific objects. " The people greatly prefer this course, as they then consider that the State, by " devoting a portion of its revenue to the maintenance of institutions calculated " to confer great public benefits, is performing its proper functions, towards " which they should be called on to contribute. The Chief Commissioner has, " therefore, with the consent of the Government of India, determined to fix the " Government demand at $51\frac{1}{4}$ per cent. of the average gross rental, and of " this sum 50 per cent. will be credited to the Imperial Government, and " $1\frac{1}{4}$ per cent. will remain at the disposal of the local government, to be " devoted to the purposes marginally noted."

I am altogether unable to admit that, by accepting these proposals of the Chief Commissioner, the Government entered into an engagement that no taxation should be imposed upon the land for 30 years. There is, I think, as much room for saying that the imposition of the income tax upon the landholders of Oudh was a breach of the conditions of the settlement, as there is for saying that this was a consequence of the imposition of the new rates. In both cases equally, fresh taxation was levied.

Whatever may have been Sir Charles Wingfield's views at the commencement of the settlement operations in Oudh, the old local rates were in practice kept quite as distinct from the land revenue as was the case in other provinces. The remarks of the Secretary of State, which I have already quoted, are completely applicable to Oudh, that " whatever character may be assigned to these " rates as a matter of mere verbal definition, they were unquestionably intended " by the Government, in all the provinces in which they have been raised, " to be in addition to the land revenue, and not any part of it." The system under which the local cesses were levied in Oudh was well known to the Government. When the Bill imposing the new rates was passed, the Chief Commissioner was General Barrow, who, with the single exception of Sir Charles Wingfield, had more to do with the settlement of the land revenue, and indeed with every great question affecting the province which has arisen since 1858, than any man living. I am sure that Sir Charles Wingfield will agree with me when I say that the Government could have had no higher authority as its adviser than General Barrow. The Bill imposing these rates was almost entirely prepared by him, and by his predecessor, Mr. Davies, the present Lieutenant Governor of the Punjab.

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On the subject of these local cesses, General Barrow wrote officially to the Government of India, as follows :—

"The Chief Commissioner cordially and unreservedly concurs in the inexpe-
"diency of making cesses and local rates an integral portion of the land revenue,
"and as to the importance of removing misapprehensions as to the real nature of
"such taxes." He went on to say: "As a fact, the cesses have in Oudh been kept
"far more distinct from the revenue than the theory, and even the orders as to
"their amalgamation, would seem to imply; and it may be doubted whether
"the immemorial distinction between *mál* and *sewái* has, to any appreciable
"extent, lost its hold upon the Native mind." In illustration of this, the Chief Commissioner sent up, with his official letter, specimens of the ordinary receipts given at the Government treasury for payments of land revenue and cesses. These showed that when a landholder paid his money, he did not get a simple receipt for the consolidated demand on account of land revenue and cesses, which he would have done if Sir Charles Wingfield's views had been fully acted upon, but that he obtained in fact a memorandum showing separately in detail how much was paid on account of land revenue, and how much on account of local cesses. The cesses are separately enumerated; road, school, margin, and dák; just as they used to be in the other provinces; and there is a column to show what sums are to be credited to the Government as land revenue, and what sums to the local funds. Thus, every landholder, whenever he paid his land revenue, was distinctly reminded of the fact that he had to pay the local rates in addition.

This, however, was not all. The chief commissioner sent to the Government of India, at the same time, papers which showed that a year before the proposal to increase the local rates had been made, or had even been thought of, this very question of the power of the Government to alter their amount from time to time had been raised in the court of the financial commissioner, the highest judicial authority in cases relating to land, in the province. One of the principal talookdars of Oudh had received from the Government a large estate as a reward for loyal services rendered during the mutinies, and to make the gift more valuable the demand for land revenue was fixed permanently at a moderate rate. At the revision of settlement, there was of course no increased demand for land revenue, and the talookdar claimed that the amount levied on his estate in local cesses should also remain unchanged for ever. He stated that, under the system in force in Oudh, the cesses and the land revenue were included together in one demand. "Any increase of the cesses," his counsel said, "would be as much a
"breach of contract as an increase of the jumma (or land revenue), because
"there is nothing whatever to show that the cesses were ever intended to be
"raised any more than the jumma; and had such been the intention of the
"Government, nothing would have been easier than to have inserted a clause to
"this effect, whereas this had not been done." In passing judgment on this claim, the financial commissioner said :—

"Cesses differ entirely in their character from land revenue; the latter is an
"Imperial tax, which goes into the Imperial exchequer, and must always be
"treated as an Imperial matter; the former is a local tax which is applied to
"distinctly local purposes, and which must necessarily vary with local require-
"ments. To fix these local taxes permanently would be simply absurd; at one
"time, and in one part of the country, the rate so permanently fixed might fall
"far short of existing exigencies, and materially retard the progress of that
"portion of the Empire. At another time and in another place the perma-
"nently assessed tax might be in excess of local requirements, and would yet
"have to be collected, although collected only to lie idle and unproductive in
"the treasury." "The full cesses," the financial commissioner says, in another place, referring to the same question, "are now assumed to be $1\frac{1}{4}$ of the gross
"assets, and no other rate, nor any other method of calculation, will for the
"present be allowed, but it should be borne in mind that this rate of $1\frac{1}{4}$ per
"cent. may be hereafter increased, should the exigencies of local taxation re-
"quire it."

Enough has, I think, been said to show that the views which Sir Charles Wingfield advocated were not practically maintained, and that when the question of imposing additional local rates in Oudh was before the Government, the highest executive and judicial authorities of the province held that there was nothing exceptional in the case, and that the distinction between land revenue

and local cesses had always been preserved, and was well understood by the people.

Another argument has been brought forward in support of the imposition of those rates, which I mention, because some high authorities have attached importance to it, and not because I myself agree with it. When the Act imposing the rates was passed, the settlement had not, with the exception of a single district, been confirmed by the Government in any part of Oudh. Technically speaking, it was therefore in the power of Government to re-open not only the question of the cesses, but any other questions connected with the settlement arrangements. On these grounds Mr. Inglis, who was then a Member of the Legislative Council, although he objected to altering the amount of local rates during the currency of a settlement, and after a settlement had been finally accepted by the Government, supported the Bill for imposing new local rates in Oudh.

Sir Charles Wingfield has referred to the fact that these rates were imposed, after consultation by the chief commissioner with the talookdars, but he has doubted the value and the sincerity of their approval. He has also observed that, even assuming that the consent of the talookdars was voluntarily given, about one-third of the land of the province is held by small proprietors, whose opinion was vever asked:

I do not wish to attach to the consent of the talookdars more weight than it deserves, although the fact that General Barrow was chief commissioner renders it certain that no improper administrative pressure was brought to bear. I know that it is very difficult in India, in regard to such matters, to say how far the opinion expressed by any section of Native society is really a free and honest opinion, or how far it is given with the notion that it will win favour from the Government authorities. But I know no part of India in which, during the last 10 years, the Native gentlemen of a province have taken so active a part in public affairs, or have shown themselves so well able to take care of their own interests, as they have done in Oudh. In this case of the imposition of local cesses in Oudh, I think that it may at any rate be said, that when taxation had to be imposed, a nearer approach than had been made in any other province of India, was made towards consulting the persons chiefly concerned in regard to the form which that taxation should take. I, of course, do not suppose that this or any other taxation was liked, but assuming that more money had to be raised, I believe that this was really the least unpopular kind of taxation that could have been adopted.

The local rates imposed in Oudh in 1871 yielded 35,000 *l.* a year. The amount of income tax which was at the same time remitted was 37,000 *l.*

The local rates in Oudh, which were formerly 1¼ per cent., are now 2½ per cent. on the annual value of the land, or 5 per cent. on the land revenue. They are exactly one-half of the amount which has for a long time past been levied in the neighbouring North-Western Provinces. It is true that these per-centages are not fairly comparable, because the services for which the charges are made are not identical. Making, however, allowance for this, there can be no question that the total amount raised in Oudh from the land after the new rates had been imposed, was and still is less than the amount raised in the North-Western Provinces.

Before I leave the question of local rates upon land, there is one other point which I wish to notice. The Secretary of State, in his published Despatch to the Government of India, dated the 12th May 1870, laid stress on the necessity of making it clear when rates were imposed upon the owners of land, that they were taxed in company with other classes, and that the land was not treated differently from other property. After pointing out the essential distinction between the assessment of land revenue and "every kind of tax or cess which is levied irre-"spective of the increased value or produce of land, and with no view to a "re-adjustment of the proportions in which the produce of the soil is divided "between the State and the owners of land holding under it," the Duke of Argyll observes, that "the best method of marking this distinction, and of making "it clear, is to provide that such cesses should be laid upon the owners of land "only in common with other owners of property which is of a kind to be assess-"able to the rate." The fact that this condition was obviously fulfilled in the case of the income tax, while in the case of these local rates the burden appeared to fall solely on the land, has undoubtedly given colour to the feeling that, although

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the charge of disregarding the settlement engagements could not be sustained in the former case, it was clearly groundless in the latter. This point was specially considered when the Bill for imposing local rates in the North-Western Provinces was before the Legislative Council. Sir William Muir then showed, and I think very completely, that the condition that all property should be taxed alike was virtually fulfilled. He showed that every considerable town possessed a municipality, which levied rates for police, roads, sanitary improvements, and, in fact, for all the objects for which local rates upon land are levied. In the North-Western Provinces a sum of 170,000 *l.* a year is thus paid by the non-agricultural classes, and the same is more or less true in all the other provinces. Even however, if it be admitted that the taxation is not altogether equal, and that it falls more heavily upon the land than upon other property, the fault can hardly be said to be one of much practical importance. If the rates on the land gave all the money that was required, with a minimum of unpopularity and of trouble, it would have been very unwise, on theoretical grounds, to insist upon imposing fresh and unpopular taxation on other kinds of property, so that the pressure on all classes might be more equal. It ought also to be remembered that, great as the benefit has been which other classes have derived from the vast expenditure of late years upon canals, and roads, and railways, and other public works, there is no class which has benefited so much as that of the proprietors and occupiers of land. New and profitable markets have been opened to us, and an immense increase has taken place in the value of agricultural produce, and in the value of land, and this has been done at the expense of the State, and without the expenditure of any capital or labour on the part of the landholders. It is only fair that the land should bear a large portion of the local charges necessary for the maintenance and extension of the works on which it depends so greatly for its prosperity.

The taxes for local purposes which I have now mentioned were the only taxes imposed in British India in consequence of the measures of 1871. In 1872-73, after they had come into full operation, the total amount which they were expected to yield was 210,000 *l.* In the year immediately following the introduction of the new system of provincial assignments, they yielded 144,000 *l.* The amount of Imperial taxation simultaneously remitted was more than 1,500,000 *l.*

The income tax has now ceased altogether. While I admit that, under existing circumstances, its retention was hardly possible, I personally regret its disappearance, for I always maintained the expediency of making an income tax, at a very low rate, a permanent part of our financial system. In this respect, while I strongly objected to a heavy income tax, I did not share the opinions of Lord Mayo, who desired to see the tax abolished altogether. But this is, I am satisfied, certain, that the opponents of the income tax in any shape have to thank for their success the measures taken by Lord Mayo in 1870-71. But for those measures, and the consequent stop that was put on the constant demand for increased expenditure, the abandonment of the income tax would have been impossible. Whether, however, I am right or wrong in this assumption, the facts remain, not only that there is no truth in the assertion that the introduction of the new system of provincial assignments led to a great increase of taxation, but, on the other hand, that the immediate result was a reduction in the total burdens of the country. As to the statements to the effect that the new scheme led also to a large addition to municipal taxation, it is sufficient to say that they have no foundation. With certain slight exceptions in Bombay, to which I have already referred, municipal taxation was nowhere increased by a single shilling in consequence of the new system. I may add that all the assertions which have been made regarding the power that has been given to the Local Governments of spending as much money as they please, and of raising, by fresh local taxation, the means of meeting their increased expenditure, are based upon a complete misapprehension of the facts. The truth is that the checks upon provincial and local expenditure are far stronger than they were, and that no Local Government possesses, under the present system, any powers of fresh taxation, of any kind whatever, different from those which it possessed before.

There is another serious mistake, which the evidence taken by the Committee has not only failed to correct, but has strengthened. It has been said that the so-called decentralization scheme, while it increased the powers of the

local authorities, contained no reference to the incurring of debt, and that there is no security that, side by side with the local expenditure, there is not growing up a great number of local debts. It is unfortunate that there was no one who was able to tell the Committee that, so far from this being true, Lord Mayo gave special and personal attention to this question. He insisted strongly on the necessity of strictly regulating by law the powers of municipalities and of other local bodies in regard to incurring debt. A minute inquiry was instituted, and although it was ascertained that, excepting in the three Presidency towns, where loans had been authorised by special laws for certain purposes, very little debt has been actually incurred, Lord Mayo thought it essential to place this matter on a satisfactory footing for the future. He was far from desiring that local bodies should be altogether debarred from the means of obtaining loans for public works of real and permanent improvement, such as the supply of water, drainage, and so forth when it was proved to the satisfaction of the Government that borrowing was proper and necessary. On the contrary, he believed that it would often be the duty of the Government to help in this manner the construction of works of urgent importance, which must otherwise remain unexecuted. An Act of the Legislature was accordingly passed in 1871 (Act XXIV. of 1871), rendering it illegal for any municipality or other public body to borrow money, except, under certain circumstances, from the Government, and authorising the Government to prescribe the rules under which applications to it for loans for certain specified purposes could be made. In accordance with this Act, rules have been laid down, the effect of which has been to make it too difficult, rather than too easy, for municipalities to borrow money.

While I assert that the system of provincial assignments led to no serious increase of local taxation in India, and while I confidently declare that all statements to the contrary are unfounded and incapable of proof, nothing is further from my intention than to say that there has not been of late years a considerable increase in the amount of such taxation. This increase has been going on steadily for the last 10 or 15 years, but the process was hardly affected by the measures of 1870-71. Although the growth of local taxation has been the subject of extreme exaggeration and misrepresentation, there can be no doubt that it demands serious notice.

The following figures show the sums yielded by every kind of local taxation in the Bengal Presidency during the eight years ending with 1871-72. They are taken from official returns furnished to me by the Financial Department of the Government of India, and I believe them to be more accurate than any of the figures which have hitherto been published:—

	£.
1864–65	1,181,514
1865–66	1,547,843
1866–67	1,693,258
1867–68	1,676,594
1868–69	1,871,775
1869–70	1,845,252
1870–71	1,940,500
1871–72	1,796,789

The above sums include Bengal, the North-Western Provinces, Oudh, the Central Provinces, and the Punjab. I am unable to give similar figures for Madras and Bombay. The increase in Madras has, I believe, speaking comparatively, been larger than in any other province.

Including Madras and Bombay, the receipts arising from every kind of local taxation in British India were a little over 2,000,000 *l.* in 1865-66, and they had risen to nearly 3,000,000 *l.* in 1870–71, so that in round numbers we may consider that since the former period the total amount has increased by a million. These figures include everything which can by any possibility be called taxation, and they give really a somewhat exaggerated idea of the actual burdens. They include not only all local rates and cesses, all municipal taxation, and tolls on roads and ferries, but receipts which are really not taxation at all, such as fees for serving judicial processes, and fines levied at cattle pounds.

I may also observe that the published statements showing the receipts of local and municipal funds invariably include large sums which are in no way raised by

by taxation. Forgetfulness of this fact has often led to a great misapprehension. There are many other sources of local income besides taxation, and many other receipts which are credited to local funds. Thus, while the amount raised by local taxation in India is not more than 3,000,000 *l.*, the total receipts of the local funds exceed 4,000,000 *l.* a year.

In the earlier part of this paper, I pointed out the main causes, which, as I believe, have led to the great increase of Imperial expenditure in India in late years. Similar causes have rendered inevitable and right the increase of local expenditure also, and indeed they have been still more powerful in the latter case than in the former. All the requirements of civilised life have had to be provided in our long neglected towns and districts. I have already given an illustration of this in noticing the former condition of Calcutta.

The question is often asked, whether the improvements that we have been making are really appreciated by the people. Can it be said that they are paid for willingly, or have they been forced on the people against their own wishes by the Government and its officers? I answer that they are certainly not appreciated, nor do I believe that they would have been popular, even if they had involved no fresh taxation at all. The people of India are not only intensely conservative, but they absolutely hate all change, and are generally quite unable to understand the advantage which they will obtain from (as we think) the most obviously desirable improvements. I will take Calcutta again as an illustration, the wealthiest and perhaps the largest city in Asia, and the city in which European knowledge and habits have made the greatest progress. A few years ago there was hardly a drop of wholesome water to be got. When it was proposed to bring in a new supply, the Hindoo community generally objected, and not only the ignorant part of the community, and the orthodox Hindoos of the old school, but also the native gentlemen who had received an English education, and who professed to be the leaders of their countrymen in progress of every kind. They declared that it was folly to bring into Calcutta, at a great expense, a supply of water which the religious feelings of the Hindoo population would not allow them to use, and they opposed the scheme, not only because it was expensive, but because they were perfectly satisfied with things as they were. The waterworks were nevertheless constructed. They have, I believe, cost already more than half a million, but Calcutta now possesses a supply of water far better than that of London, and indeed, according to high authorities, as good as that of Glasgow. Not only does everybody drink the water, but the orthodox Hindoos have discovered texts in the Shastras which prove that it is right to do so. The same sort of story might be told of the drainage works, and of the other great sanitary improvements that have been made in Calcutta.

What have been the results? The annual death-rate is greatly reduced below what it was a few years ago before these improvements were made. Formerly there was hardly a year in which there were not five or six thousand deaths from cholera alone. In 1871 the number of deaths from cholera fell to 800; and although in 1872, a year in which the disease was epidemically prevalent, the number rose to 1,563; this is not more than one-half of the number in the most healthy of the 25 years before these sanitary improvements were carried out. According to the Report of the Royal Commission, the death-rate of the European troops in Fort William, Calcutta, for the 10 years preceding 1856, was more than 102 per 1,000. I have no other authorities at hand, and possibly these figures may require correction, but it is certain that Calcutta was one of the most unhealthy stations for troops, not only in India, but in the British Empire. It has now become one of the healthiest. In 1870 the death-rate was 12·5 per 1,000; in 1871 it was 10.

Improvements such as those which have been made in Calcutta involve a great expenditure of money, and opinions will differ as to how far it is right to force them on people who would prefer going on without them, even although the result may be to diminish the rate of mortality by one half. I shall not argue the question. Although I do not deny that we may sometimes have been inclined to carry out our reforms too rapidly, and with too little regard to the prejudices of the people, it is better to have done too much than too little. In spite of all mistakes, the money we raised by local and municipal taxation has, on the whole, been thoroughly well spent.

The assertions that are sometimes made, to the effect that the chief expendi-

ture of the funds raised by local taxation has been on objects which benefit the European community, are, when they are not the results of ignorance, malicious perversions of the truth. Any one who takes the trouble to look at the returns of receipts and expenditure of the local funds will be satisfied that the money is, with the rarest exceptions, spent, not on luxuries, or fine streets and magnificent buildings, but on things necessary for the health and daily convenience of the people. It is obvious that the Imperial resources cannot supply the funds for meeting purely local requirements. What, then, is to be done? Are our districts to be left without roads and bridges, and are our cities to be left in a condition of abominable and poisonous filth, or are we to raise from local sources the funds necessary to provide what we consider the essential requirements of tolerably decent and wholesome life? For my part, I should be sorry to believe that in choosing the latter alternative we had gone beyond our obvious duty to the people of India.

This brings us to another very important question. Whether, in consequence of the increase of taxation, or of other causes, is it true that the feelings of the people at large towards the British Government are less loyal and less satisfactory than they were in former times? I think that this question must be answered in the affirmative. It cannot be denied that there has been for a good many years past a prevalent feeling, which, although it cannot be called a feeling of actual discontent, is still a feeling of uneasiness and dissatisfaction.

While I do not doubt that the increase of taxation has had something to do with bringing this about, I am sure that it has not been the most serious cause. With the exception of the income tax, the unpopularity of which has been, in my opinion, greatly exaggerated, there has really been no increase of Imperial taxation which has affected the people at large. The taxes which have been increased are either indirect taxes which the people do not think about, or taxes falling upon special classes, and not affecting the population generally. The salt duties, for example, are higher now than they were 10 or 12 years ago, but the people are not conscious of the fact, because the price of salt is no higher; on the contrary, it is lower, because the improved means of communication have had a greater effect in cheapening salt than the additional duties have had in raising its price. So, again, the stamp duties have been increased, but they affect only a small section of the population, and cannot be felt as a common cause of dissatisfaction.

In many parts of India there has been an increase of the land revenue, following an increased area of cultivation, or increased rentals, and no doubt people dislike paying more money, even if the demand be admitted to be reasonable. In the greater part of Northern India the old settlements have expired, and the demand under the new settlements will generally be heavier than before. The proportion of the rental which the State now receives is, however, much smaller than that which it used to demand. Instead of taking two-thirds of the net profits of the land which was done under the old settlements, we now only take one-half, and including the local rates, the total demand is much lighter than it used to be. Although in particular cases the assessments may have been too high, I do not think that any one has asserted that the Government demand under the new settlements is generally excessive, or that it has been the cause of popular discontent.

Similar remarks apply to a great extent, to local taxation. The greater part of this has fallen on the land, and although I do not doubt that the rates have been disliked by those who have had to pay them, the feeling against them has never, so far as I can judge, been strong. It must be remembered that there has been a large and general increase in the value of every kind of agricultural produce; and there can be no doubt that the total demand on the land, Imperial and local together, is now a much lighter burden, when viewed in relation to the increased value of the produce than it was 10 or 20 years ago.

The greater portion of the increase in municipal taxation in the towns, especially in Northern India, has been in indirect taxation, which, however open to objection it may be on economical grounds, cannot often be called unpopular, because the people are usually hardly aware of its existence. This absence of unpopularity is sometimes rather a misfortune, for there is little inclination to abolish a tax, however bad it may be, when nobody objects to it. For instance, it is literally true that the more objectionable the form in which octroi duties are levied in India, the more popular they are. What a town really likes is,

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under the name of octroi, that is a duty on local consumption, to levy transit duties on the general trade of the country which passes through the town, and thus to make others pay for local wants.

But admitting that the demand for money, under one name or another, Imperial, or local, or municipal, has led directly to a good deal of positive dissatisfaction, my belief is, that the indirect and secondary effects of increased taxation have been still more important in bringing about the feelings to which I have alluded. The new burdens have not really been heavy, but the imposition of fresh taxes in a country like India produces effects far beyond the persons who are actually called upon to pay. Independently of the fact that every new tax is to some extent made an opportunity of extortion against many who ought not to be affected at all, the whole people hate everything new, they are ignorant, and suspicious, and timid, and the knowledge, or the mere rumour, that fresh taxation is being imposed may strongly affect great numbers who can never in reality be called on to pay a farthing. In this way I have little doubt that the dissatisfaction caused by increased taxation has been out of all apparent proportion to the actual burden imposed. I believe, also, that the endless talk and discussion about taxation which has been going on for years past in India has produced a greater and more mischievous effect than anything that has been really done. There is hardly a conceivable tax, however silly, that has not been proposed by somebody or other, and discussed over and over again, from one end of the country to the other, during the last 10 years. Now it is income tax, then tobacco tax, then succession tax, then something else. Although the numbers of people who actually take part in these discussions is small, the effect filters downwards, and the result is a general uneasy feeling that all sorts of new schemes are contemplated for raising more money.

My own belief is, however, that these feelings of suspicion and dissatisfaction have arisen less from causes connected with taxation than with other causes. In the first place, it is a delusion to suppose that a Government of foreigners can ever be popular. Even in old times, when our Government was liked much better than it is now, I entirely disbelieve that it deserved to be called popular. Now, I am afraid it is unhappily true that the feelings caused by the events of 1857-58 have not been got over either by Englishmen or by Natives, and I fear that, until the present generation has passed away, we can hardly hope for much improvement in this respect. It is not strange that men whose wives and children, and brothers and friends, were treacherously and barbarously murdered, should look upon the Natives of India with very different feelings to those which they formerly held. On the other hand, the mutinies and revolts of 1857 were put down with tremendous energy. We may think that we were merciful, or at least that we were not, in spite of some errors, more severe in measures of repression and punishment than, under the circumstances, was inevitable and right. I think that myself; but this is certainly not the opinion of the people of India. On both sides there is an unhappy feeling that things have changed. Englishmen and Natives are not towards each what they were before 1857. The old friendly feelings of mutual liking and confidence have been most seriously weakened.

Again, and this I believe to be the most important of all the causes of the uneasy condition of the public mind in India, almost every improvement that is made in our administration is looked upon with dislike or suspicion. The people, as I have said before, are quite unable to appreciate the real advantages which are given to them. Every change, whether for the removal of an abuse or not, is unpopular for a time, simply because it is a change. Even obvious improvements in the administration of justice cannot be said to be popular. Mr. Stephen, in his Minute on the Administration of Justice in India, tells a story which, whether it be true or not, gives a curious illustration of this. People were talking about a notoriously corrupt Native judge, and a Native gentleman was heard to remark, "Blessed be God, he was an excellent judge. He received gifts with his own blessed hands, and gave judgment accordingly, but with the sahibs as judges the judgment that will be given is known beforehand to God only." We may sometimes have gone too fast with our reforms, but, after all, our sole *raison d'être* in India is to govern the country and to improve the condition of the people as well as we can. When we see grave abuses in the administration, when we know that the people are oppressed by a corrupt police, that they cannot get justice because the judges and the

officers of the courts are paid almost like common labourers, when we see the inhabitants of the towns and our soldiers dying in multitudes through preventible causes, in consequence of the neglect of simple sanitary precautions; when we see the people in a condition of the grossest ignorance, not only lamentable for their own sakes, but the root of the greatest political danger which we run in India, when we find the whole country to be liable to constantly recurring famines, the desolating effects of which are beyond description, and the mitigation of which can only be effected by the construction of costly works of irrigation or communication, when the Government sees all this, and a great deal more that I need not attempt to mention, it is hard to blame it for trying to apply a remedy, although increased taxation and increased discontent may be the first results. That the difficulties in the way of the good government of India by Great Britain are great, is unfortunately too true, but until we renounce the duty which we have been bold enough to assume, the obligations on us to accept all the responsibilities of the situation, tremendous though they be, are in the last degree imperative.

In regard to the future prospects of Indian finances, although we are at the present moment, in consequence of apprehended famine, passing through a period of anxiety, there is, in my opinion, no reason to take any but hopeful views. Notwithstanding the abandonment of the income tax, I believe that we may expect to see not only an equilibrium between income and expenditure, but a gradually increasing balance on the right side, and this without the imposition of any new taxes. I speak of course on the assumption that we shall have no serious wars, and that the finances will be managed with ordinary prudence.

Judging from the experience of the last few years, I think that we may reasonably anticipate a gradual, although not very rapid, increase of revenue, and that there will be a less rapid increase in the total amount of the expenditure.

In the last three years, ending with 1872-73, the accumulated surplus of income over expenditure has been nearly 6,000,000 *l.** If there had been no income tax, which in the three years yielded about 3,500,000 *l.*, we should still have had a surplus of 2,500,000 *l.* on the ordinary account. Even if the whole of the Extraordinary Public Works Charges, amounting to nearly five and a-half millions,† had been charged against the ordinary revenue of the three years, there would still have been a small surplus.

	Surplus.
	£.
* 1870-71 - - -	1,480,000
1871-72 - - -	3,120,000
1872-73 Regular Estimate - - -	1,350,000
† 1870-71 - - -	1,170,000
1871-72 - - -	1,628,000
1872-73 Regular Estimate - -	2,600,000

There seems no reason for thinking that during the last three years there has been any great increase of income from exceptional causes, on the continuance of which we cannot reckon. The expansion of the chief sources of revenue of late years has not been very rapid, but it has been going on gradually and steadily.

The most important of all these sources is the land revenue. Although the tendency for a good many years past has been to make the conditions of the settlements of land revenue less immediately favourable to the State, and certainly has not been in the direction of taking too much, there has been a gradual increase. This is shown by the following figures :—

	Land Revenue.
	£.
1862-63 - - - - - -	19,600,000
1863-64 - - - - - -	20,300,000
1864-65 - - - - - -	20,000,000
1865-66 - - - - - -	20,500,000
1866-67 (eleven months).	—
1867-68 - - - - - -	20,000,000
1868-69 - - - - - -	20,250,000
1869-70 - - - - - -	21,000,000
1870-71 - - - - - -	20,600,000
1871-72 - - - - - -	20,500,000
1872-73 - - - - - -	21,200,000

Considering that the old settlements have expired in many parts of Northern India,

India, and that new settlements are being made, there can be little doubt that the land revenue will go on increasing, and, to take a most moderate estimate, that it will be at least three quarters of a million higher five years hence than it is now.

The next great head of revenue is Excise. In this there has been very little change for a good many years. Since 1865-66 the Excise revenue has never fallen below 2,200,000 *l.*, and has never exceeded 2,400,000 *l.* Considering that the constant tendency has been to increase the stringency of the Excise regulations, with the object of giving no encouragement to the spread of drinking, this is not unsatisfactory, and there is, at any rate, no apparent room for supposing that the revenue will diminish.

In regard to Customs, it is difficult, in consequence of changes in the amount of duty, to compare one period with another. For some years past the receipts have been about 2,600,000 *l.* a year, and they have not greatly varied. I should be sorry to anticipate any important increase under this head. I believe that our Customs tariff is in a very unsatisfactory state. I look forward with hope to seeing a more enlightened policy than that which has hitherto been followed, and trust that, when it can be afforded, we may obtain not only the abolition of all export duties, but a reduction of duty on all the great staples of the import trade. I cannot now go further into this subject, but I believe it to be one of great importance, and I annex to this paper the report of a speech made in the Legislative Council of the Governor General, by Major General R. Strachey, because I entirely agree with the views which it states, and think that the questions to which it refers have never received proper attention. They have a close connexion with the serious questions to which attention has been forcibly called by Mr. Fawcett, in commenting on the unfortunate results which India has to suffer in consequence of the great difference in the annual value of her exports and imports of useful commodities.

Regarding the salt revenue it is difficult to speak, because things are evidently in a transition state which cannot long continue. But there is no reason for supposing that the revenue will decrease. I believe myself that, with reduced duties in the greater part of India, we shall obtain hereafter from salt more revenue than we obtain now, and that at the same time the people will get a larger supply of salt at a cheaper rate.

The next great branch of revenue is that which has been the subject of more discussion than any other—opium. I shall not add another long disquisition to the volumes which have been written about it. I have given much attention to this subject for years past, and the more I learn, the more strong does my conviction become that there is no source of the Indian revenue regarding which there need be less anxiety, if only we treat it in a reasonable way. In spite, as I think, of frequent mistakes in the administration of the opium department, and frequent mischievous vacillations of policy, the opium revenue has gone on constantly and steadily increasing. The following figures show the gross revenue since 1859, and they speak for themselves :—

	£	Average of 3 years. £
1859--60	6,066,000	
1860--61	6,677,000	6,367,000
1861--62	6,359,000	
1862--63	8,055,000	
1863--64	6,832,000	7,416,000
1864--65	7,361,000	
1865--66	8,518,000	
1866--67 (11 months)	—	8,631,000
1867--68	8,924,000	
1868--69	8,453,000	
1869--70	7,952,000	
1871--72	8,054,000	8,420,000
1872--73	9,254,000	

Lord Mayo was, in my opinion, the first Governor General who laid down a thoroughly sound and safe policy for the management of the opium revenue. Its complete success has been delayed and interfered with by a most unfortunate and unprecedented recurrence of bad crops of the poppy, but this is only a temporary misfortune. I believe that our opium revenue runs one serious risk,

and one only. Many people have a strong feeling that the present system under which the Government manufactures and sells opium is morally wrong, and that it is a smaller crime to raise a revenue from opium by levying an Excise or Customs duty. I can understand the opinion, although I believe it to be entirely mistaken, that the British Government ought to prohibit and discourage, to the utmost of its power, the cultivation and exportation of a poisonous drug which is ruining millions of people in China. But to say that this despotic Government commits a more venial offence or no offence at all, if it takes from private parties a portion only of the profits derived from the growth and sale of opium, instead of taking the whole of the profits by establishing a monopoly, is to me unintelligible. If there be any moral difference at all, it is rather in favour of the monopoly, which probably leads to a smaller production of opium than would result from a freer system of trade. But, as I disbelieve that there is anything immoral in manufacturing and selling opium to the Chinese, either under one system or the other, I think that plan the best which yields the largest revenue. That this condition is fulfilled by the existing system in Bengal, and that we obtain by its means a far larger revenue than we could get in any other way, seems to me to be certain. Even if it were less certain it would, I think, be the height of folly to try new experiments, when we consider the magnitude of the interest at stake, and the ruinous results which might follow from a mistake. Our opium revenue now goes on steadily increasing at an average rate of almost half a million a year, and if we are wise we shall be satisfied. We have now in actual operation the two different systems on two sides of India; in Bengal, a Government monopoly; in Bombay an export duty of 600 rupees per chest. We know exactly the cost of producing opium in Bengal. The cost, including everything until the opium is brought to sale in Calcutta, has never reached 400 rupees per chest. For a good many years past, opium has seldom brought less than 1,200 rupees a chest. When it sells at this rate the Government makes a clear profit of at least 800 rupees a chest. The actual profit has generally been much higher, for I have over-estimated the cost of production and have under-stated the ordinary selling price. Taking into consideration the fact that the consistency of the Bombay opium is different from that of Bengal, we should get, under the Bombay system, 483 rupees profit per chest, instead of the actual profit of 800 rupees. It may be said that the duty of 600 rupees in Bombay might be raised to an amount which would give a profit as great as that which we get in Bengal. This can be maintained by no one conversant with the facts. There can be no doubt that if we were to raise the duty to 900 rupees a chest, we should destroy the trade altogether. If we tamper with our opium revenue, it is impossible to say what financial disasters may not fall upon us; if we leave well alone, I believe that there will be no real cause for anxiety for at least many years to come.

The other branches of the revenue are individually less important, but, judging from past experience, there seems no reason whatever to apprehend any falling off.

It is difficult to compare accurately and usefully the income of the Government in two different periods, because, not only have there been changes in the amount of taxation, and in the system of administration, but also in the way of making up the accounts. But, whatever allowance be made for such causes as these, it is impossible to doubt that there has been, during the last ten or twelve years, a large and substantial growth of the public income, quite independently of new taxation. It would have been strange had it been otherwise, considering the great increase which, during this period, has undoubtedly taken place in the wealth of the country, and of which we find ample evidence in the immense growth of trade, and the increase not only in the values but in the quantities of exports of the great staples of Indian production.

Looking to the other side of the account, there has been, as I have already noticed, a large reduction in the annual total expenditure. We now spend, apart from extraordinary charges, between three and four millions a year less than we spent five or six years ago. The public charges, which have been reduced by 2½ millions, can always be kept under control if the Government is determined that this shall be done. The military charges, which have already been reduced by three quarters of a million, will, I have no doubt, be reduced still further, and, now that attention has been seriously devoted to the subject, we may reasonably hope that the grave questions affecting the Staff Corps, which are now pending,

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will receive a satisfactory solution. The growth, to any great extent, of charges for the principal branches of the ordinary civil administration, has been guarded against, for some time to come at least, by the system of provincial assignments. I have, however, not the slightest doubt that this system must be still further and largely extended, if we desire to make our civil administration more economical and efficient, and that it is essential to assign to the local governments not only a greater responsibility for controlling expenditure, but to assign to them also a share of certain branches of revenue. At the present time the local governments and their officers have, so to speak, no personal interest in the development of the revenues. It is necessary to give them this interest, and to give them at the same time an income which shall have a tendency to increase. They will then be relieved from the temptation to propose new schemes of local taxation to meet new charges. I shall not now go further into this question, but I am satisfied that it is of the very first importance. All the reasons which led to the adoption of the new system which has proved so beneficial apply with equal force to its further extension.

The most dangerous and doubtful part of our financial system remains to be noticed. I refer to the questions connected with the public debt, railways, and works of irrigation. On the treatment of these questions the future condition of the finances of India will in a great measure depend.

I believe it to be certain that, if we fail to exercise extreme caution in regard to borrowing money for works of public improvement, we shall run into serious difficulties, for I am convinced that the imposition of any large amount of fresh taxation in India is impossible without serious practical risk. That our canals and our State railways will ultimately pay, I do not doubt, but it must, as a general rule, be assumed that for a long time after construction the returns will not cover the charges incurred. The system of running into debt for these great works has been one of the greatest dangers of our Empire in India, and the danger is not only financial, but political. I hope that it has now past, but the utmost care is needed.

The only works for which we now borrow are railways and works of irrigation, but the borrowing for these two classes of works is justified on different grounds. There has been a good deal of misapprehension on this subject, and I wish therefore to refer to it.

It is often assumed that, in borrowing money for our State railways in India, we believe that they will be reproductive works, in the sense that they will directly pay the interest of the money expended on them. Although it may be hoped that this will ultimately turn out true, this is not at all the assumption on which the State railways are being constructed. Some of the lines, and notably those from Lahore to Peshawur, and down the Indus Valley, are being made for political reasons only, and it is hardly probable that, within any time to which we can now look forward, they will repay anything like the interest on the capital expended on them.

For a good many years past the net annual charge falling on the revenues of the State on account of railways has been not far short of 2,000,000 *l.* This includes all charges for purchase of land, Government supervision, and guaranteed interest, less the net traffic receipts. If no fresh lines had been undertaken in addition to those made or in progress under the old guaranteed companies, and if no addition had been made to the capital under those guarantees, this charge would have gone on diminishing as the traffic on the old lines increased, and the new lines were opened and began to give some return.

Early in 1869 the conclusion was arrived at by Lord Lawrence, and was afterwards adopted by Lord Mayo and by the Secretary of State, that the revenues might continue to contribute about 2,000,000 *l.* a year in the future, as they had done in the past, for the development of railway construction, and that the importance of this object was on all grounds so great that this charge would be fully justified. It was never professed that all the lines that were projected would certainly prove ultimately profitable; but it was considered that the Government might go on from time to time borrowing money for railway construction, provided that the condition were always fulfilled that the total annual charge on the revenue on account of railways, both those belonging to guaranteed companies and to the State, should never exceed 2,000,000 *l.*

But it is impossible to avoid the conclusion that increased caution is already called for in dealing with this class of outlay. The anticipated growth of income

of the old lines has not been realised; and additions to the capital under guarantee have gone on to such an extent that a strict adherence to the proposed policy may be rendered difficult, or be found incompatible with further railway extension. Recent events have demonstrated more clearly than ever that some of the greatest of the difficulties created by a drought are dependent on the want of improved communications, and it appears almost certain that, among the measures that will be looked upon as necessary for the protection of some parts of India, the construction of additional railways will form essential items, notwithstanding the financial difficulties which may arise in consequence.

It would, however, be beyond the scope of this paper to enter further on so large a question as is thus touched upon. I shall only add, that I feel assured that it is necessary to exercise the greatest watchfulness over this branch of our finances, not only in respect to the direct expenditure on new lines, but equally in relation to the economical working of both the old and new. Even of greater importance, perhaps, is attention to the conditions under which the State may exercise its powers, under the contracts with the companies, of purchasing the guaranteed railways, and may thus obtain the means of virtually extinguishing an amount of public debt not greatly differing from the whole amount of guaranteed capital, that is, about one hundred millions sterling. The bearing of these matters on the future condition of Indian finance has, I think, been too little considered.

The borrowing for works of irrigation is justified on different grounds from those that have been accepted in dealing with railways. In this case the assumption is that the returns from the works will not only cover the interest on the capital expended, but will ultimately repay the whole of the capital itself. Unless these conditions be fulfilled, it is held that the work ought not to be executed from the loan funds. Although I have no doubt that the assumptions thus made, as to the character of the bulk of the works thus put in hand, are correct, they are only correct with this serious proviso, that a long time will commonly elapse before the anticipated results are obtained. It has been proved by experience that under ordinary circumstances, and under the existing system, it takes many years before the direct money receipts from our great canals are sufficient to give a really remunerative return on the capital expended. For this reason, and because no such limit has been assigned to the maximum charge which is ever to be allowed to fall on the annual revenues on account of irrigation works, similar to the limit imposed in regard to the railways, the financial risk caused by the former class of works is, so far as the immediate, although not the more distant, future is concerned, greater than that caused by the latter. The risk is increased by the fact that, since works of irrigation afford in the majority of cases the only real security against scarcity and famine, not only is a strong pressure brought by public opinion for their extension, but the Government is compelled to undertake these works by the conviction that this is an absolute duty to the people, which must be performed whether the financial risk be great or not. The cost of the works which are now in progress, or the construction of which has been sanctioned, can hardly involve us in serious difficulties, but the necessity for protecting the country against famine is so great that it is impossible to say that we ought to be satisfied with the moderate rate of progress which is being made, or that our financial prospects need cause no anxiety. We are at this moment receiving, in the threatened famine in northern Bengal, a lamentable lesson as to the insufficient development of our protective irrigation works.

For my own part, I have no doubt that the proper principles on which we ought to deal with these questions are those upon which Lord Mayo always insisted. "We must establish," he said, in a speech in the Legislative Council, on the 31st March 1871, "a system of irrigation finance that will throw the "main burden for the repayment of the capital and interest expended on these "works upon the land which benefits by them. We must follow the same prin-"ciples which have been adopted by every country in the world in which similar "undertakings have been constructed. We must take such measures as will "oblige the people who are enriched, whose lives are preserved, and whose wealth "is augmented by these works, to contribute in a fair proportion to the cost of "their construction. We desire to individualise as much as possible each work, "in order that the public may be made fully aware of the terms under which it

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" is constructed, its cost, and its returns. We desire to separate as much as " possible the finance of our reproductive operations from the ordinary finance of " the Empire. We have endeavoured to give effect to some of those principles in " the Canal Bill which is now before the Legislative Council, but which, I regret " to say, we have not altogether succeeded in making acceptable to the public. " I am surprised at the resistance with which our intentions in this respect have " been met. Everybody seems to desire irrigation, but many seem to desire that " somebody else should pay for it. But, as a matter of principle, the people of " Madras should not pay for the enrichment of the Punjab, nor the people of " Bengal for the irrigation of Sindh. Unless the Government is supported in " organising a system by which these works can be constructed without placing " further serious charges upon Imperial revenue, I greatly fear many of these " important operations may not be undertaken at all, or if they are undertaken, " they may run the risk of being stopped before they are finished. We wish to " make these works as self-supporting and as independent as possible; in fact, " to put them in such a position that, if war, famine, financial difficulty, or other " misfortune occurs, they will continue to progress, and go on to completion. " But if we continue, or rather attempt (for these works are only in their infancy) " to construct them on the system of mixing up their accounts with the ordinary " accounts of the Empire; if we think we can pay the interest of the capital " expended on them out of the revenues of the year, if we do not extend to their " finance generally the severest and most business-like principles, we shall pos- " sibly have in a few years to witness either financial difficulty or the stoppage " of some of these great and beneficial works."

Lord Mayo's views on this subject, and especially the proposals to levy, under certain circumstances, compulsory water rates on the land benefited by the construction of canals, have been often misunderstood and misrepresented. I am satisfied, for my part, that although they have not yet been carried into effect, they were thoroughly just and wise, and I believe that the time will come when the policy for which Lord Mayo so constantly contended will be generally accepted and adopted. The state of the case seems to me to be as follows:

Irrigation works are necessary in many parts of India, to save the people from destruction and ruin by famine. Security can be given in no other way. When canals are first made in a country where canal irrigation has not been commonly practised it takes a long time for the people to find out the advantages which they have gained. Their extreme ignorance is the main cause of this, as of every other failure to appreciate the value of improvement offered to them. From time immemorial they have used nothing but the water from heaven or from wells, and they are no more inclined to adopt a new system of irrigating their fields than they are inclined to send their children to school or to improve the sanitary condition of their villages and towns. In four out of five years the periodical rains are copious enough to give the people, if not all the crops that they desire, at any rate, sufficient food and the means of supporting themselves with some sort of comfort. During these four favourable years, when a canal has been newly opened, the people think very little about the canal water. Some of the more enterprising take it, and get rich upon it, but they are exceptions. In the fifth year there comes perhaps a failure of the rains, and the people suddenly find themselves on the brink of ruin and starvation. Then there is a rush for the water, and they find out its advantages. Some of them learn the lesson rightly, and take the water regularly in future. Others, when the pressure is over for the time, go back to their old habits until another failure of the rains occurs. Under our existing system, which leaves the cultivators absolutely free to take water or not as they please, this is the sort of process by which canal irrigation gradually progresses. Take, for example, the returns of the Ganges Canal for the last 20 years. In years of scarcity the irrigated area always takes a great stride forwards. In the following year it goes back again, but not to the old level. Half a dozen years of scarcity, distributed over a period of 30 or 40 years, give the necessary experience to everybody; every drop of water is at last utilised; the country is completely protected against famine, and the canal gives a good return on the money expended. After being for some 20 or 30 years a constant burden on the revenues of the Empire, this is what has at last come to pass with the Ganges Canal.

The same process is (as is acknowledged by the Governments of India and

Bengal, in a recent correspondence on the subject) now going on in Orissa, which, as we all know, suffered a few years ago from one of the most terrible famines of modern times. More than 1,000,000 *l.* has been spent on irrigation works, but, in spite of the frightful lesson that they have received, and although the price of the water has been fixed at an extremely low rate, the people will not take the water. "At present," Sir George Campbell writes, "the people "look on a water rate merely as a sort of insurance against a possible failure "of the rains, especially a failure at the end of the season; and they are "very unwilling to agree to pay heavy rates till at least the failure is actually on "them. If the year is a good or ordinary one, and there is no special failure "of the rains, they think they can do very well without irrigation."

Thus, while the people are slowly learning to appreciate the advantages of irrigation, the country remains imperfectly protected against famine, and, as the canals do not pay, the loss caused by the failure of the people to take the water must be borne by the taxpayers at large. It was this system which Lord Mayo declared to be altogether wrong.

It is obvious that, in a country exposed to the certainty of periodical drought, the construction of works of irrigation is an enormous benefit, whether the water is voluntarily taken or not. The water is provided, and is available in case of necessity. A perfect insurance against failure of the rains has been obtained. It is surely fairer that the people upon whom this benefit has been conferred should pay something for it, rather than that the obligation should be thrown on distant provinces which derive no benefit at all. I cannot conceive why works of irrigation, incomparably the most beneficial works which can be constructed, should be singled out as the sole works of local value for which the people immediately interested ought not to pay. Nobody thinks it a hardship that people should be made to pay something for their own schools and hospitals, for cleaning their own streets and drains, for the protection of their own property or persons from acts of violence or other injury, and for their own supply of drinking water. Why is it a hardship that a community should pay something for the water on which its very existence depends?

When a canal has been made, when we are in a position to say positively that we can give to a man water which, if he uses it, will increase every year the quantity and the value of the produce of his fields, and that we have provided him with a perfect insurance against the failure of the rains, and against ruin from that cause, it is entirely just to make that man contribute towards meeting the expenses of the work constructed for his benefit, whether he chooses to take the water or not. This was maintained by Lord Mayo, when it was proposed, in the Punjab Canal Bill, to authorise, under certain circumstances, the imposition of compulsory water rates. I can understand, although I may not accept, the argument that such rates are unnecessary, and that we shall do better without them; but the assertion that has been frequently made that they are essentially unjust, is to me quite unintelligible. I do not wish to discuss at length the details of the measures which were proposed. It is sufficient to say that Lord Mayo was convinced that it could never be necessary to impose more than a very light rate, so light, indeed, that it could hardly be felt, and that it would be easy for the Legislature to prescribe beforehand precautions which would render any excessive demands impossible. All that he wished was to obtain security that, after a canal was finished and in complete working order, a sum should be forthcoming sufficient to cover the difference between the income yielded by the canal and the amount required to pay the interest on the money borrowed for the works, and to provide for the gradual repayment of the capital. To fulfil these conditions, Lord Mayo considered that if the annual receipts, after the works had been finished for a reasonable time, were less than seven per cent., they should be made up to that amount by the imposition of a rate upon the land benefited.

Rates of this kind would not only render the financial position of our great irrigation works perfectly secure, but they might confidently be expected to produce another result still more valuable. Instead of the pressure to take water which is now brought to bear upon the cultivators by natural calamities, sometimes of a frightful character, a pressure would be exercised of a different kind. If the fact that water was available to irrigate his fields were brought home to a man by the demand for payment for the water, he would be far more

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likely to use it. If his neglect to use it damaged no one but himself, we might leave him alone. Unhappily, it damages the whole community, for it tends to defeat the primary object with which the canals are made, the protection of the country against famine.

It also deserves notice, that the power which Lord Mayo proposed to take of imposing water rates, under certain conditions, not only upon irrigated but on irrigable land, is virtually almost the same as that which is already possessed by every private landholder in Bengal, and in the greater part of Northern India in dealing with his own tenants. It has been ruled by the High Courts, both of Calcutta and of the North Western Provinces, that under the existing law tenants with rights of occupancy are liable to enhancement of their rent when the productive powers of their land have been increased by improvements made at the expense either of the landlord or of the Government. I quote the following remarks on this subject from a speech of my own. "The Government, the "chief landlord of the country, asks only for a power which private landlords "possess already. If the Government make a canal, and water becomes avail-"able for the irrigation of an estate, the private landlord may say to his tenant, "'Why, on account of your neglect, and of your bad husbandry, am I to suffer, "'and get from you only the rent of unirrigated land? Take the water, and "'increase the value of your holding, and pay to me in future a rent propor-"'tionate to the real value which the land now possesses, and equal to that "'which good tenants, your neighbours, who have availed themselves of the "'advantages offered to them to pay for similar land close by.' The Courts "would support the landlord in his perfectly reasonable demand. We now ask "the Legislature to acknowledge that the State possesses similar rights, and "that it may equitably demand to receive from those who are virtually its "tenants a similar return for the improvements by which it has permanently "increased the value of the land."

I shall only add, that while this question is an important one everywhere, it possesses a special importance in those parts of India where a permanent settlement of the land revenue has been made. In other Provinces we get sooner or later from our canals, not only a direct return in the shape of water rates, but when a new settlement is made, increased land revenue also. In the permanently settled provinces the latter resource is shut off.

At the present time we are constructing a great work, under conditions of this sort, in the northern districts of Bengal, some of which are now threatened with famine. The Soane Canal will cost 4,000,000 *l.*; and although the benefit conferred by it upon the country will be inestimable, I fear that, under the existing system, we shall see for many years to come the ignorance of the people frustrating the intentions with which it was undertaken, rendering incomplete the protection against famine, and throwing, at the same time, a heavy burden on the general taxpayers of India.

I have written on this subject more than I had proposed, but it possesses a special interest at the present moment, when a large tract of country is threatened with famine. The serious nature of the responsibility which rests upon the Government of India has perhaps never been placed in so strong and clear a light as it has been placed by the calamity which we fear may be now impending. Our duty to the people of India cannot properly be discharged unless we resolve to spare no efforts in giving to them, by the construction of works of irrigation, complete protection against the terrible dangers to which they are now too often exposed. I fear that, if we make no change in our system, we may find hereafter that the performance of this duty has brought us to a position of extreme financial difficulty. I cannot do better than close these remarks from the following quotation from one of Lord Mayo's speeches on the subject. "I have only," he said, "to repeat my belief, that if a strict, sound, "and straightforward system is pursued with regard to these works, they will "go on, be self-supporting, and will create no future difficulty for the Govern-"ment; but I believe at the same time, that if you endeavour to adopt the hap-"hazard principle by which there is to be any uncertainty as to your security "for these vast loans, and as to how and when, and by whom, such works are "to be paid for—if a system of scrambling finance is to be adopted with regard "to them—they will become a source of serious difficulty and much damage, "and that those who resist such wise and necessary precautions, and oppose "measures similar to this, though they may have the best intentions, are really

obstructing, hindering, and, possibly, endangering the future success of the most beneficent undertakings that any Government has ever promoted for the welfare of its people."

(signed) *John Strachey.*

Ravensdale,
6 February 1874.

ANNEXURE TO PAPER BY SIR JOHN STRACHEY ON INDIAN FINANCE.

SPEECH made in the Legislative Council of the Governor General of India, 31st March 1871, on the Tariff Bill, by Colonel *Richard Strachey*.

Colonel Strachey said—

MY Lord, I am unwilling to allow this Bill to pass without saying a few words regarding it. If I did not know that it was impossible for the Government to give up the revenue which it is proposed to raise under the Bill, I should have opposed it, at all events in part, for the same general reasons that have led me to vote for the measure just passed, namely, that I think there are certain descriptions of taxation which are essentially bad, as I think there are others that are equally good. Among taxes that I regard as essentially bad are export duties, and such duties we are asked to assent to by the present Bill.

And I have a special reason for desiring to draw the attention of the Council to this subject in a pointed manner. It is a misfortune which the form of the Government of this country almost necessarily imposes on us, that our administration is altogether conducted by a separate official class, without that most useful co-operation of the non-official classes, which is possible under other systems of Government. I do not, of course, undervalue the aid which is given to the Government by my honourable friend on my right, and other commercial gentlemen, who, from time to time, have sat in this Council; but, as we were reminded in very plain language a few days ago, this is not a House of Commons, and the Government is not carried on by this Council, but by the Executive Government; and my honourable friend, Mr. Bullen Smith, will, I am sure, agree with me in recognising the fact that a seat in this Council gives very little power of controlling the practical administration of the country, or of directing its policy.

I do not intend to give the Council a lecture on the art of government, and I do not propose to suggest any remedy for the difficulty I have stated. What I wish to do is, to draw attention to the fact that there is very much left to be done in the way of reforming the commercial taxation of India, and that it is a serious error, to which a Government constituted such as ours is will necessarily be prone, to exaggerate the relative importance of administrative reform, and to neglect what is really due to economical reform. I have no hesitation in declaring my own belief that in the last eight or ten years this has actually happened, and that the whole of the available resources of the State have been applied too exclusively to administrative improvements, in themselves no doubt valuable, but not more valuable, to say the least of it, than the other class of improvements to which I have referred. If, as I hope, the Government of India has, after recent events, resolved to do its utmost to check that incessant expansion of the civil administrative charges which I have lately discussed at some length, it will assuredly be its duty to regard the demand of an enlightened customs policy as amongst the very first objects to claim attention, when the natural further growth of the revenues permits it. If, then, I may venture to offer advice on such a subject, it would be that the first measure which the Government of India should seriously take up after a permanently healthy condition of the finances has been established, is the complete reform of the tariff, and the removal from it of the blots which so greatly disfigure it.

The worst of these blots no doubt are to be found in the export tariff. And I should perhaps explain to the Council why I have said that export duties are essentially bad, for no doubt those who first imposed them, and now retain them, thought and think better of them than I do. I regard it as an axiom in taxation that it shall, as far as possible, fall on the fund destined to supply consumption, and not on that which supplies production. An export duty necessarily

necessarily falls on the producers. To tax the export of rice is to do what is virtually equivalent to rendering the soil on which that rice was grown less productive. To tax the export of cotton goods manufactured in India is to do what in its result in no way differs from any material obstruction thrown in the way of such a manufacture. By the imposition of such taxes, the inducement to the production of the things taxed is reduced in India, and an additional stimulus is given to competition in other countries. It is of course true, that among export duties that is least noxious which is imposed on any article having a virtual monopoly in its markets. But, as a fact, all experience proves that nothing has such a monopoly. India can tell the tale of its saltpetre trade destroyed by export duties. Is India also to destroy its export rice trade? Will it stimulate to the utmost the production of other dyes to compete with its indigo? Will it drive its own sugar out of its own markets for the benefit of the Mauritius? Even in that commodity of which India apparently has the most important monopoly, opium, the competition of the local Chinese market is already beginning to be felt, and there are those who foretell the ultimate destruction of our export of this drug. Only to-day I have read of a commencement of opium production in the United States of America. But whatever is the immediate consequence of export duties in special cases, it is quite certain that the necessary tendency of the growth of knowledge, the spread of commerce, and the increase of competition, is to bring all producers more and more nearly to a level, and to reduce more and more the special advantages of any of them. Under such a competition, the law which has for other purposes been called a law of natural selection, will eventually destroy the industry which is weighted the heaviest, and export duties will thus constantly be tending to destroy the commerce of the country that imposes them.

The gross receipts from the export duties for the year 1870-71, reckoned from the actual accounts of the first eight months by adding one half, would be 528,000*l.* Of this, two articles, grain and seeds, paid 465,000*l.*, and all others 62,500*l.* Among these last have a place, by a refinement of barbarity, two of the very few manufactures of which India can boast. Cotton goods and leather pay 21,000*l.* together. Indigo, oils, lac, and spices, articles requiring either to be manufactured or specially dealt with, to fit them for the market, figure for 28,500*l.* I confess that I am at a loss to supply the arguments by which the retention of such duties can be justified in preference to refusing an infinite variety of petty administrative demands, among which I am quite content to class requirements for public buildings and such matters, which have been allowed to swallow up the money that, to my mind, would so vastly better have been applied to getting rid of these senseless and positively mischievous hinderances to the growth of the wealth of the country. The refusal to supply funds for the Godavery works and the Kurrachee Harbour, for instance, would have permitted of the abolition of all export duties except those on grain and seeds, and, if the choice had been left to me in such a matter, I should have had no sort of hesitation in taking off the duties. Of course I do not say that of all expenditure that might be stopped that which I have mentioned would be the best to select, but I accept the test of a practical application of my principles, and I have said where I could find a reduction which would suffice in the absence of any better.

I do not know that I should be disposed to agree with my honourable friends who have spoken of the grain duties as being those which most demand attention, though I fully assent to their condemnation of them absolutely. I regard that duty as the worst which is most in the nature of a class duty, and which at the same time is least productive. Now all these little productive export duties are essentially class duties and inflict special injury on a small body of persons employed in particular trades. Inasmuch as the rice duty falls on a large area it is less obnoxious and not more, and it partakes more of the character of a general tax on agriculture. I fear that the true reason we hear more of it than of other worse duties, is that it affects a greater number of influential persons who can complain, and not that it is really more obnoxious to censure.

And here I would say a word as to how bad a test of the character of a tax is mere absence of complaint. The sugar production of the North-West Provinces, to take an instance that has been lately referred to in this room, may be utterly strangled by export duties levied hundreds of miles away in the

Punjab, Central Provinces, and Rajpootana, of which the grower of the cane probably never even heard. And so it may readily be with all industry. The poison is absorbed into the system imperceptibly, and the victim dies without a struggle it is true, but not the less surely.

The sugar duties of which I have just spoken are without doubt the most discreditable relic of the dark ages of taxation that yet subsists in India. A 10 per cent. *ad valorem* duty is deliberately retained on the export of British sugar into Rajpootana, and into our own territories on the wrong side of the Customs line drawn across Northern India, by a Government which has for years past preached to the very States on whose borders this tax is levied the impropriety of doing this very thing which is justified in our own case, because it yields 120,000*l.* or 130,000*l.*, which it would be inconvenient to give up. I have rejoiced to hear the head of the Government say that he thinks this is among the matters first to be put to rights in any future revision of the public burdens, and I cannot see how there can be a difference of opinion on the subject. These sugar duties have been defended, by persons who should have known better, on the ground that no one complained of them. It shows a truly melancholy want of insight into or consideration of the action of such imposts on the part of those who supervise this part of the administration to find these duties in existence at the present day; and I trust that another year may not elapse before some step at least is taken towards extinguishing them.

And before I leave these export duties, let me ask why is it that the cotton goods manufactured on one side of the Hooghly are taxed, while the jute on the other goes free? Why does the cotton grown side by side with the indigo escape the duty which the other staple pays? The reply is obvious. The customers of the jute mills and the purchasers of the cotton live in England, and can make themselves heard, and have made themselves heard and feared. Here, for such reasons as I have mentioned, and in the absence of the natural defenders of the suffering interests from the Councils of the Government, the true principles of taxation have too long been neglected, for the sake of obtaining a revenue really insignificant in amount, and the necessity for which might quite easily have been avoided by proper firmness in refusing the expansion of expenditure.

But I fear that my Bill of indictment against the Customs duties does not end with the export tariff. As I before said, the true test of character of a Customs duty is, that it shall fall on consumers. Now, there are several items of the import tariff, and one an important one, that does not comply with this condition. The first on the list is metals. It is true that iron is taxed lightly at one per cent., but all other metals are taxed at 7½ per cent., and almost in all cases such metals are in truth used in manufactures, and are not in any true sense articles of consumption. Naval stores come under the same description, also hides, and paints and colours, and there may be others, which for the most part stand at 7½ per cent.

Railway materials, I need not say, come under the same condemnation, but this duty is yet more objectionable, for it is either paid by the Government in the form of guaranteed interest in case of materials used on an open line, or, if for a new line, it is charged to the capital account of the railway, and is converted into debt bearing interest at five per cent. for ever. Now that the Government is about to commence railway construction, the absurdity of this duty will perhaps become more obvious, and I hope that it will not make its appearance in another tariff. The aggregate of the five items which I have named is 225,000*l.*

Excluding these items, I find that the 10 largest amounts, of which the lowest is 15,000*l.*, yield together 1,444,000*l.*, and that all the rest, 39 in number, together give only 134,000*l.* The whole list comprises 54 items. I cannot consider that it is desirable to maintain such a tariff as this, several of the items of which do not produce 1,000*l.* Among the most miserable of the list are the two last additions to it, the mere mention of which will, I think, sufficiently indicate the spirit which has governed the commercial policy of the Government in late years, corals and lucifer matches.

Many of the items in the import tariff are, moreover, open to objection as being class taxes. Such are the duties which exclusively, or nearly exclusively, fall on the Europeans resident in India, and of these a long list might be enumerated. Although it would, no doubt, be indefensible to place Europeans

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in a better position than the natives of the country in these matters, yet to do the converse is still more indefensible: and I consider that many of these duties press most unjustly on the class to which I belong, and I think that I should be neglecting my duty in this Council, and to that class, if I did not say it in perfectly plain terms. The European has at least as much claim to my sympathy in matters of taxation, as the sugar grower of Northern India, or the indigo grower of Bengal, or the cotton spinner of Bombay. In all these cases, I affirm, are grievances in the matter of taxation far more onerous than those of which we have, within the last few weeks, heard so much, and having this distinctive character that they are as real as the others were imaginary. And I may add that, for my own part, I should be glad to hear the voice of the House of Commons require the Government of India, if it were necessary, which I hope and believe indeed it will not be, to do what is necessary for the removal of evils such as I have mentioned in the interest of Great Britain, for she has a great interest in them, and may justly defend it, as well as in the interest of India itself.

I am, of course, quite aware that it is not possible in a summary way to take off these duties, and I am anxious not to be supposed to suggest such a course. But what I say is, that the first occasion should be taken to reduce the list, and to carry out the other reforms of which I have spoken; and that such an occasion can only be found by a resolute determination on the part of the financial administration that there shall be no addition to the expenditure which shall prevent these necessary fiscal reforms. A distinct and positive policy must be adopted and acted up to, or nothing in this direction will be possible. I am too well aware of the incessant and insiduous demands for money for mere administrative purposes, and I know the difficulty of resisting these demands, and I repeat, therefore, with special emphasis, what I believe to be the only rule of action that can lead to success.

Neither am I satisfied that even this amount of reform is all that we can fairly hope to see carried out. I go further still.

And in the first place; I reject entirely the doctrine that we do well to maintain a high rate of duty on the piece goods imports. Whether Manchester be selfish or not, and no doubt it has been loudly asserted, it is not for me to say; but this I know, that the men of Manchester gave England free trade, and understand the real requirements of commerce and progress vastly better than those statesmen who put export duties on such products as tea and coffee, and grain, as well as on the few manufactures India ever had, and who maintain transit duties in the heart of our own provinces to this very day. I say, then, that those who ask for a reduction of the duty on piece goods may at all events possibly, and to my mind actually, have a very substantial ground on which to base their argument, quite apart from mere personal interest, though no doubt this is one of the motives of those who object to high duties, and a motive which is a perfectly proper one.

The truth is, and it lies on the surface, that exports are best paid for by imports, and that if a fair return in the shape of imports is not taken, the export trade is carried on at a disadvantage. Everything which enlarges the consumption of imports, opens the way for a further production of exports. Now, obviously the best way of enlarging consumption is to reduce price, and even a very small fall of price may in a very important degree influence the total amount of trade. In the particular case of piece goods, moreover, every increase of consumption tends to add to the demand for the raw material, and thus in another way to stimulate Indian production.

And let me here further remark that it by no means follows that a duty is not mischievous because it only adds one, two, or three per cent, to the cost of goods. It is precisely these small amounts which in the end determine whether trade is possible or not; and in the present condition of commerce, with its vast extent and close competition, it is altogether erroneous to say that a duty is not important because the rate is low.

Nor does this finish my demands in behalf of the commerce of India. I do not affirm that it can at present be said to be within the limits of the practicable to make all the ports of India entirely free; but this is certain, that there is hardly any sacrifice of present administrative progress that I can conceive of that would not be a reasonable price to pay for the vast benefit of complete freedom of the export and import trade of India. The customs duties at the

present time are not of a magnitude to render this idea in any way chimerical. The whole amount at stake is about 2½ millions Of this there is some portion that it might reasonably be thought right to retain; and though I have no specific plan to propose, I should conceive that some system might be adopted by which a certain revenue could be obtained by stamps on the documents relating to the import and export of goods. So far as this were possible, it would reduce the sacrifice to be made. Now, if this amounted to two millions sterling, I can at once indicate a possible source for meeting it. When I placed before the Council a statement of the recent growth of the public expenditure, I also noticed that there had been a growth of the revenues in the last ten years of something like 3,900,000 *l.* after allowing for increase of charges of collection, but that of this amount 2,700,000 *l.* had been eaten up by growth of civil charge. Let the revenues then continue to increase as in the past, let reasonable attention be given to the due assessment of the land revenue, and the proper protection of the rights of the State to share in the profits derived from land in conformity with ancient usage and theoretical justice, and let the growth of civil charges be stopped for ten years, and the difficulty is removed. And without taking any extreme view, it seems to me quite reasonable to look forward to such a growth of the revenues as shall render possible, if not such a complete adoption of free trade as I myself would advocate, at all events a fair approach to it.

I need not speculate on the probable results of such a policy, if carried out; but I may point to the wonderful effects of the adoption of a modified form of free trade by England, and say that it seems to me certain that the greatest benefit would be obtained by following a like course in India.

I should perhaps mention that the suggestion that I have put forward of a possible complete or almost complete abolition of customs duties in India is not due to me. It originated, so far as I am concerned, with Mr. Robert Knight, a gentleman to whom the best interests of Indian finance and commerce are much indebted. If in some particulars I do not adopt his views, yet it is a simple act of justice to bear testimony to the value of one of the few real critics to whom the Indian administration can look for assistance in the onerous task that rests upon it.

In conclusion, I will only further observe that I look forward to the action of the newly constituted Department of Agriculture and Commerce as likely to be of the greatest service in giving effect to such modifications in our commercial taxation as the further consideration of this important matter may show to be desirable. In support of this expectation, I will read a portion of the Despatch of the Government of India to the Secretary of State, proposing the constitution of the Department of Agriculture and Commerce:—

"We are convinced that if there had been a department, the special business "of which was to make itself thoroughly acquainted with all facts of importance "regarding the commercial transactions of India, to observe intelligently the "operations of external and internal trade, and to watch the effect produced "upon the commerce of the country by our fiscal system, our legislation would "have been very different from what it has actually been. If such a depart- "ment had existed, we doubt whether the export duties which we now levy on "some of the main staples of agricultural produce, and even on articles of "Indian manufacture, could have been imposed or maintained. If such a de- "partment had existed, it could never have tolerated the continuance of duties "such as those which are still levied on sugar exported from the North-West "Provinces across the Inland Customs line. Those duties are transit duties of "the worst description, levied on one of the most important articles of agricul- "tural produce in Northern India."

After such an expression of opinion on the part of the Government of India, I confidently hope that the very important questions to which I have called the attention of the Council will receive the attention they deserve, and in a spirit conformable to the suggestions I have ventured to make.

EAST INDIA (FINANCE).

COPY of a PAPER entitled "OBSERVATIONS on some Questions of INDIAN FINANCE, by Sir *John Strachey*, K.C.S.I."

(*Mr. Grant Duff.*)

Ordered, by The House of Commons, *to be Printed*, 24 *July* 1874.

REPORT

FROM THE

SELECT COMMITTEE

ON

EAST INDIA FINANCE;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

Ordered, by The House of Commons, *to be Printed*,
28 *July* 1874.

Monday, 20*th April* 1874.

Ordered, THAT a Select Committee be appointed to inquire into Charges payable in this Country for which the Revenues of India are liable.

Ordered, THAT the Committee do consist of Seventeen Members, viz:—

Mr. Stephen Cave.
Mr. Grant Duff.
Mr. Beckett Denison.
Mr. Stanley.
Mr. Massey.
Sir Thomas Bazley.
Mr. Birley.
Sir George Balfour.
Sir Seymour Fitzgerald.
Sir Henry Havelock.
Mr. Onslow.
Lord Edmond Fitzmaurice.
Mr. Eustace Smith.
Lord George Hamilton.
Mr. Sampson Lloyd.
*Mr. Dickinson.
Sir James Elphinstone.

* Void Election, 8 May 1874.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Thursday, 30*th April* 1874.

Ordered, THAT the Select Committee on East India Finance do consist of Twenty-one Members.

Ordered, THAT Mr. Fawcett, Mr. Campbell-Bannerman, Mr. Dalrymple, Mr. Balfour, and Mr. Dunbar be added to the Committee.

Tuesday, 28*th July* 1874.

Ordered, THAT the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, to The House.

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REPORT.

THE SELECT COMMITTEE appointed to inquire into CHARGES payable in this Country for which the REVENUES of INDIA are liable;——HAVE considered the matters to them referred, and have agreed to the following REPORT:—

THE inquiry into the charges payable in this country for which the revenues of India are liable may be divided into two distinct heads:

First, assuming that no expenditure of the Indian revenue is to take place except for the purposes of India, whether India should contribute to establishments such as Zanzibar, to political agencies in China and Persia, to wars such as the Chinese, Persian, and Abyssinian, to hospitals and asylums in England, to telegraph and postal services, and whether she should pay the whole expense of the India Office, and contribute to the expense of other departments of State in this country.

Secondly, granting that India ought to pay for that portion of the British army which is stationed in India, together with the necessary stores and transport, the expense of recruiting and depôts in this country; and to contribute to that portion of Her Majesty's navy which is employed in the Indian Seas, to guaranteed railways and other public works which have been either purchased or assisted by the Secretary of State in Council, and the interest of which is payable in this country, whether she is called upon to pay more than her due share of such charges; and whether the charges themselves are fixed with a due regard to economy. The first is clearly a wide and somewhat speculative question of policy; the second a matter of detail and of account.

The late period at which your Committee were appointed has rendered it necessary that in order to report during the present Session, they should restrict their inquiry within the limits of a part only, though the most important part, of the second of these two heads, that, namely, which relates to military expenditure. This will also be found to divide itself into two questions. First, whether the India Office is able to obtain from the other departments of the State due consideration for Indian interests. Secondly, whether the views of the Government of India in India is sufficiently consulted by the India Office itself.

Your Committee have made a careful inquiry into these points. They have had the benefit of the evidence taken before the Committee on Indian Finance which sat during the last three Sessions of the late Parliament. They have also had before them, among other documents to be found in the Appendix to their Report, the proceedings of a Committee appointed by the Secretaries of State for War and for India, "to make arrangements for adjusting from the 1st April 1869 the charges for effective services of Her Majesty's regiments on the East India Establishment, on the principle of actual charges," together with an unfinished correspondence between the two departments in which the several matters in dispute between them are clearly and strongly set forth.

They have moreover had the advantage of examining, in addition to some of the principal permanent officials of both departments, His Royal Highness the Field Marshal Commanding in Chief; the late Secretary of State for War,

Viscount Cardwell; the present Secretary of State for India, the Marquis of Salisbury, and other high authorities.

From these witnesses very valuable evidence has been received in reference to the general principles on which these charges are and ought to be made, as well as upon the various items of which the sums total are made up.

Your Committee have received an impression from these sources that charges have in some instances been imposed upon India which ought to have been borne by England. Your Committee have, however, been assured by various witnesses that a very general desire prevails among the different English departments not to throw any charge upon India improperly. Your Committee cannot too strongly insist on the importance of securing for India strict impartiality in all her financial arrangements with this country, and they agree in the opinion which was very emphatically expressed by the Marquis of Salisbury, that the most effectual way of securing financial justice for India is for the House of Commons to be constantly watchful on her behalf.

Your Committee cannot lay down too strongly the position, that the English estimates ought not to be relieved at the expense of the Indian revenues, but that the Secretary of State for India in Council has the constitutional right of refusing to pay for objects in which he considers that India has no interest. At the same time India, as a component part of the Empire, must be prepared to share in the cost of a system the expense of which may be enhanced for Imperial purposes.

Your Committee have found that there has been and is considerable difference of opinion between the two great departments which conduct the military and Indian affairs of the Empire, both generally as to the proportion of the charges which ought to be borne by India, and in particular with respect to the items which should be taken into account.

It has been attempted to settle these differences by means of a Committee composed of permanent officers of these two departments; but although the labours of this Committee have resulted in presenting the points of difference in a clear light, yet no agreement has been finally arrived at. Your Committee have been informed that, with a view to settle these differences, an independent authority is to be added to the Departmental Committee, for the purpose of bringing the questions thus stated to some satisfactory solution. Your Committee have been informed, in the course of their inquiry, that steps have been taken to supply this obvious want, and that the Government have secured the co-operation of Mr. Bouverie, a former Member of your House, as President of this Committee. Your Committee hope that the deliberations of this Committee will assist the heads of the English departments and the Secretary of State for India to come to conclusions upon the charges in dispute, satisfactory both to England and to India.

Your Committee suggest, that in the interval before next Session the Departmental Committee should, under the supervision of the President, continue the inquiries into all the details of charges which are now incurred by the War Office on behalf of Indian interests, and for which charges Indian interests are considered liable. Your Committee would indicate some of the heads which appear to need special investigation, such as the strength of depôts, and the ranks composing these depôts, and whether recruits are sent to India with much less training than the agreed on period. Your Committee would also urge a further investigation into all the items of charge making up the total cost of recruits, especially with regard to the large addition of one-third to the cost for deaths, desertions, &c. Your Committee would also advise an inquiry into the mode of adjusting claims of the War Office against Indian revenues arising subsequently to the 31st of March 1872, there being no arrangement as yet fixed on as to the final adjustment of charges for effective services. Your Committee would also advise an inquiry into the arrangements for adjusting the non-effective charges, and whether the retiring pay, pensions, and other charges of this nature should be adjusted by the contribution of a lump sum, or whether the actual charges for pensions based on the actual service rendered to the Imperial and Indian Governments should be followed for settling these claims.

It would be impossible for your Committee to pronounce an opinion of any value upon these details, especially at a time when so much of our military policy is new and scarcely tried, and must for some years to come be more or less tentative. They would, however, suggest that the payments from India should be as much as possible in the form of fixed rates for particular charges, for the obvious purpose of avoiding frequent re-opening of accounts, the delays in settling claims which have led to the serious evil of the accounts having been presented to Parliament without certificate from the Auditor that the payments have been allowed, as well as the inconvenience which might arise from any sudden change of policy in either Administration. They think that such sums should be, in the first instance, arrived at by careful computation; but that when once fixed they should continue without alteration for as many years as may be deemed advisable. This same method of adjustment would obviously apply to similar differences between the India Office and other Departments, such as the Admiralty, with whom a question was for some time pending in reference to transports. As, however, your Committee have been informed that this question has been satisfactorily settled, and as copious evidence was taken on the subject by the India Finance Committee of former Sessions, your Committee have not thought it necessary to go more fully into this matter.

Your Committee would remark that, while there appears to be every disposition among the heads of other Departments to consult the India Office upon proposed changes which may affect India, yet this has sometimes been omitted, in consequence of the fact that India may be affected by such changes having been overlooked; and the India Office, as the controlling authority, has occasionally acted independently of, or not in accord with, the opinions of the Government of India in India. In reference to these points, your Committee suggest that although the interests of India must be subordinate, like those of any other portion of the Empire, to the common interests of the Empire as a whole, and that although the best information upon almost every subject connected with India may be generally obtained in this country, yet that even the appearance of neglect may be misunderstood and magnified by the natives of India, some of whom take the most intense interest in the minutest details of the policy adopted by this country towards its Indian possessions, and attach perhaps exaggerated importance to points which may pass unobserved by those who have to perform the arduous task of governing a vast and varied Empire.

In conclusion, your Committee would suggest that, as they have not had time to investigate the various Home charges which are not connected with military expenditure, they should be re-appointed next Session. As much evidence was taken in reference to these charges by the India Finance Committee, which sat during the three previous Sessions, it is probable that the inquiry might be completed within a reasonable period.

28 *July* 1874.

PROCEEDINGS OF THE COMMITTEE.

Friday, 28th April 1874.

MEMBERS PRESENT:

Sir James Elphinstone.
Lord George Hamilton.
Sir George Balfour.
Mr. Massey.
Mr. Stanley.
Lord Edmond Fitzmaurice.
Mr. Stephen Cave.
Mr. Sampson Lloyd.
Mr. Onslow.
Mr. Birley.
Sir Seymour Fitzgerald
Sir Henry Havelock.
Mr. Eustace Smith.

Mr. CAVE was called to the Chair.

The Committee deliberated.

[Adjourned till Tuesday, 12th May, at Half-past Twelve o'clock.

Tuesday, 12th May 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Sampson Lloyd.
Mr. Dunbar.
Mr. Birley.
Mr. Stanley.
Lord George Hamilton.
Sir Thomas Bazley.
Mr. Campbell-Bannerman.
Mr. Dalrymple.
Lord Edmond Fitzmaurice.
Sir George Balfour.
Mr. Eustace Smith.
Sir Henry Havelock.
Mr. Onslow.
Mr. Fawcett.
Mr. James Elphinstone.
Mr. Balfour.
Mr. Beckett Denison.

Messrs. *Milton, Day,* and *Knox,* were severally examined.

[Adjourned till Friday next, at Half-past Twelve o'clock.

Friday, 15th May 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Sir Seymour Fitzgerald.
Sir George Balfour.
Sir Henry Havelock.
Lord George Hamilton.
Mr. Sampson Lloyd.
Mr. Onslow.
Mr. Dalrymple.
Mr. Balfour.
Mr. Dunbar.
Mr. Campbell-Bannerman.
Mr. Fawcett.
Mr. Eustace Smith.
Lord Edmond Fitzmaurice.
Mr. Stanley.
Mr. Beckett Denison.
Mr. Birley.
Mr. Massey.

Messrs. *Milton, Day,* and *Knox,* were severally examined.

[Adjourned till Tuesday, 2nd June, at Half-past Twelve o'clock.

Friday, 5th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Sampson Lloyd.
Mr. Campbell-Bannerman.
Mr. Onslow.
Mr. Fawcett.
Sir George Balfour.
Mr. Stanley.
Sir Henry Havelock.
Lord George Hamilton.
Mr. Eustace Smith.
Sir Thomas Bazley.
Lord Edmond Fitzmaurice.
Mr. Dunbar.
Mr. Balfour.
Mr. Dalrymple.

Sir *T. Pears* was examined.

[Adjourned till Tuesday next, at Half-past Twelve o'clock.

Tuesday, 9th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Lord George Hamilton.
Sir Thomas Bazley.
Mr. Dunbar.
Sir Henry Havelock.
Mr. Stanley.
Mr. Birley.
Mr. Campbell-Bannerman.
Mr. Onslow.
Lord Edmond Fitzmaurice.
Sir George Balfour.
Mr. Sampson Lloyd.
Mr. Balfour.
Mr. Fawcett.
Mr. Dalrymple.
Mr. Eustace Smith.

The Lord *Sandhurst*, attending by permission of the House of Lords, was examined.

[Adjourned till Friday next, at Half-past Twelve o'clock.

Friday, 12th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Sir Thomas Bazley.
Lord Edmond Fitzmaurice.
Mr. Dalrymple.
Mr. Dunbar.
Mr. Sampson Lloyd.
Mr. Eustace Smith.
Mr. Campbell-Bannerman.
Mr. Stanley.
Lord George Hamilton.
Sir George Balfour.
Mr. Fawcett.
Sir Henry Havelock.
Mr. Onslow.
Mr. Balfour.
Mr. Birley.
Mr. Massey.
Mr. Beckett Denison.

Sir *Thomas Pears* and The Viscount *Cardwell*, attending by permission of the House of Lords, were examined.

[Adjourned till Tuesday next, at Half-past Twelve o'clock.

Tuesday, 16*th June* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Sir Thomas Bazley.	Mr. Fawcett.
Lord Edmond Fitzmaurice.	Mr. Grant Duff.
Mr. Sampson Lloyd.	Mr. Dunbar.
Mr. Eustace Smith.	Mr. Campbell-Bannerman.
Sir Henry Havelock.	Mr. Dalrymple.
Mr. Stanley.	Lord George Hamilton.
Sir George Balfour.	Mr. Balfour.

Sir *W. Muir* was examined.

[Adjourned till Friday next, at Half-past Twelve o'clock.

Friday, 19*th June* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Dunbar.	Mr. Sampson Lloyd.
Lord George Hamilton.	Mr. Onslow.
Mr. Eustace Smith.	Mr. Birley.
Mr. Fawcett.	Sir Henry Havelock.
Sir George Balfour.	Mr. Dalrymple.
Mr. Campbell-Bannerman.	

The Lord *Cardwell* was further examined.

[Adjourned till Tuesday next, at Half-past Twelve o'clock.

Tuesday, 23*rd June* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Dalrymple.	Sir Seymour Fitzgerald.
Lord Edmond Fitzmaurice.	Lord George Hamilton.
Mr. Dunbar.	Mr. Stanley.
Mr. Sampson Lloyd.	Sir George Balfour.
Mr. Eustace Smith.	Mr. Fawcett.
Sir Henry Havelock.	Mr. Onslow.
Mr. Campbell-Bannerman.	Mr. Balfour.

H. R. H. the Duke of *Cambridge*, attending by permission of the House of Lords, was examined.

Friday, 26th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Lord George Hamilton.	Mr. Onslow.
Sir George Balfour.	Mr. Beckett Denison.
Mr. Fawcett.	Mr. Stanley.
Sir Thomas Bazley.	Mr. Sampson Lloyd.
Sir Henry Havelock.	Mr. Birley.
Mr. Eustace Smith.	Mr. Campbell-Bannerman.
Mr. Dunbar.	Mr. Dalrymple.

The Marquis of *Salisbury*, attending by permission of the House of Lords, and Sir *George Balfour* (a Member of the Committee), were severally examined.

[Adjourned till Tuesday next, at Half-past Twelve o'clock.

Tuesday, 30th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Sampson Lloyd.	Sir George Balfour.
Mr. Campbell-Bannerman.	Mr. Birley.
Sir Thomas Bazley.	Mr. Dalrymple.
Lord Edmond Fitzmaurice.	Sir Henry Havelock.
Mr. Eustace Smith.	Sir James Elphinstone.
Mr. Fawcett.	Lord George Hamilton.

Sir *George Balfour*, a Member of the Committee, was further examined.

[Adjourned till Friday, July 17, at Twelve o'clock.

Friday, 17th July 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Stanley.	Lord George Hamilton.
Mr. Campbell-Bannerman.	Mr. Grant Duff.
Mr. Eustace Smith.	Sir Henry Havelock.
Sir Thomas Bazley.	Mr. Dunbar.
Mr. Sampson Lloyd.	Mr. Onslow.
Lord Edmond Fitzmaurice.	Sir Seymour Fitzgerald.
Sir George Balfour.	Mr. Balfour.
Mr. Fawcett.	Mr. Beckett Denison.
Sir James Elphinstone.	Mr. Birley.

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows:—

"1. THE inquiry into the charges payable in this country for which the revenues of India are liable, seems to be divided into two distinct branches. First, namely, whether, on the assumption that no expenditure of the Indian revenue is to take place, except for the purposes of India, India should pay for Imperial establishments, such as political agencies in China and Persia, at Aden and Zanzibar; for wars, such as the Abyssinian, for departments of State, for hospitals and asylums in England, for pensions and furloughs. Secondly, granting that India ought to pay for that portion of the British army which is stationed in India, together with the necessary stores and transport, the expense of recruiting and depôts in this country; and again, for that part of Her Majesty's navy which is employed in the Indian seas, for telegraph and postal services, and for railways and other public works, the guaranteed interest of which is paid in this country; whether she is compelled to pay more than her due share of such charges; and whether the charges themselves are fixed with due regard to economy. The first is clearly a wide and somewhat speculative question of policy, the second a matter of detail and of account.

"2. The late period at which your Committee was appointed has rendered it necessary that in order to report during the present Session they should restrict their inquiry within the limits of a part only, though the most important part of the second of these two propositions, that, namely, which relates to military expenditure. This will also be found to divide itself into two parts; first, whether the India Office has the power of obtaining justice for India from the other departments of the State; secondly, whether India is sufficiently considered by the India Office itself.

"3. Your Committee have met, and have made a careful inquiry into these points. They have had the benefit of the evidence taken before the Committee on Indian Finance which sat during the last three Sessions of the late Parliament. They have also had before them, among other documents to be found in the Appendix to their Report, the proceedings of a Committee appointed by the Secretaries of State for War and for India, to make arrangements for adjusting the charges for the effective services of Her Majesty's troops on the East India Establishment, together with an unfinished correspondence between the two departments in which the several matters in dispute between them are clearly and strongly set forth.

"4. They have also had the advantage of examining, in addition to some of the principal permanent officials of both departments, His Royal Highness the Field Marshal Commanding in Chief; the late Secretary of State for War, Viscount Cardwell; the present Secretary of State for India, the Marquis of Salisbury, and other high authorities.

"5. From these witnesses very valuable evidence has been received in reference to the general principles on which these charges are and ought to be made, as well as upon the various items of which the sums total are made up.

"6. Your Committee have received a general impression from these various sources that, although India has occasionally been hardly dealt with, and that both the India Office has found it difficult to defend itself against the encroachments of other departments, and that India has not always been sufficiently considered by the India Office itself, this is true only in reference to past years, and that there is now no desire, in the language of one of the witnesses before the former Committee, to sacrifice India to the exigencies of English Estimates, or to the wishes of the Horse Guards; but, on the other hand, a ready concurrence on all sides that India ought not to pay beyond her due proportion. They have, however, found a considerable difference of opinion both generally as to what that due proportion is, as well as in particular with respect to the items which should be taken into account.

"7. Your Committee has considered it unnecessary to revert to what is now mere matter of history, and they would, therefore, confine themselves to a suggestion of the principles on which these charges should be made, and to a recommendation of means by which disputed items between the different departments of State may be in future adjusted.

"8. Your Committee cannot lay down too strongly the position, that India should never be sacrificed to the desire for economical budgets in England, but that the Secretary of State for India in Council has the constitutional right of refusing to pay for objects in which he considers that India has no interest. At the same time, India as a component part of the Empire, must be prepared to share in the cost of a system, the expense of which may be enhanced for Imperial purposes.

"9. Your Committee cannot admit a parallel drawn between India and the self-governing Colonies of the Anglo-Saxon race. It is obvious that such Colonies are in a totally different position in every way; and that they would in case of war within their own territory have to make far greater sacrifices than India has, under similar circumstances, been called upon to do.

"10. It

"10. It is well known that Canada, even in time of peace, has raised, entirely from her own resources, a militia of 40,000 men, and a reserve of 300,000. It should also be remembered that these Colonies maintain for themselves that inestimable benefit of order and security which India owes entirely to England, and which she would almost certainly lose if English supremacy were overthrown, and that in those colonies which, like Ceylon, repay the British Exchequer for troops, the payment is fully as great as that exacted from India: while, therefore, India must be content to bear her share of Imperial expenditure, it is important that she should feel that her proportion is fixed with due regard to justice, and even, considering the circumstances of the two countries, with liberality.

"11. It is natural that there should be frequent differences of opinion as to matters of detail and of account between the two great departments which conduct the military and Indian affairs of the Empire.

"12. It has been attempted to settle these differences by means of a committee composed of the permanent officers of these two departments; but although the labours of this Committee have resulted in presenting the points of difference in a clear light, yet, as might have been expected from the nature of things, no agreement has been arrived at. It is necessary, therefore, that there should be an independent arbitrator who can bring the questions thus stated to some satisfactory conclusion. Your Committee have been informed, in the course of their inquiry, that steps have been taken to supply this obvious want, and that the Government have been fortunate enough to secure the co-operation of a former Member of your House, who cannot fail to command the confidence of the departments and the country.

"13. Your Committee cannot recommend any better plan; it would be impossible for them to pronounce an opinion of any value upon these details, especially at a time when so much of our military policy is new and scarcely tried, and must for some years to come be more or less tentative. They would, however, suggest that the payments from India should be as much as possible in the form of lump sums, for the obvious purpose of avoiding frequent reopening of and haggling over accounts, as well as the inconvenience which might arise from any sudden change of policy in either Administration. They think that such sums should be, in the first instance, arrived at by careful computation; but that when once fixed, they should continue without alteration for as many years as may be deemed advisable. This same method of adjustment would obviously apply to similar differences between the India Office and other departments, such as the Admiralty, with whom a question was for some time pending in reference to transports. As, however, your Committee have been informed that this question has been satisfactorily settled, and as copious evidence was taken on the subject by the India Finance Committee of former Sessions, your Committee has not thought it necessary to go more fully into this matter.

"14. In conclusion, your Committee would venture to remark that, while there appears to be no indisposition among the heads of other departments to consult the India Office upon proposed changes which may affect India, yet that sometimes this has been omitted, in consequence of the fact that India may be affected by such changes having been overlooked. Again, that while there can be no pretence for saying that the interests of India have been neglected at the India Office, there seems sometimes a disposition to act without notice to, or consultation with, the authorities in India itself. In reference to these points, your Committee venture to suggest, with great deference, that although, as they have already said, the interests of India must be subordinate to those of the Empire, and that although the best information upon almost every subject connected wth India may be generally obtained in this country, yet that this seeming neglect is apt to be misunderstood by the natives of India, who are rapidly advancing in education and intelligence, and who take the most intense interest in the minutest details of the policy adopted by this country towards its Indian possessions, and attach perhaps exaggerated importance to points which may pass unobserved by those who have to perform the arduous task of governing a vast and varied Empire."

MOTION made, and Question, That this Report be now read a second time, and considered, paragraph by paragraph,—put, and *agreed to.*

Paragraph 1, amended, and *agreed to.*

Paragraph 2.—Amendment proposed to leave out from the word "The" to the end of the paragraph, in order to add the words "Committee have had the benefit of the evidence taken before the Committee on Indian Finance, which sat during the last three Sessions of the late Parliament. Owing to the majority of the points to which the attention of your Committee has been directed, having been already examined by that Committee, they have confined the evidence taken in the present year to the question of the Home military expenditure, as between the War Office and the India Office in England —

(Lord *Edmond Fitzmaurice*),—instead thereof,—Question, That the words "late period" stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 4.
Mr. Dalrymple.	Mr. Balfour.
Mr. Dunbar.	Lord Edmond Fitzmaurice.
Mr. Sampson Lloyd.	Mr. Eustace Smith.
Sir Henry Havelock.	Mr. Fawcett.
Mr. Campbell-Bannerman.	
Mr. Grant Duff.	
Lord George Hamilton.	
Mr. Stanley.	
Mr. Birley.	
Mr. Beckett Denison.	
Sir Seymour Fitzgerald.	

Other amendments made.

Paragraph, as amended, *agreed to.*

[Adjourned till Wednesday next, at Half-past One o'clock.

Wednesday, 22nd July 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Sir Seymour Fitzgerald.	Mr. Beckett Denison.
Mr. Stanley.	Mr. Onslow.
Lord George Hamilton.	Mr. Sampson Lloyd.
Mr. Campbell-Bannerman.	Sir James Elphinstone.
Mr. Grant Duff.	Mr. Fawcett.
Sir George Balfour.	Sir Henry Havelock.
Mr. Birley.	Mr. Eustace Smith.
Lord Edmond Fitzmaurice.	Mr. Balfour.

Paragraphs 3—5, *agreed to.*

Paragraph 6.—Amendment proposed to leave out from the words "Your Committee," to the end of the paragraph, in order to add the words, "have come to the conclusion that charges have often been unjustly thrown on India which ought to have been borne by England, and that, in the language of one of the official witnesses examined, Indian finance has been frequently sacrificed to the wishes of the Horse Guards and to the exigencies of English Estimates. Your Committee, have, however, been assured by various witnesses that a very general desire now prevails among the various English departments not in the future improperly to throw any charge upon India. Your Committee cannot too strongly insist on the importance of securing for India strict justice in all her financial arrangements with this country, and agree in the opinion which was very emphatically expressed by the Marquis of Salisbury, that the most effectual way of securing justice for India is for the House of Commons to be constantly watchful on her behalf, and for the English people so generally to recognise the duty they owe to India, that a Government would know that inattention to the affairs of India would be commented upon in Parliament, and an attempt to treat her with injustice would meet with disapproval"—(Mr. *Fawcett*),—instead thereof.—Question put, That the words "have received," stand part of the paragraph.—The Committee divided:

Ayes, 10.	Noes, 6.
Mr. Beckett Denison.	Sir George Balfour.
Mr. Balfour.	Lord Edmond Fitzmaurice.
Sir Henry Havelock.	Mr. Birley.
Sir James Elphinstone.	Mr. Eustace Smith.
Mr. Sampson Lloyd.	Mr. Fawcett.
Sir Seymour Fitzgerald.	Mr. Onslow.
Mr. Campbell-Bannerman.	
Mr. Grant Duff.	
Lord George Hamilton.	
Mr. Stanley.	

Another

Another Amendment proposed, to leave out from the words "sources that," in line 2, to the end of the paragraph, in order to add the words "charges have in some instances been thrown on India which ought to have been borne by England. Your Committee have, however, been assured by various witnesses that a very general desire prevails among the various English departments not to throw any charge upon India improperly. Your Committee cannot too strongly insist on the importance of securing for India strict impartiality in all the financial arrangements with this country, and agree in the opinion which was very emphatically expressed by the Marquis of Salisbury, that the most effectual way of securing financial justice for India, is for the House of Commons to be constantly watchful on her behalf"—(Lord *Edmond Fitzmaurice*),—instead thereof.—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 4.	Noes, 11.
Sir James Elphinstone.	Mr. Onslow.
Mr. Campbell-Bannerman.	Mr. Beckett Denison.
Mr. Grant Duff.	Mr. Balfour.
Mr. Stanley.	Sir Henry Havelock.
	Sir Seymour Fitzgerald.
	Lord George Hamilton.
	Sir George Balfour.
	Mr. Fawcett.
	Lord Edmond Fitzmaurice.
	Mr. Birley.
	Mr. Eustace Smith.

Question put, That the proposed words be there added.—The Committee divided:

Ayes, 10.	Noes, 6.
Mr. Onslow.	Sir Henry Havelock.
Mr. Beckett Denison.	Sir James Elphinstone.
Mr. Balfour.	Sir Seymour Fitzgerald.
Lord George Hamilton.	Mr. Campbell-Bannerman.
Mr. Stanley.	Mr. Grant Duff.
Sir George Balfour.	Mr. Sampson Lloyd.
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	
Mr. Eustace Smith.	

Question, That the paragraph, as amended, stand part of the proposed Report.—The Committee divided:

Ayes, 10.	Noes, 6.
Mr. Onslow.	Sir Henry Havelock.
Mr. Beckett Denison.	Sir James Elphinstone.
Mr. Balfour.	Sir Seymour Fitzgerald.
Lord George Hamilton.	Mr. Campbell-Bannerman.
Mr. Stanley.	Mr. Grant Duff.
Sir George Balfour.	Mr. Sampson Lloyd.
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	
Mr. Eustace Smith.	

Paragraph 7, *disagreed to.*

Paragraph 8.—Amendment proposed to leave out from the word "that" in line 1, to the word "England," in line 2 (inclusive), in order to insert the words "the English Estimates ought not to be relieved at the expense of the Indian Revenues"—(Lord *George Hamilton*),—instead thereof.—Question, That the words proposed to be left out stand part of the paragraph,—put, and *negatived.*

Question, That the proposed words be inserted instead thereof.—Whereupon Amendment proposed to the proposed Amendment, to add after the word "Revenues," the words, "just as no charge should be thrown on the taxpayers of England in order to meet the financial

exigencies in India"—(Mr. *Campbell-Bannerman*).—Question put, That those words be added to the proposed Amendment.—The Committee divided:

Ayes, 5.	Noes, 9.
Mr. Balfour.	Mr. Onslow.
Mr. Sampson Lloyd.	Mr. Beckett Denison.
Mr. Campbell-Bannerman.	Sir Seymour Fitzgerald.
Mr. Stanley.	Lord George Hamilton.
Sir Henry Havelock.	Sir George Balfour.
	Mr. Fawcett.
	Lord Edmond Fitzmaurice.
	Mr. Birley.
	Mr. Eustace Smith.

Question, That the words "the English Estimates ought not to be relieved at the expense of the Indian Revenues," be inserted in the paragraph,—put, and *agreed to.*

Another Amendment proposed, in line 3, to leave out the word "constitutional"—(Mr. *Beckett Denison*).—Question put, That the word "constitutional" stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 3.
Mr. Onslow.	Mr. Beckett Denison.
Mr. Balfour.	Mr. Seymour Fitzgerald.
Sir Henry Havelock.	Mr. Campbell-Bannerman.
Mr. Sampson Lloyd.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	
Mr. Eustace Smith.	

Another Amendment proposed, after the word "right," to insert the words "and the duty"—(Mr. *Beckett Denison*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 6.	Noes, 7.
Mr. Onslow.	Mr. Balfour.
Mr. Beckett Denison.	Sir Henry Havelock.
Sir George Balfour.	Sir Seymour Fitzgerald.
Mr. Birley.	Mr. Campbell-Bannerman.
Mr. Fawcett.	Lord George Hamilton.
Mr. Eustace Smith.	Mr. Stanley.
	Lord Edmond Fitzmaurice.

Another Amendment proposed, in line 4, to leave out from the word "interest" to the end of the paragraph—(Mr. *Fawcett*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 9.	Noes, 4.
Mr. Beckett Denison.	Mr. Onslow.
Mr. Balfour.	Sir George Balfour.
Sir Henry Havelock.	Mr. Fawcett.
Sir Seymour Fitzgerald.	Mr. Eustace Smith.
Mr. Campbell-Bannerman.	
Lord George Hamilton.	
Mr. Stanley.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Other Amendments made.—Paragraph, as amended, *agreed to.*

[Adjourned till Friday next, at Eleven o'clock.

Friday, 24th July 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Stanley.	Lord George Hamilton.
Sir George Balfour.	Mr. Dunbar.
Lord Edmond Fitzmaurice.	Sir Henry Havelock.
Mr. Birley.	Mr. Balfour.
Mr. Fawcett.	Mr. Beckett Denison.
Mr. Campbell-Bannerman.	Mr. Grant Duff.
Mr. Eustace Smith.	Sir James Elphinstone.
Mr. Onslow.	

Amendment proposed, after paragraph 8, to insert the following new paragraph:—"Your Committee believe that the military expenditure of India has considerably varied for some years past, consequent on changes being carried out in the military system entirely unconnected with India, and would, therefore, propose that the fullest opportunity should in future be given to the India Office to make inquiry, when changes are deemed advisable, into the new organisation and system of the Imperial army, even when these may appear to be for Imperial interests, and not solely for the interests of India, so as to ascertain how far the financial and military arrangements of India are then or afterwards likely to be affected by the contemplated changes. Your Committee, in support of this view, may refer to some of the many alterations in the home military system that have taken place since the Sovereign resumed the direct rule over India, whereby the interests of India have suffered financially. The numerical strength of regiments of cavalry and infantry, the proportions of ranks, and the numbers of troops and companies composing the regiments, have been several times changed within this period; whilst the numbers of cadres, in proportion to the number of privates, have necessarily varied in India with these changes, with great increase of cost. The formation of brigades of artillery, and their location abroad, with their large complement of colonels and field officers, all receiving high pay in India; the varying numbers and strengths of batteries in India, and the promotion of first captains of artillery and engineers, in order to meet the wants of the home service, with the large Indian pay, have borne heavily on the finances of India. The addition made to the pay of the soldiers in 1866 and 1867, as also the permission to soldiers of seven years' service to extend their service, and anticipate the bounty due at the end of 10 years, and the more recent addition to the pay of the soldiers, have all been made for Imperial considerations, but have necessarily increased the Indian expenditure. The strength and number of depôts kept up in England to train recruits for the regiments in India, the numbers of recruits and other soldiers consequently kept in these depôts, as also the large proportion of higher ranks, and the great extension of the periods of training recruits, have added to the charges on Indian revenues. The several alterations that have taken place in the periods of soldiers' enlistment have necessarily shortened their periods of actual service in India, and have increased the payments of bounties, as well as the expenses connected with the transport of men to and from India. The short period of unexpired service of soldiers sent to India, under the shorter term of enlistment, and the reliefs of regiments with soldiers of short Indian service, have likewise affected the numbers embarking and disembarking. Your Committee would point out that, up to 1870, the effective strength constantly fell much below the established strength. The maintenance of the effective strength of all arms up to the full established strength agreed on to be the garrison of India, must necessarily be not only of financial, but of great political, importance; as also, that the means for keeping up that strengh, by supplies of men from home, should be at all times readily available. Further, whatever may be the total fixed strength of that force, it is advisable that the organisation and formation should, as far as Imperial considerations may permit, be the best suited to India for efficiency, as well as economy. Your Committee may, therefore, suggest, that not only should contemplated changes in the Imperial army be fully and freely communicated to the India Office, but that before being finally resolved on, a calculation be made as to the financial bearing of the proposed changes on the Indian revenues; and your Committee has every confidence that the interests of India would be protected by this combined military and financial examination as to the effect of the proposed changes.

Your Committee may add, that it would be advisable to enter on a similar inquiry in regard to the existing army organisation in India, in order to ascertain how far it is adapted to ensure efficiency and economy"—(Sir *George Balfour*).

Question, That this paragraph be inserted in the proposed Report,—put, and *negatived.*

Paragraphs 9—10, *disagreed to.*

Paragraph 11, amended, and *agreed to.*

Amendment proposed, after paragraph 11, to insert the following new paragraph:—"The differences of opinion regarding the home military expenditure that have arisen between the War Office and the India Office are consequent on the many duties in great detail devolving on the War Department connected with the European army in India, and the uncertain character of the many claims which necessarily spring out of these duties. The entire European force required for the garrison of India being now furnished from the regiments and batteries of the Imperial army, and the duty and responsibility of maintaining that force complete and efficient having devolved on the Secretary of State for War, the heavy expenditure at home for the service of the European troops in India has necessarily been incurred in the first instance by the War Department. These money claims necessarily spring out of the duties involved in raising and training recruits in England for dispatch to India, preparing home regiments and batteries for the periodical reliefs of corps for service in India, receiving invalided, time-expired, and discharged soldiers from India, and detaining them in hospital, and in depôts at home until disposed of. There are other very varied and numerous liabilities connected with the large European army in India, entailing, amongst other outlays, the payment of officers temporarily at home, belonging to the Imperial forces on duty in India; and as these duties have been carried on through the machinery of the War Office, and the expenditure on account has been directly incurred by that department, the War Office has the additional duty of subsequently claiming repayment from the India Office. All these money claims against Indian revenues have, since the 1st April 1870, entailed on the War Office extensive separate accounting, with the necessity of providing all the numerous vouchers for supporting every one of the many small items of charge inserted in the accounts. Further, all the accounts and detailed vouchers have to be examined, audited, admitted, or objected to by the auditor of all charges made at home against Indian revenues. This officer being directly responsible to Parliament for the anthenticity, in the fullest sense, of all payments made in England and entered in the Parliamentary accounts, is thereby under the necessity of seeing not only that all claims are sufficiently supported by proper vouchers, but that they are made under a fully recognised authority from the Secretary of State for India in Council, who alone can grant permission for the admission, in the first instance, of these charges, with the final liability of being objected to by the auditor as not justly chargeable against India. This minute accounting and detailed audit of all War Office claims against India, may naturally be expected to cause delay in settlement; and your Committee regrets to find that the outlays made for India, from 1st April 1870, a period of four years, have not yet been finally agreed to, though advances of money appear to have been made from the Indian Treasury to meet in part the expenditure by the War Office. Your Committee have also to express their further regret, that these delays in settling the claims have led to the serious evil of accounts of Indian revenues, &c., having been presented to Parliament without the important certificate from the Imperial Auditor, that the payments entered therein have been duly examined, audited, and allowed by him. Your Committee attach the greatest importance to the certificate of the Imperial auditor being affixed to the accounts of the India revenues, in proof of all charges against India being duly allowed; and as the examination of some claims may sometimes entail delays in effecting the final audit, within the year, of every charge against India, thereby preventing the auditor giving the required certificate, your Committee would suggest that in such case a supplementary account be laid before Parliament, wherein all the previously unsettled claims of the former years, whenever fully agreed to and finally allowed by the auditor, should be shown. But pending the complete settlement, the entries in the annual ordinary accounts should be so made as clearly to show to Parliament that the items are charges under suspense; and we further advise that this course be followed, as far as possible, with respect to all unsettled arrears of prior years. Your Committee would, however, fail in their duty in omitting to point out, that there is another and very conclusive cause for the delays that have taken place in adjusting these claims; and that is an alteration, since April 1870, in the mode of making up the claims, which involves the preparation of numerous detailed accounts of 'actual charges,' instead of payment by lump sums, as below explained. "Under the Act of 4 Geo. 4, c. 71, it was enacted that all money claims against India from the Imperial departments at home, for the effective services of the army in India, should be charged in accounts against India in the form of 'actual charges,' and be settled regularly every year. At the same time it was agreed, that as it was advisable to meet the liberality of India in the compromise then effected, India should contribute a lump sum of 60,000 *l.* per annum, paid in quarterly to the Imperial Exchequer, in clearance, as the Act states, of all claims then existing, or which may hereafter arise in connection with the retiring pay, pensions, and other outlays of this nature, on account of the European troops of the Imperial army detached from home for services in India. This annual settlement of accounts appears to have been regularly effected up to 1857,

1857, with one exception, owing to the claim made by India against the Imperial Exchequer for refunding, in accordance with promises stated to have been made, the ordinary pay and allowances of the troops detached from India for operations against China, for what is known as the first China War; and as this claim was finally refused by the Imperial Treasury after lengthened negotiations, delay in settling accounts was caused thereby. But, after 1857, on the Mutiny breaking out in India, there were extensive additions made to the European troops of the Imperial army for service in India, and with the existence of many novel charges against India, arising out of these additional demands for troops and stores, the settlement of accounts of home claims appears to have fallen into arrear between 1857 and 1860. Even the actual compilation of the accounts of claims appears to have entailed on the Imperial departments great labour and difficulty, quite apart from the difficulties in proving the claims and in obtaining payment. The very extensive augmentation, consequent on the Mutiny, of the Imperial force in India, in contrast with the smaller force maintained in India, when the Act 4 Geo. 4, c. 71, was passed, led to a claim being preferred, in 1858, by the War Office to the Treasury, for an inquiry into the sufficiency of the lump sum above referred to for the retiring pay and pensions. And subsequently, in 1860, the Treasury moved the War Office and India Office to inquire into the accounts with the Government of India, and into the long period they are necessarily, under existing arrangements, kept open, in order, as the Treasury and War Office then stated, 'that measures may be adopted for reducing the payments to be made by the East India Government in respect of these accounts to an average rate proportioned to the number of British troops serving from time to time in the territory, and that when once the scale is fixed the contributions should be paid by monthly instalments, including in the arrangements the contribution in aid of the non-effective payments.' The inquiries instituted to carry out this view in favour of lump sums were carried on by two separate committees, consisting of officers from the War and India Offices, and the Treasury (both under the presidency of Major General Sir Alexander Tulloch), and resulted in a provisional arrangement being submitted by the Committee on 31st January 1861, and provisionally accepted by the Treasury, War, and India Offices, that settlement of claims against India should be effected from 1st April 1861, by the Indian revenues contributing at the annual rate of 10,000*l.* per 1,000 men of all arms effective in India, based on the numbers borne on the 12 months' muster rolls; and that this rate of payment should cover all charges incurred at home by the War Office, for the effective services in England on account of the troops in India. Also, in lieu of the former lump sum for covering the retiring pay and pensions of the troops in India, an annual rate of 3,500*l.* per 1,000 effectives in India should be contributed out of Indian revenues. The Committee over which Sir Alexander Tulloch presided, proposed to continue their inquiries in view to defining more accurately the permanent rates to be paid by India for the several arms of soldiers; but this inquiry was never entered upon. The provisional arrangement, though only accepted for one year, was extended year by year, and continued in force from 1st April 1861 to 31st March 1870, a period of nine years, being then discontinued by the War Office, apparently owing to the assumed insufficiency of the rates to cover all the charge for which these lump sums were allowed. But as the accounts before your Committee do not supply details to prove this loss, your Committee advise a more complete investigation into the case. In 1869 a new Committee, known as Mr. Seccombe's Committee, was assembled, consisting of officers of the India and War Offices, to make arrangements for adjusting, from the 1st April 1869, the charges for effective services of Her Majesty's regiments on the East India establishment, on the principal of actual charges. That Committee, after careful consideration, came to the conclusion that it was advisable, in order to settle the claims between the War Office and the India Office, to revert to the system of 'actual charges' which was in force from 1824 up to 1861, in lieu of the lump payments adopted in the latter year. The Committee accorded their opinion that from the 1st April 1870, the claims of the Imperial Government should be adjusted by repayment of the actual charges on the general principles which governed the settlement of the accounts for recruiting depôts and other home services, from the year 1824 to the date of the introduction of a capitation rate. That Committee has submitted four Reports, but all mainly relating to only one of the many items of charge against India, that is, the cost of recruits raised and trained by the War Office. The members of the Committee, though all agreeing to certain rates of charge to be provisionally paid by India for the expenses of supplying recruits of different arms, and having advised the settlement of all such claims at these rates for two years, from 1st April 1870 to 31st March 1872, differed as to the data on which the military establishments of depôts should be maintained. The Committee was unanimous as to the costly nature of these depôts, but the officers of the India Office specifically objected to the large establishments of officers and non-commissioned officers belonging to the depôts, and contrasted the then far heavier cost of supplying recruits for service in India with the low average cost under the Warley depôt system of the East India Government, and recorded minutes of dissent on this point, which still remains undecided"—(Sir *George Balfour*).

Question, That this paragraph be inserted in the proposed Report,—put, and *negatived.*

Paragraph 12.—Amendment proposed to leave out from the words "*It* has been," in line 1, to the words "arrived at," in line 5 (inclusive), in order to insert the words, "desired to settle the payments to be made by the India Office to the War Office by means

of a committee composed of permanent officers of the two departments. But although comparatively little difference has been found to exist between the members of the two departments on matters of detail and of account, yet great difference prevails between the departments and between their respective officers, as to the principles on which those details and those accounts ought to be adjusted"—(Mr. *Campbell-Bannerman*),—instead thereof.—Question, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 2.
Mr. Balfour.	Mr. Onslow.
Sir Henry Havelock.	Mr. Campbell-Bannerman.
Mr. Dunbar.	
Mr. Eustace Smith.	
Sir James Elphinstone.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Another Amendment proposed to leave out from the words, "Your Committee have been informed," to the end of the paragraph—(Mr. *Beckett Denison*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 3.
Mr. Balfour.	Mr. Beckett Denison.
Sir Henry Havelock.	Mr. Onslow.
Mr. Dunbar.	Mr. Campbell-Bannerman.
Mr. Eustace Smith.	
Sir James Elphinstone.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Another Amendment proposed at the end of the paragraph, to add the words, "It appears indeed that so large a question of public policy is not usually submitted by the Executive Government or by Parliament to the discretion of any individual, however eminent; nor, indeed, would it seem to be fair to any individual to cast such a burden upon him. The decision, it must be observed, is not intended merely to govern the expenditure of any particular year, but to settle the principle on which in future years the relative expenditure of India and of the United Kingdom is to be apportioned. The Committee, however, understand that the departmental committee, with its new president, will merely inquire into the facts and details of the question, and that its settlement will rest with the responsible heads of the departments"—(Mr. *Campbell-Bannerman*).—Question put, That those words be there added.—The Committee divided:

Ayes, 5.	Noes, 10.
Sir Henry Havelock.	Mr. Beckett Denison.
Mr. Dunbar.	Mr. Balfour.
Mr. Eustace Smith.	Mr. Onslow.
Mr. Campbell-Bannerman.	Sir James Elphinstone.
Mr. Fawcett.	Mr. Grant Duff.
	Lord George Hamilton.
	Mr. Stanley.
	Sir George Balfour.
	Lord Edmond Fitzmaurice.
	Mr. Birley.

Question put, That the paragraph, as amended, stand part of the proposed Report.—The Committee divided:

Ayes, 13.	Noes, 2.
Mr. Beckett Denison.	Mr. Onslow.
Mr. Balfour.	Sir Henry Havelock.
Mr. Dunbar.	
Mr. Eustace Smith.	
Sir James Elphinstone.	
Mr. Campbell-Bannerman.	
Mr. Grant Duff.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Amendment

Amendment proposed, after paragraph 12, to insert the following new paragraph:—"Your Committee suggests that in the interval between the adjournment of the House and its re-assembling next Session, the permanent officers of the Departmental Committee, consisting of officers from the War and Indian Offices, should, under the supervision of the arbitrator, continue the inquiries into all the details of charges which are now incurred by the War Office on behalf of Indian interests, and for which charges Indian revenues are considered liable. Your Committee would indicate some of the heads which appear to need special investigation, such as the strength of depôts and the ranks composing these depôts, and whether, as pointed out in the dissents of the officers representing the India Office, these regimental depôts are or are not in excess of the requirements for training men, both in respect to numbers in the different ranks and in the number of depôts. Also whether, as suggested in the 12th paragraph of the letter from the Under Secretary of State for India, dated 8th September 1871, to the War Office, the depôt arrangements for training recruits for India could not be simplified by being kept to the minimum establishment requisite for the provision of recruits. This view is also indicated in the 4th paragraph of the letter from the Government of India, dated 15th May 1873, to the Secretary of State, in which it is recommended that the depôt be kept on a reduced scale, and more resembling that of the present depôt of the Guards. Your Committee would also point out for investigation the periods fixed for actually training the recruits for the several arms, and whether these periods are proper; and next, whether from the evidence given before your Committee, and as stated in the letter, dated 14th April 1874, from the India Office to the War Office, the recruits are sent to India with much less training than the agreed on period. Your Committee would also urge a further investigation into all the many items of charge making up the total cost of recruits, especially the large addition of one-third of the cost for deaths, desertions, &c., referred to in the report of the Departmental Committee, dated 28th February 1870; also, in the other items of charge alluded to in the letter from the Government of India of May 1873, and generally into all the heads of outlay detailed in the Appendix to the Report of the Departmental Committee, dated 24th November 1869. Your Committee would also advise an inquiry into the mode of adjusting claims of the War Office against Indian revenues arising subsequently to the 31st March 1872, there being, as stated in the letter dated 14th April 1874, from the India Office to the War Office, no arrangement as yet fixed on as to the final adjustment of charges for effective services. Your Committee would also advise an inquiry into the arrangements for adjusting the non-effective charges which your Committee have been unable to commence on, and whether the retiring pay, pensions, and other charges of this nature should be adjusted by the contribution of a lump sum, as under the Act 4 Geo. 4, c. 71, which continued to be paid up to 31st March 1861, or by an average rate of 3,500*l.* per annum, based on the average number of effectives in India, as agreed on under the recommendation, dated 31st January 1861, of the Committee over which Sir A. Tulloch presided, and which sum continued to be paid till 31st March 1870. Or, whether the actual charges for pensions, based on the actual service rendered to the Imperial and Indian Governments shall be followed for settling these claims. This detailed inquiry would lead to the collection of information which would at least aid in bringing to a settlement most, if not all, claims between the two departments; and if a complete settlement should not thereby be effected, the information then obtained would facilitate the labours of this Committee if re-appointed next Session"—(Sir *George Balfour*).

Question proposed, That this paragraph be inserted in the proposed Report.—Amendments made in the paragraph.—Question put, That this paragraph, as amended, be inserted in the proposed Report.—The Committee divided:

Ayes, 12.	Noes, 2.
Mr. Beckett Denison.	Mr. Onslow.
Mr. Balfour.	Mr. Campbell-Bannerman.
Sir Henry Havelock.	
Mr. Dunbar.	
Mr. Eustace Smith.	
Mr. Grant Duff.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

[Adjourned till Tuesday next, at half-past Twelve o'clock.

Tuesday, 28*th July* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Campbell-Bannerman.	Mr. Onslow.
Sir George Balfour.	Lord George Hamilton
Mr. Stanley.	Mr. Eustace Smith.
Sir James Elphinstone.	Mr. Balfour.
Mr. Dunbar.	Sir Henry Havelock.
Mr. Sampson Lloyd.	Mr. Birley.
Lord Edmond Fitzmaurice.	Mr. Fawcett.

Paragraph 13, amended, and *agreed to.*

Paragraph 14.—Amendment proposed, to leave out from the words "In conclusion" to the end of the paragraph, in order to add the words, "it appears from the evidence that has been given, that military changes, resulting in an important charge upon the revenues of India, have been carried out occasionally without previously consulting the Secretary of State for India and the Government of India. Your Committee are of opinion that such omission is greatly to be regretted. It also appears that there is sometimes a disposition at the India Office to act without consulting the authorities in India. Such omission may be detrimental to the interests of India, and produce an unfavourable impression upon the people of that country"—(Mr. *Fawcett*),—instead thereof.—Question put, that the words "Your Committee" stand part of the paragraph.—The Committee divided:

Ayes, 10.	Noes, 4.
Mr. Onslow.	Mr. Eustace Smith.
Sir Henry Havelock.	Sir George Balfour.
Mr. Balfour.	Mr. Fawcett.
Mr. Dunbar.	Lord Edmond Fitzmaurice.
Sir James Elphinstone.	
Mr. Sampson Lloyd.	
Mr. Campbell-Bannerman.	
Lord George Hamilton.	
Mr. Stanley.	
Mr. Birley.	

Another Amendment proposed, in line 7, to leave out the words "in reference"—(Mr. *Eustace Smith*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 9.	Noes, 5.
Mr. Onslow.	Mr. Eustace Smith.
Sir Henry Havelock.	Mr. Dunbar.
Mr. Balfour.	Sir George Balfour.
Sir James Elphinstone.	Mr. Fawcett.
Mr. Sampson Lloyd.	Lord Edmond Fitzmaurice.
Mr. Campbell-Bannerman.	
Lord George Hamilton.	
Mr. Stanley.	
Mr. Birley.	

Another Amendment proposed, in line 9, to leave out the word "subordinate," and to insert, "in harmony with"—(Sir *George Balfour*),—instead thereof.—Question put, That the word "subordinate" stand part of the paragraph.—The Committee divided:

Ayes, 8.	Noes, 6.
Mr. Balfour.	Mr. Onslow.
Sir James Elphinstone.	Sir Henry Havelock.
Mr. Sampson Lloyd.	Mr. Dunbar.
Mr. Campbell-Bannerman.	Mr. Eustace Smith.
Lord George Hamilton.	Sir George Balfour.
Mr. Stanley.	Mr. Fawcett.
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Another

Another Amendment proposed, in line 12, after the word "misunderstood," to insert the words "and magnified"—(The *Chairman*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 8.	Noes, 6.
Mr. Balfour.	Mr. Onslow.
Sir Henry Havelock.	Mr. Eustace Smith.
Sir James Elphinstone.	Mr. Dunbar.
Mr. Sampson Lloyd.	Sir George Balfour.
Mr. Campbell-Bannerman.	Mr. Fawcett.
Lord George Hamilton.	Lord Edmond Fitzmaurice.
Mr. Stanley.	
Mr. Birley.	

Paragraph, as amended, *agreed to.*

Amendment proposed, after the last paragraph, to add the following new paragraph: "In conclusion, your Committee would suggest that, as they have not had time to investigate the various home charges which are not connected with military expenditure, they should be re-appointed next Session. As much evidence was taken in reference to these charges by the India Finance Committee, which sat during the three previous Sessions, it is probable that the inquiry might be completed within a reasonable period"—(Mr. *Fawcett*).

Question, That this paragraph be inserted in the proposed Report,—put, and *agreed to.*

Question, That this Report, as amended, be the Report of the Committee to The House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence, and an Appendix.

REPORT

FROM THE

SELECT COMMITTEE

ON

EAST INDIA FINANCI

WITH THE

PROCEEDINGS OF THE COMMITTEE.

Ordered, by The House of Commons, *to be Printed,*
28 *July* 1874.

329.

Under 3 *oz.*

REPORT

FROM THE

SELECT COMMITTEE

ON

EAST INDIA FINANCE;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
28 *July* 1874.

Monday, 20th April 1874.

Ordered, THAT a Select Committee be appointed to inquire into Charges payable in this Country for which the Revenues of India are liable.

Ordered, THAT the Committee do consist of Seventeen Members, viz.:—

Mr. Stephen Cave.
Mr. Grant Duff.
Mr. Beckett Denison.
Mr. Stanley.
Mr. Massey.
Sir Thomas Bazley.
Mr. Birley.
Sir George Balfour.
Sir Seymour Fitzgerald.
Sir Henry Havelock.
Mr. Onslow.
Lord Edmond Fitzmaurice.
Mr. Eustace Smith.
Lord George Hamilton.
Mr. Sampson Lloyd.
*Mr. Dickinson.
Sir James Elphinstone.

* Void Election, 8 May 1874.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Five be the Quorum of the Committee.

Thursday, 30th April 1874.

Ordered, THAT the Select Committee on East India Finance do consist of Twenty-one Members.

Ordered, THAT Mr. Fawcett, Mr. Campbell-Bannerman, Mr. Dalrymple, Mr. Balfour, and Mr. Dunbar be added to the Committee.

Tuesday, 28th July 1874.

Ordered, THAT the Committee have power to report their Observations, together with the Minutes of Evidence taken before them, to The House.

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REPORT.

THE SELECT COMMITTEE appointed to inquire into CHARGES payable in this Country for which the REVENUES of INDIA are liable;——HAVE considered the matters to them referred, and have agreed to the following REPORT:—

THE inquiry into the charges payable in this country for which the revenues of India are liable may be divided into two distinct heads:

First, assuming that no expenditure of the Indian revenue is to take place except for the purposes of India, whether India should contribute to establishments such as Zanzibar, to political agencies in China and Persia, to wars such as the Chinese, Persian, and Abyssinian, to hospitals and asylums in England, to telegraph and postal services, and whether she should pay the whole expense of the India Office, and contribute to the expense of other departments of State in this country.

Secondly, granting that India ought to pay for that portion of the British army which is stationed in India, together with the necessary stores and transport, the expense of recruiting and depôts in this country; and to contribute to that portion of Her Majesty's navy which is employed in the Indian Seas, to guaranteed railways and other public works which have been either purchased or assisted by the Secretary of State in Council, and the interest of which is payable in this country, whether she is called upon to pay more than her due share of such charges; and whether the charges themselves are fixed with a due regard to economy.

The first is clearly a wide and somewhat speculative question of policy; the second a matter of detail and of account.

The late period at which your Committee were appointed has rendered it necessary that in order to report during the present Session, they should restrict their inquiry within the limits of a part only, though the most important part, of the second of these two heads, that, namely, which relates to military expenditure. This will also be found to divide itself into two questions. First, whether the India Office is able to obtain from the other departments of the State due consideration for Indian interests. Secondly, whether the views of the Government of India in India is sufficiently consulted by the India Office itself.

Your Committee have made a careful inquiry into these points. They have had the benefit of the evidence taken before the Committee on Indian Finance which sat during the last three Sessions of the late Parliament. They have also had before them, among other documents to be found in the Appendix to their Report, the proceedings of a Committee appointed by the Secretaries of State for War and for India, "to make arrangements for adjusting from the 1st April 1869 the charges for effective services of Her Majesty's regiments on the East India Establishment, on the principle of actual charges," together with an unfinished correspondence between the two departments in which the several matters in dispute between them are clearly and strongly set forth.

They have moreover had the advantage of examining, in addition to some of the principal permanent officials of both departments, His Royal Highness the Field Marshal Commanding in Chief; the late Secretary of State for War,

Viscount Cardwell; the present Secretary of State for India, the Marquis of Salisbury, and other high authorities.

From these witnesses very valuable evidence has been received in reference to the general principles on which these charges are and ought to be made, as well as upon the various items of which the sums total are made up.

Your Committee have received an impression from these sources that charges have in some instances been imposed upon India which ought to have been borne by England. Your Committee have, however, been assured by various witnesses that a very general desire prevails among the different English departments not to throw any charge upon India improperly. Your Committee cannot too strongly insist on the importance of securing for India strict impartiality in all her financial arrangements with this country, and they agree in the opinion which was very emphatically expressed by the Marquis of Salisbury, that the most effectual way of securing financial justice for India is for the House of Commons to be constantly watchful on her behalf.

Your Committee cannot lay down too strongly the position, that the English estimates ought not to be relieved at the expense of the Indian revenues, but that the Secretary of State for India in Council has the constitutional right of refusing to pay for objects in which he considers that India has no interest. At the same time India, as a component part of the Empire, must be prepared to share in the cost of a system the expense of which may be enhanced for Imperial purposes.

Your Committee have found that there has been and is considerable difference of opinion between the two great departments which conduct the military and Indian affairs of the Empire, both generally as to the proportion of the charges which ought to be borne by India, and in particular with respect to the items which should be taken into account.

It has been attempted to settle these differences by means of a Committee composed of permanent officers of these two departments; but although the labours of this Committee have resulted in presenting the points of difference in a clear light, yet no agreement has been finally arrived at. Your Committee have been informed that, with a view to settle these differences, an independent authority is to be added to the Departmental Committee, for the purpose of bringing the questions thus stated to some satisfactory solution. Your Committee have been informed, in the course of their inquiry, that steps have been taken to supply this obvious want, and that the Government have secured the co-operation of Mr. Bouverie, a former Member of your House, as President of this Committee. Your Committee hope that the deliberations of this Committee will assist the heads of the English departments and the Secretary of State for India to come to conclusions upon the charges in dispute, satisfactory both to England and to India.

Your Committee suggest, that in the interval before next Session the Departmental Committee should, under the supervision of the President, continue the inquiries into all the details of charges which are now incurred by the War Office on behalf of Indian interests, and for which charges Indian interests are considered liable. Your Committee would indicate some of the heads which appear to need special investigation, such as the strength of depôts, and the ranks composing these depôts, and whether recruits are sent to India with much less training than the agreed on period. Your Committee would also urge a further investigation into all the items of charge making up the total cost of recruits, especially with regard to the large addition of one-third to the cost for deaths, desertions, &c. Your Committee would also advise an inquiry into the mode of adjusting claims of the War Office against Indian revenues arising subsequently to the 31st of March 1872, there being no arrangement as yet fixed on as to the final adjustment of charges for effective services. Your Committee would also advise an inquiry into the arrangements for adjusting the non-effective charges, and whether the retiring pay, pensions, and other charges of this nature should be adjusted by the contribution of a lump sum, or whether the actual charges for pensions based on the actual service rendered to the Imperial and Indian Governments should be followed for settling these claims.

It would be impossible for your Committee to pronounce an opinion of any value upon these details, especially at a time when so much of our military policy is new and scarcely tried, and must for some years to come be more or less tentative. They would, however, suggest that the payments from India should be as much as possible in the form of fixed rates for particular charges, for the obvious purpose of avoiding frequent re-opening of accounts, the delays in settling claims which have led to the serious evil of the accounts having been presented to Parliament without certificate from the Auditor that the payments have been allowed, as well as the inconvenience which might arise from any sudden change of policy in either Administration. They think that such sums should be, in the first instance, arrived at by careful computation; but that when once fixed they should continue without alteration for as many years as may be deemed advisable. This same method of adjustment would obviously apply to similar differences between the India Office and other Departments, such as the Admiralty, with whom a question was for some time pending in reference to transports. As, however, your Committee have been informed that this question has been satisfactorily settled, and as copious evidence was taken on the subject by the India Finance Committee of former Sessions, your Committee have not thought it necessary to go more fully into this matter.

Your Committee would remark that, while there appears to be every disposition among the heads of other Departments to consult the India Office upon proposed changes which may affect India, yet this has sometimes been omitted, in consequence of the fact that India may be affected by such changes having been overlooked; and the India Office, as the controlling authority, has occasionally acted independently of, or not in accord with, the opinions of the Government of India in India. In reference to these points, your Committee suggest that although the interests of India must be subordinate, like those of any other portion of the Empire, to the common interests of the Empire as a whole, and that although the best information upon almost every subject connected with India may be generally obtained in this country, yet that even the appearance of neglect may be misunderstood and magnified by the natives of India, some of whom take the most intense interest in the minutest details of the policy adopted by this country towards its Indian possessions, and attach perhaps exaggerated importance to points which may pass unobserved by those who have to perform the arduous task of governing a vast and varied Empire.

In conclusion, your Committee would suggest that, as they have not had time to investigate the various Home charges which are not connected with military expenditure, they should be re-appointed next Session. As much evidence was taken in reference to these charges by the India Finance Committee, which sat during the three previous Sessions, it is probable that the inquiry might be completed within a reasonable period.

28 *July* 1874.

PROCEEDINGS OF THE COMMITTEE.

Friday, 28*th April* 1874.

MEMBERS PRESENT:

Sir James Elphinstone.
Lord George Hamilton.
Sir George Balfour.
Mr. Massey.
Mr. Stanley.
Lord Edmond Fitzmaurice.
Mr. Stephen Cave.
Mr. Sampson Lloyd.
Mr. Onslow.
Mr. Birley.
Sir Seymour Fitzgerald.
Sir Henry Havelock.
Mr. Eustace Smith.

Mr. CAVE was called to the Chair.

The Committee deliberated.

[Adjourned till Tuesday, 12th May, at Half-past Twelve o'clock.

Tuesday, 12*th May* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Sampson Lloyd.
Mr. Dunbar.
Mr. Birley.
Mr. Stanley.
Lord George Hamilton.
Sir Thomas Bazley.
Mr. Campbell-Bannerman.
Mr. Dalrymple.
Lord Edmond Fitzmaurice.
Sir George Balfour.
Mr. Eustace Smith.
Sir Henry Havelock.
Mr. Onslow.
Mr. Fawcett.
Mr. James Elphinstone.
Mr. Balfour.
Mr. Beckett Denison.

Messrs. *Milton*, *Daye*, and *Knox*, were severally examined.

[Adjourned till Friday next, at Half-past Twelve o'clock.

Friday, 15*th May* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Sir Seymour Fitzgerald.
Sir George Balfour.
Sir Henry Havelock.
Lord George Hamilton.
Mr. Sampson Lloyd.
Mr. Onslow.
Mr. Dalrymple.
Mr. Balfour.
Mr. Dunbar.
Mr. Campbell-Bannerman.
Mr. Fawcett.
Mr. Eustace Smith.
Lord Edmond Fitzmaurice.
Mr. Stanley.
Mr. Beckett Denison.
Mr. Birley.
Mr. Massey.

Messrs. *Milton*, *Daye*, and *Knox*, were severallyexamined.

[Adjourned till Tuesday, 2nd June, at Half-past Twelve o'clock.

Friday, 5th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Sampson Lloyd.
Mr. Campbell-Bannerman.
Mr. Onslow.
Mr. Fawcett.
Sir George Balfour.
Mr. Stanley.
Sir Henry Havelock.
Lord George Hamilton.
Mr. Eustace Smith.
Sir Thomas Bazley.
Lord Edmond Fitzmaurice.
Mr. Dunbar.
Mr. Balfour.
Mr. Dalrymple.

Sir *T. Pears* was examined.

[Adjourned till Tuesday next, at Half-past Twelve o'clock.

Tuesday, 9th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Lord George Hamilton.
Sir Thomas Bazley.
Mr. Dunbar.
Sir Henry Havelock.
Mr. Stanley.
Mr. Birley.
Mr. Campbell-Bannerman.
Mr. Onslow.
Lord Edmond Fitzmaurice.
Sir George Balfour.
Mr. Sampson Lloyd.
Mr. Balfour.
Mr. Fawcett.
Mr. Dalrymple.
Mr. Eustace Smith.

The Lord *Sandhurst*, attending by permission of the House of Lords, was examined.

[Adjourned till Friday next, at Half-past Twelve o'clock.

Friday, 12th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Sir Thomas Bazley.
Lord Edmond Fitzmaurice.
Mr. Dalrymple.
Mr. Dunbar.
Mr. Sampson Lloyd.
Mr. Eustace Smith.
Mr. Campbell-Bannerman.
Mr. Stanley.
Lord George Hamilton.
Sir George Balfour.
Mr. Fawcett.
Sir Henry Havelock.
Mr. Onslow.
Mr. Balfour.
Mr. Birley.
Mr. Massey.
Mr. Beckett Denison.

Sir *Thomas Pears* and The Viscount *Cardwell*, attending by permission of the House of Lords, were examined.

[Adjourned till Tuesday next, at Half-past Twelve o'clock.

Tuesday, 16*th June* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Sir Thomas Bazley.	Mr. Fawcett.
Lord Edmond Fitzmaurice.	Mr. Grant Duff.
Mr. Sampson Lloyd.	Mr. Dunbar.
Mr. Eustace Smith.	Mr. Campbell-Bannerman.
Sir Henry Havelock.	Mr. Dalrymple.
Mr. Stanley.	Lord George Hamilton.
Sir George Balfour.	Mr. Balfour.

Sir *W. Muir* was examined.

[Adjourned till Friday next, at Half-past Twelve o'clock.

Friday, 19*th June* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Dunbar.	Mr. Sampson Lloyd.
Lord George Hamilton.	Mr. Onslow.
Mr. Eustace Smith.	Mr. Birley.
Mr. Fawcett.	Sir Henry Havelock.
Sir George Balfour.	Mr. Dalrymple.
Mr. Campbell-Bannerman.	

The Lord *Cardwell* was further examined.

[Adjourned till Tuesday next, at Half-past Twelve o'clock.

Tuesday, 23*rd June* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Dalrymple.	Sir Seymour Fitzgerald.
Lord Edmond Fitzmaurice.	Lord George Hamilton.
Mr. Dunbar.	Mr. Stanley.
Mr. Sampson Lloyd.	Sir George Balfour.
Mr. Eustace Smith.	Mr. Fawcett.
Sir Henry Havelock.	Mr. Onslow.
Mr. Campbell-Bannerman.	Mr. Balfour.

H. R. H. the Duke of *Cambridge*, attending by permission of the House of Lords, was examined.

Friday, 26th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Lord George Hamilton.	Mr. Onslow.
Sir George Balfour.	Mr. Beckett Denison.
Mr. Fawcett.	Mr. Stanley.
Sir Thomas Bazley.	Mr. Sampson Lloyd.
Sir Henry Havelock.	Mr. Birley.
Mr. Eustace Smith.	Mr. Campbell-Bannerman.
Mr. Dunbar.	Mr. Dalrymple.

The Marquis of *Salisbury*, attending by permission of the House of Lords, and Sir *George Balfour* (a Member of the Committee), were severally examined.

[Adjourned till Tuesday next, at Half-past Twelve o'clock.

Tuesday, 30th June 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Sampson Lloyd.	Sir George Balfour.
Mr. Campbell-Bannerman.	Mr. Birley.
Sir Thomas Bazley.	Mr. Dalrymple.
Lord Edmond Fitzmaurice.	Sir Henry Havelock.
Mr. Eustace Smith.	Sir James Elphinstone.
Mr. Fawcett.	Lord George Hamilton.

Sir *George Balfour*, a Member of the Committee, was further examined.

[Adjourned till Friday, July 17, at Twelve o'clock.

Friday, 17th July 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Stanley.	Lord George Hamilton.
Mr. Campbell-Bannerman.	Mr. Grant Duff.
Mr. Eustace Smith.	Sir Henry Havelock.
Sir Thomas Bazley.	Mr. Dunbar.
Mr. Sampson Lloyd.	Mr. Onslow.
Lord Edmond Fitzmaurice.	Sir Seymour Fitzgerald.
Sir George Balfour.	Mr. Balfour.
Mr. Fawcett.	Mr. Beckett Denison.
Sir James Elphinstone.	Mr. Birley.

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows:—

"1. THE inquiry into the charges payable in this country for which the revenues of India are liable, seems to be divided into two distinct branches. First, namely, whether, on the assumption that no expenditure of the Indian revenue is to take place, except for the purposes of India, India should pay for Imperial establishments, such as political agencies in China and Persia, at Aden and Zanzibar; for wars, such as the Abyssinian, for departments of State, for hospitals and asylums in England, for pensions and furloughs. Secondly, granting that India ought to pay for that portion of the British army which is stationed in India, together with the necessary stores and transport, the expense of recruiting and depôts in this country; and again, for that part of Her Majesty's navy which is employed in the Indian seas, for telegraph and postal services, and for railways and other public works, the guaranteed interest of which is paid in this country; whether she is compelled to pay more than her due share of such charges; and whether the charges themselves are fixed with due regard to economy. The first is clearly a wide and somewhat speculative question of policy, the second a matter of detail and of account.

"2. The late period at which your Committee was appointed has rendered it necessary that in order to report during the present Session they should restrict their inquiry within the limits of a part only, though the most important part of the second of these two propositions, that, namely, which relates to military expenditure. This will also be found to divide itself into two parts; first, whether the India Office has the power of obtaining justice for India from the other departments of the State; secondly, whether India is sufficiently considered by the India Office itself.

"3. Your Committee have met, and have made a careful inquiry into these points. They have had the benefit of the evidence taken before the Committee on Indian Finance which sat during the last three Sessions of the late Parliament. They have also had before them, among other documents to be found in the Appendix to their Report, the proceedings of a Committee appointed by the Secretaries of State for War and for India, to make arrangements for adjusting the charges for the effective services of Her Majesty's troops on the East India Establishment, together with an unfinished correspondence between the two departments in which the several matters in dispute between them are clearly and strongly set forth.

"4. They have also had the advantage of examining, in addition to some of the principal permanent officials of both departments, His Royal Highness the Field Marshal Commanding in Chief; the late Secretary of State for War, Viscount Cardwell; the present Secretary of State for India, the Marquis of Salisbury, and other high authorities.

"5. From these witnesses very valuable evidence has been received in reference to the general principles on which these charges are and ought to be made, as well as upon the various items of which the sums total are made up.

"6. Your Committee have received a general impression from these various sources that, although India has occasionally been hardly dealt with, and that both the India Office has found it difficult to defend itself against the encroachments of other departments, and that India has not always been sufficiently considered by the India Office itself, this is true only in reference to past years, and that there is now no desire, in the language of one of the witnesses before the former Committee, to sacrifice India to the exigencies of English Estimates, or to the wishes of the Horse Guards; but, on the other hand, a ready concurrence on all sides that India ought not to pay beyond her due proportion. They have, however, found a considerable difference of opinion both generally as to what that due proportion is, as well as in particular with respect to the items which should be taken into account.

"7. Your Committee has considered it unnecessary to revert to what is now mere matter of history, and they would, therefore, confine themselves to a suggestion of the principles on which these charges should be made, and to a recommendation of means by which disputed items between the different departments of State may be in future adjusted.

"8. Your Committee cannot lay down too strongly the position, that India should never be sacrificed to the desire for economical budgets in England, but that the Secretary of State for India in Council has the constitutional right of refusing to pay for objects in which he considers that India has no interest. At the same time, India as a component part of the Empire, must be prepared to share in the cost of a system, the expense of which may be enhanced for Imperial purposes.

"9. Your Committee cannot admit a parallel drawn between India and the self-governing Colonies of the Anglo-Saxon race. It is obvious that such Colonies are in a totally different position in every way; and that they would in case of war within their own territory have to make far greater sacrifices than India has, under similar circumstances, been called upon to do.

"10. It

"10. It is well known that Canada, even in time of peace, has raised, entirely from her own resources, a militia of 40,000 men, and a reserve of 300,000. It should also be remembered that these Colonies maintain for themselves that inestimable benefit of order and security which India owes entirely to England, and which she would almost certainly lose if English supremacy were overthrown, and that in those colonies which, like Ceylon, repay the British Exchequer for troops, the payment is fully as great as that exacted from India: while, therefore, India must be content to bear her share of Imperial expenditure, it is important that she should feel that her proportion is fixed with due regard to justice, and even, considering the circumstances of the two countries, with liberality.

"11. It is natural that there should be frequent differences of opinion as to matters of detail and of account between the two great departments which conduct the military and Indian affairs of the Empire.

"12. It has been attempted to settle these differences by means of a committee composed of the permanent officers of these two departments; but although the labours of this Committee have resulted in presenting the points of difference in a clear light, yet, as might have been expected from the nature of things, no agreement has been arrived at. It is necessary, therefore, that there should be an independent arbitrator who can bring the questions thus stated to some satisfactory conclusion. Your Committee have been informed, in the course of their inquiry, that steps have been taken to supply this obvious want, and that the Government have been fortunate enough to secure the co-operation of a former Member of your House, who cannot fail to command the confidence of the departments and the country.

"13. Your Committee cannot recommend any better plan; it would be impossible for them to pronounce an opinion of any value upon these details, especially at a time when so much of our military policy is new and scarcely tried, and must for some years to come be more or less tentative. They would, however, suggest that the payments from India should be as much as possible in the form of lump sums, for the obvious purpose of avoiding frequent reopening of and haggling over accounts, as well as the inconvenience which might arise from any sudden change of policy in either Administration. They think that such sums should be, in the first instance, arrived at by careful computation; but that when once fixed, they should continue without alteration for as many years as may be deemed advisable. This same method of adjustment would obviously apply to similar differences between the India Office and other departments, such as the Admiralty, with whom a question was for some time pending in reference to transports. As, however, your Committee have been informed that this question has been satisfactorily settled, and as copious evidence was taken on the subject by the India Finance Committee of former Sessions, your Committee has not thought it necessary to go more fully into this matter.

"14. In conclusion, your Committee would venture to remark that, while there appears to be no indisposition among the heads of other departments to consult the India Office upon proposed changes which may affect India, yet that sometimes this has been omitted, in consequence of the fact that India may be affected by such changes having been overlooked. Again, that while there can be no pretence for saying that the interests of India have been neglected at the India Office, there seems sometimes a disposition to act without notice to, or consultation with, the authorities in India itself. In reference to these points, your Committee venture to suggest, with great deference, that although, as they have already said, the interests of India must be subordinate to those of the Empire, and that although the best information upon almost every subject connected wth India may be generally obtained in this country, yet that this seeming neglect is apt to be misunderstood by the natives of India, who are rapidly advancing in education and intelligence, and who take the most intense interest in the minutest details of the policy adopted by this country towards its Indian possessions, and attach perhaps exaggerated importance to points which may pass unobserved by those who have to perform the arduous task of governing a vast and varied Empire."

MOTION made, and Question, That this Report be now read a second time, and considered, paragraph by paragraph,—put, and *agreed to.*

Paragraph 1, amended, and *agreed to.*

Paragraph 2.—Amendment proposed to leave out from the word "The" to the end of the paragraph, in order to add the words "Committee have had the benefit of the evidence taken before the Committee on Indian Finance, which sat during the last three Sessions of the late Parliament. Owing to the majority of the points to which the attention of your Committee has been directed, having been already examined by that Committee, they have confined the evidence taken in the present year to the question of the Home military expenditure, as between the War Office and the India Office in England —

(Lord *Edmond Fitzmaurice*),—instead thereof,—Question, That the words "late period" stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 4.
Mr. Dalrymple.	Sir George Balfour.
Mr. Dunbar.	Lord Edmond Fitzmaurice.
Mr. Sampson Lloyd.	Mr. Eustace Smith.
Sir Henry Havelock.	Mr. Fawcett.
Mr. Campbell-Bannerman.	
Mr. Grant Duff.	
Lord George Hamilton.	
Mr. Stanley.	
Mr. Birley.	
Mr. Beckett Denison.	
Sir Seymour Fitzgerald.	

Other amendments made.

Paragraph, as amended, *agreed to*.

[Adjourned till Wednesday next, at Half-past One o'clock.

Wednesday, 22*nd July* 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Sir Seymour Fitzgerald.	Mr. Beckett Denison.
Mr. Stanley.	Mr. Onslow.
Lord George Hamilton.	Mr. Sampson Lloyd.
Mr. Campbell-Bannerman.	Sir James Elphinstone.
Mr. Grant Duff.	Mr. Fawcett.
Sir George Balfour.	Sir Henry Havelock.
Mr. Birley.	Mr. Eustace Smith.
Lord Edmond Fitzmaurice.	Mr. Balfour.

Paragraphs 3—5, *agreed to*.

Paragraph 6.—Amendment proposed to leave out from the words "Your Committee," to the end of the paragraph, in order to add the words, "have come to the conclusion that charges have often been unjustly thrown on India which ought to have been borne by England, and that, in the language of one of the official witnesses examined, Indian finance has been frequently sacrificed to the wishes of the Horse Guards and to the exigencies of English Estimates. Your Committee, have, however, been assured by various witnesses that a very general desire now prevails among the various English departments not in the future improperly to throw any charge upon India. Your Committee cannot too strongly insist on the importance of securing for India strict justice in all her financial arrangements with this country, and agree in the opinion which was very emphatically expressed by the Marquis of Salisbury, that the most effectual way of securing justice for India is for the House of Commons to be constantly watchful on her behalf, and for the English people so generally to recognise the duty they owe to India, that a Government would know that inattention to the affairs of India would be commented upon in Parliament, and an attempt to treat her with injustice would meet with disapproval"—(Mr. *Fawcett*),—instead thereof.—Question put, That the words "have received," stand part of the paragraph.—The Committee divided:

Ayes, 10.	Noes, 6.
Mr. Beckett Dennison.	Sir George Balfour.
Mr. Balfour.	Lord Edmond Fitzmaurice.
Sir Henry Havelock.	Mr. Birley.
Sir James Elphinstone.	Mr. Eustace Smith.
Mr. Sampson Lloyd.	Mr. Fawcett.
Sir Seymour Fitzgerald.	Mr. Onslow.
Mr. Campbell-Bannerman.	
Mr. Grant Duff.	
Lord George Hamilton.	
Mr. Stanley.	

Another

Another Amendment proposed, to leave out from the words "sources that," in line 2, to the end of the paragraph, in order to add the words "charges have in some instances been thrown on India which ought to have been borne by England. Your Committee have, however, been assured by various witnesses that a very general desire prevails among the various English departments not to throw any charge upon India improperly. Your Committee cannot too strongly insist on the importance of securing for India strict impartiality in all the financial arrangements with this country, and agree in the opinion which was very emphatically expressed by the Marquis of Salisbury, that the most effectual way of securing financial justice for India, is for the House of Commons to be constantly watchful on her behalf"—(Lord *Edmond Fitzmaurice*),—instead thereof.—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 4.	Noes, 11.
Sir James Elphinstone.	Mr. Onslow.
Mr. Campbell-Bannerman.	Mr. Beckett Denison.
Mr. Grant Duff.	Mr. Balfour.
Mr. Stanley.	Sir Henry Havelock.
	Sir Seymour Fitzgerald.
	Lord George Hamilton.
	Sir George Balfour.
	Mr. Fawcett.
	Lord Edmond Fitzmaurice.
	Mr. Birley.
	Mr. Eustace Smith.

Question put, That the proposed words be there added.—The Committee divided:

Ayes, 10.	Noes, 6.
Mr. Onslow.	Sir Henry Havelock.
Mr. Beckett Denison.	Sir James Elphinstone.
Mr. Balfour.	Sir Seymour Fitzgerald.
Lord George Hamilton.	Mr. Campbell-Bannerman.
Mr. Stanley.	Mr. Grant Duff.
Sir George Balfour.	Mr. Sampson Lloyd.
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	
Mr. Eustace Smith.	

Question, That the paragraph, as amended, stand part of the proposed Report.—The Committee divided:

Ayes, 10.	Noes, 6.
Mr. Onslow.	Sir Henry Havelock.
Mr. Beckett Denison.	Sir James Elphinstone.
Mr. Balfour.	Sir Seymour Fitzgerald.
Lord George Hamilton.	Mr. Campbell-Bannerman.
Mr. Stanley.	Mr. Grant Duff.
Sir George Balfour.	Mr. Sampson Lloyd.
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	
Mr. Eustace Smith.	

Paragraph 7, *disagreed to.*

Paragraph 8.—Amendment proposed to leave out from the word "that" in line 1, to the word "England," in line 2 (inclusive), in order to insert the words "the English Estimates ought not to be relieved at the expense of the Indian Revenues"—(Lord *George Hamilton*), —instead thereof.—Question, That the words proposed to be left out stand part of the paragraph,—put, and *negatived.*

Question, That the proposed words be inserted instead thereof.—Whereupon Amendment proposed to the proposed Amendment, to add after the word "Revenues," the words, "just as no charge should be thrown on the taxpayers of England in order to meet the financial

exigencies in India"—(Mr. *Campbell-Bannerman*).—Question put, That those words be added to the proposed Amendment.—The Committee divided:

Ayes, 5.	Noes, 9.
Mr. Balfour.	Mr. Onslow.
Mr. Sampson Lloyd.	Mr. Beckett Denison.
Mr. Campbell-Bannerman.	Sir Seymour Fitzgerald.
Mr. Stanley.	Lord George Hamilton.
Sir Henry Havelock.	Sir George Balfour.
	Mr. Fawcett.
	Lord Edmond Fitzmaurice.
	Mr. Birley.
	Mr. Eustace Smith.

Question, That the words "the English Estimates ought not to be relieved at the expense of the Indian Revenues," be inserted in the paragraph,—put, and *agreed to.*

Another Amendment proposed, in line 3, to leave out the word "constitutional"—(Mr. *Beckett Denison*).—Question put, That the word "constitutional" stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 3.
Mr. Onslow.	Mr. Beckett Denison.
Mr. Balfour.	Mr. Seymour Fitzgerald.
Sir Henry Havelock.	Mr. Campbell-Bannerman.
Mr. Sampson Lloyd.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	
Mr. Eustace Smith.	

Another Amendment proposed, after the word "right," to insert the words "and the duty"—(Mr. *Beckett Denison*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 6.	Noes, 7.
Mr. Onslow.	Mr. Balfour.
Mr. Beckett Denison.	Sir Henry Havelock.
Sir George Balfour.	Sir Seymour Fitzgerald.
Mr. Birley.	Mr. Campbell-Bannerman.
Mr. Fawcett.	Lord George Hamilton.
Mr. Eustace Smith.	Mr. Stanley.
	Lord Edmond Fitzmaurice.

Another Amendment proposed, in line 4, to leave out from the word "interest" to the end of the paragraph—(Mr. *Fawcett*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 9.	Noes, 4.
Mr. Beckett Denison.	Mr. Onslow.
Mr. Balfour.	Sir George Balfour.
Sir Henry Havelock.	Mr. Fawcett.
Sir Seymour Fitzgerald.	Mr. Eustace Smith.
Mr. Campbell-Bannerman.	
Lord George Hamilton.	
Mr. Stanley.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Other Amendments made.—Paragraph, as amended, *agreed to.*

[Adjourned till Friday next, at Eleven o'clock.

Friday, 24th July 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Stanley.
Sir George Balfour.
Lord Edmond Fitzmaurice.
Mr. Birley.
Mr. Fawcett.
Mr. Campbell-Bannerman.
Mr. Eustace Smith.
Mr. Onslow.
Lord George Hamilton.
Mr. Dunbar.
Sir Henry Havelock.
Mr. Balfour.
Mr. Beckett Denison.
Mr. Grant Duff.
Sir James Elphinstone.

Amendment proposed, after paragraph 8, to insert the following new paragraph:—"Your Committee believe that the military expenditure of India has considerably varied for some years past, consequent on changes being carried out in the military system entirely unconnected with India, and would, therefore, propose that the fullest opportunity should in future be given to the India Office to make inquiry, when changes are deemed advisable, into the new organisation and system of the Imperial army, even when these may appear to be for Imperial interests, and not solely for the interests of India, so as to ascertain how far the financial and military arrangements of India are then or afterwards likely to be affected by the contemplated changes. Your Committee, in support of this view, may refer to some of the many alterations in the home military system that have taken place since the Sovereign resumed the direct rule over India, whereby the interests of India have suffered financially. The numerical strength of regiments of cavalry and infantry, the proportions of ranks, and the numbers of troops and companies composing the regiments, have been several times changed within this period; whilst the numbers of cadres, in proportion to the number of privates, have necessarily varied in India with these changes, with great increase of cost. The formation of brigades of artillery, and their location abroad, with their large complement of colonels and field officers, all receiving high pay in India; the varying numbers and strengths of batteries in India, and the promotion of first captains of artillery and engineers, in order to meet the wants of the home service, with the large Indian pay, have borne heavily on the finances of India. The addition made to the pay of the soldiers in 1866 and 1867, as also the permission to soldiers of seven years' service to extend their service, and anticipate the bounty due at the end of 10 years, and the more recent addition to the pay of the soldiers, have all been made for Imperial considerations, but have necessarily increased the Indian expenditure. The strength and number of depôts kept up in England to train recruits for the regiments in India, the numbers of recruits and other soldiers consequently kept in these depôts, as also the large proportion of higher ranks, and the great extension of the periods of training recruits, have added to the charges on Indian revenues. The several alterations that have taken place in the periods of soldiers' enlistment have necessarily shortened their periods of actual service in India, and have increased the payments of bounties, as well as the expenses connected with the transport of men to and from India. The short period of unexpired service of soldiers sent to India, under the shorter term of enlistment, and the reliefs of regiments with soldiers of short Indian service, have likewise affected the numbers embarking and disembarking. Your Committee would point out that, up to 1870, the effective strength constantly fell much below the established strength. The maintenance of the effective strength of all arms up to the full established strength agreed on to be the garrison of India, must necessarily be not only of financial, but of great political, importance; as also, that the means for keeping up that strengh, by supplies of men from home, should be at all times readily available. Further, whatever may be the total fixed strength of that force, it is advisable that the organisation and formation should, as far as Imperial considerations may permit, be the best suited to India for efficiency, as well as economy. Your Committee may, therefore, suggest, that not only should contemplated changes in the Imperial army be fully and freely communicated to the India Office, but that before being finally resolved on, a calculation be made as to the financial bearing of the proposed changes on the Indian revenues; and your Committee has every confidence that the interests of India would be protected by this combined military and financial examination as to the effect of the proposed changes.

Your Committee may add, that it would be advisable to enter on a similar inquiry in regard to the existing army organisation in India, in order to ascertain how far it is adapted to ensure efficiency and economy "—(Sir *George Balfour*).

Question, That this paragraph be inserted in the proposed Report,—put, and *negatived*.

Paragraphs 9—10, *disagreed to*.

Paragraph 11, amended, and *agreed to*.

Amendment proposed, after paragraph 11, to insert the following new paragraph:—"The differences of opinion regarding the home military expenditure that have arisen between the War Office and the India Office are consequent on the many duties in great detail devolving on the War Department connected with the European army in India, and the uncertain character of the many claims which necessarily spring out of these duties. The entire European force required for the garrison of India being now furnished from the regiments and batteries of the Imperial army, and the duty and responsibility of maintaining that force complete and efficient having devolved on the Secretary of State for War, the heavy expenditure at home for the service of the European troops in India has necessarily been incurred in the first instance by the War Department. These money claims necessarily spring out of the duties involved in raising and training recruits in England for dispatch to India, preparing home regiments and batteries for the periodical reliefs of corps for service in India, receiving invalided, time-expired, and discharged soldiers from India, and detaining them in hospital, and in depôts at home until disposed of. There are other very varied and numerous liabilities connected with the large European army in India, entailing, amongst other outlays, the payment of officers temporarily at home, belonging to the Imperial forces on duty in India; and as these duties have been carried on through the machinery of the War Office, and the expenditure on account has been directly incurred by that department, the War Office has the additional duty of subsequently claiming repayment from the India Office. All these money claims against Indian revenues have, since the 1st April 1870, entailed on the War Office extensive separate accounting, with the necessity of providing all the numerous vouchers for supporting every one of the many small items of charge inserted in the accounts. Further, all the accounts and detailed vouchers have to be examined, audited, admitted, or objected to by the auditor of all charges made at home against Indian revenues. This officer being directly responsible to Parliament for the anthenticity, in the fullest sense, of all payments made in England and entered in the Parliamentary accounts, is thereby under the necessity of seeing not only that all claims are sufficiently supported by proper vouchers, but that they are made under a fully recognised authority from the Secretary of State for India in Council, who alone can grant permission for the admission, in the first instance, of these charges, with the final liability of being objected to by the auditor as not justly chargeable against India. This minute accounting and detailed audit of all War Office claims against India, may naturally be expected to cause delay in settlement; and your Committee regrets to find that the outlays made for India, from 1st April 1870, a period of four years, have not yet been finally agreed to, though advances of money appear to have been made from the Indian Treasury to meet in part the expenditure by the War Office. Your Committee have also to express their further regret, that these delays in settling the claims have led to the serious evil of accounts of Indian revenues, &c., having been presented to Parliament without the important certificate from the Imperial Auditor, that the payments entered therein have been duly examined, audited, and allowed by him. Your Committee attach the greatest importance to the certificate of the Imperial auditor being affixed to the accounts of the India revenues, in proof of all charges against India being duly allowed; and as the examination of some claims may sometimes entail delays in effecting the final audit, within the year, of every charge against India, thereby preventing the auditor giving the required certificate, your Committee would suggest that in such case a supplementary account be laid before Parliament, wherein all the previously unsettled claims of the former years, whenever fully agreed to and finally allowed by the auditor, should be shown. But pending the complete settlement, the entries in the annual ordinary accounts should be so made as clearly to show to Parliament that the items are charges under suspense; and we further advise that this course be followed, as far as possible, with respect to all unsettled arrears of prior years. Your Committee would, however, fail in their duty in omitting to point out, that there is another and very conclusive cause for the delays that have taken place in adjusting these claims; and that is an alteration, since April 1870, in the mode of making up the claims, which involves the preparation of numerous detailed accounts of 'actual charges,' instead of payment by lump sums, as below explained. "Under the Act of 4 Geo. 4, c. 71, it was enacted that all money claims against India from the Imperial departments at home, for the effective services of the army in India, should be charged in accounts against India in the form of 'actual charges,' and be settled regularly every year. At the same time it was agreed, that as it was advisable to meet the liberality of India in the compromise then effected, India should contribute a lump sum of 60,000 *l.* per annum, paid in quarterly to the Imperial Exchequer, in clearance, as the Act states, of all claims then existing, or which may hereafter arise in connection with the retiring pay, pensions, and other outlays of this nature, on account of the European troops of the Imperial army detached from home for services in India. This annual settlement of accounts appears to have been regularly effected up to 1857,

1857, with one exception, owing to the claim made by India against the Imperial Exchequer for refunding, in accordance with promises stated to have been made, the ordinary pay and allowances of the troops detached from India for operations against China, for what is known as the first China War; and as this claim was finally refused by the Imperial Treasury after lengthened negotiations, delay in settling accounts was caused thereby. But, after 1857, on the Mutiny breaking out in India, there were extensive additions made to the European troops of the Imperial army for service in India, and with the existence of many novel charges against India, arising out of these additional demands for troops and stores, the settlement of accounts of home claims appears to have fallen into arrear between 1857 and 1860. Even the actual compilation of the accounts of claims appears to have entailed on the Imperial departments great labour and difficulty, quite apart from the difficulties in proving the claims and in obtaining payment. The very extensive augmentation, consequent on the Mutiny, of the Imperial force in India, in contrast with the smaller force maintained in India, when the Act 4 Geo. 4, c. 71, was passed, led to a claim being preferred, in 1858, by the War Office to the Treasury, for an inquiry into the sufficiency of the lump sum above referred to for the retiring pay and pensions. And subsequently, in 1860, the Treasury moved the War Office and India Office to inquire into the accounts with the Government of India, and into the long period they are necessarily, under existing arrangements, kept open, in order, as the Treasury and War Office then stated, 'that measures may be adopted for reducing the payments to be made by the East India Government in respect of these accounts to an average rate proportioned to the number of British troops serving from time to time in the territory, and that when once the scale is fixed the contributions should be paid by monthly instalments, including in the arrangements the contribution in aid of the non-effective payments.' The inquiries instituted to carry out this view in favour of lump sums were carried on by two separate committees, consisting of officers from the War and India Offices, and the Treasury (both under the presidency of Major General Sir Alexander Tulloch), and resulted in a provisional arrangement being submitted by the Committee on 31st January 1861, and provisionally accepted by the Treasury, War, and India Offices, that settlement of claims against India should be effected from 1st April 1861, by the Indian revenues contributing at the annual rate of 10,000*l.* per 1,000 men of all arms effective in India, based on the numbers borne on the 12 months' muster rolls; and that this rate of payment should cover all charges incurred at home by the War Office, for the effective services in England on account of the troops in India. Also, in lieu of the former lump sum for covering the retiring pay and pensions of the troops in India, an annual rate of 3,500*l.* per 1,000 effectives in India should be contributed out of Indian revenues. The Committee over which Sir Alexander Tulloch presided, proposed to continue their inquiries in view to defining more accurately the permanent rates to be paid by India for the several arms of soldiers; but this inquiry was never entered upon. The provisional arrangement, though only accepted for one year, was extended year by year, and continued in force from 1st April 1861 to 31st March 1870, a period of nine years, being then discontinued by the War Office, apparently owing to the assumed insufficiency of the rates to cover all the charge for which these lump sums were allowed. But as the accounts before your Committee do not supply details to prove this loss, your Committee advise a more complete investigation into the case. In 1869 a new Committee, known as Mr. Seccombe's Committee, was assembled, consisting of officers of the India and War Offices, to make arrangements for adjusting, from the 1st April 1869, the charges for effective services of Her Majesty's regiments on the East India establishment, on the principal of actual charges. That Committee, after careful consideration, came to the conclusion that it was advisable, in order to settle the claims between the War Office and the India Office, to revert to the system of 'actual charges' which was in force from 1824 up to 1861, in lieu of the lump payments adopted in the latter year. The Committee accorded their opinion that from the 1st April 1870, the claims of the Imperial Government should be adjusted by repayment of the actual charges on the general principles which governed the settlement of the accounts for recruiting depôts and other home services, from the year 1824 to the date of the introduction of a capitation rate. That Committee has submitted four Reports, but all mainly relating to only one of the many items of charge against India, that is, the cost of recruits raised and trained by the War Office. The members of the Committee, though all agreeing to certain rates of charge to be provisionally paid by India for the expenses of supplying recruits of different arms, and having advised the settlement of all such claims at these rates for two years, from 1st April 1870 to 31st March 1872, differed as to the data on which the military establishments of depôts should be maintained. The Committee was unanimous as to the costly nature of these depôts, but the officers of the India Office specifically objected to the large establishments of officers and non-commissioned officers belonging to the depôts, and contrasted the then far heavier cost of supplying recruits for service in India with the low average cost under the Warley depôt system of the East India Government, and recorded minutes of dissent on this point, which still remains undecided"—(Sir *George Balfour*).

Question, That this paragraph be inserted in the proposed Report,—put, and *negatived.*

Paragraph 12.—Amendment proposed to leave out from the words "It has been," in line 1, to the words "arrived at," in line 5 (inclusive), in order to insert the words, "desired to settle the payments to be made by the India Office to the War Office by means

of a committee composed of permanent officers of the two departments. But although comparatively little difference has been found to exist between the members of the two departments on matters of detail and of account, yet great difference prevails between the departments and between their respective officers, as to the principles on which those details and those accounts ought to be adjusted"—(Mr. *Campbell-Bannerman*),—instead thereof.—Question, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 2.
Mr. Balfour.	Mr. Onslow.
Sir Henry Havelock.	Mr. Campbell-Bannerman.
Mr. Dunbar.	
Mr. Eustace Smith.	
Sir James Elphinstone.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Another Amendment proposed to leave out from the words, "Your Committee have been informed," to the end of the paragraph—(Mr. *Beckett Denison*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 3.
Mr. Balfour.	Mr. Beckett Denison.
Sir Henry Havelock.	Mr. Onslow.
Mr. Dunbar.	Mr. Campbell-Bannerman.
Mr. Eustace Smith.	
Sir James Elphinstone.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Another Amendment proposed at the end of the paragraph, to add the words, "It appears indeed that so large a question of public policy is not usually submitted by the Executive Government or by Parliament to the discretion of any individual, however eminent; nor, indeed, would it seem to be fair to any individual to cast such a burden upon him. The decision, it must be observed, is not intended merely to govern the expenditure of any particular year, but to settle the principle on which in future years the relative expenditure of India and of the United Kingdom is to be apportioned. The Committee, however, understand that the departmental committee, with its new president, will merely inquire into the facts and details of the question, and that its settlement will rest with the responsible heads of the departments"—(Mr. *Campbell-Bannerman*).—Question put, That those words be there added.—The Committee divided:

Ayes, 5.	Noes, 10.
Sir Henry Havelock.	Mr. Beckett Denison.
Mr. Dunbar.	Mr. Balfour.
Mr. Eustace Smith.	Mr. Onslow.
Mr. Campbell-Bannerman.	Sir James Elphinstone.
Mr. Fawcett.	Mr. Grant Duff.
	Lord George Hamilton.
	Mr. Stanley.
	Sir George Balfour.
	Lord Edmond Fitzmaurice.
	Mr. Birley.

Question put, That the paragraph, as amended, stand part of the proposed Report.—The Committee divided:

Ayes, 13.	Noes, 2.
Mr. Beckett Denison.	Mr. Onslow.
Mr. Balfour.	Sir Henry Havelock.
Mr. Dunbar.	
Mr. Eustace Smith.	
Sir James Elphinstone.	
Mr. Campbell-Bannerman.	
Mr. Grant Duff.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Amendment

Amendment proposed, after paragraph 12, to insert the following new paragraph:—"Your Committee suggests that in the interval between the adjournment of the House and its re-assembling next Session, the permanent officers of the Departmental Committee, consisting of officers from the War and Indian Offices, should, under the supervision of the arbitrator, continue the inquiries into all the details of charges which are now incurred by the War Office on behalf of Indian interests, and for which charges Indian revenues are considered liable. Your Committee would indicate some of the heads which appear to need special investigation, such as the strength of depôts and the ranks composing these depôts, and whether, as pointed out in the dissents of the officers representing the India Office, these regimental depôts are or are not in excess of the requirements for training men, both in respect to numbers in the different ranks and in the number of depôts. Also whether, as suggested in the 12th paragraph of the letter from the Under Secretary of State for India, dated 8th September 1871, to the War Office, the depôt arrangements for training recruits for India could not be simplified by being kept to the minimum establishment requisite for the provision of recruits. This view is also indicated in the 4th paragraph of the letter from the Government of India, dated 15th May 1873, to the Secretary of State, in which it is recommended that the depôt be kept on a reduced scale, and more resembling that of the present depôt of the Guards. Your Committee would also point out for investigation the periods fixed for actually training the recruits for the several arms, and whether these periods are proper; and next, whether from the evidence given before your Committee, and as stated in the letter, dated 14th April 1874, from the India Office to the War Office, the recruits are sent to India with much less training than the agreed on period. Your Committee would also urge a further investigation into all the many items of charge making up the total cost of recruits, especially the large addition of one-third of the cost for deaths, desertions, &c., referred to in the report of the Departmental Committee, dated 28th February 1870; also, in the other items of charge alluded to in the letter from the Government of India of May 1873, and generally, into all the heads of outlay detailed in the Appendix to the Report of the Departmental Committee, dated 24th November 1869. Your Committee would also advise an inquiry into the mode of adjusting claims of the War Office against Indian revenues arising subsequently to the 31st March 1872, there being, as stated in the letter dated 14th April 1874, from the India Office to the War Office, no arrangement as yet fixed on as to the final adjustment of charges for effective services. Your Committee would also advise an inquiry into the arrangements for adjusting the non-effective charges which your Committee have been unable to commence on, and whether the retiring pay, pensions, and other charges of this nature should be adjusted by the contribution of a lump sum, as under the Act 4 Geo. 4, c. 71, which continued to be paid up to 31st March 1861, or by an average rate of 3,500*l.* per annum, based on the average number of effectives in India, as agreed on under the recommendation, dated 31st January 1861, of the Committee over which Sir A. Tulloch presided, and which sum continued to be paid till 31st March 1870. Or, whether the actual charges for pensions, based on the actual service rendered to the Imperial and Indian Governments shall be followed for settling these claims. This detailed inquiry would lead to the collection of information which would at least aid in bringing to a settlement most, if not all, claims between the two departments; and if a complete settlement should not thereby be effected, the information then obtained would facilitate the labours of this Committee if re-appointed next Session"—(Sir *George Balfour*).

Question proposed, That this paragraph be inserted in the proposed Report.—Amendments made in the paragraph.—Question put, That this paragraph, as amended, be inserted in the proposed Report.—The Committee divided:

Ayes, 12.	Noes, 2.
Mr. Beckett Denison.	Mr. Onslow.
Mr. Balfour.	Mr. Campbell-Bannerman.
Sir Henry Havelock.	
Mr. Dunbar.	
Mr. Eustace Smith.	
Mr. Grant Duff.	
Lord George Hamilton.	
Mr. Stanley.	
Sir George Balfour.	
Mr. Fawcett.	
Lord Edmond Fitzmaurice.	
Mr. Birley.	

[Adjourned till Tuesday next, at half-past Twelve o'clock.

Tuesday, 28th July 1874.

MEMBERS PRESENT:

The Right Hon. STEPHEN CAVE in the Chair.

Mr. Campbell-Bannerman.	Mr. Onslow.
Sir George Balfour.	Lord George Hamilton
Mr. Stanley.	Mr. Eustace Smith.
Sir James Elphinstone.	Mr. Balfour.
Mr. Dunbar.	Sir Henry Havelock.
Mr. Sampson Lloyd.	Mr. Birley.
Lord Edmond Fitzmaurice.	Mr. Fawcett.

Paragraph 13, amended, and *agreed to.*

Paragraph 14.—Amendment proposed, to leave out from the words "In conclusion" to the end of the paragraph, in order to add the words, "it appears from the evidence that has been given, that military changes, resulting in an important charge upon the revenues of India, have been carried out occasionally without previously consulting the Secretary of State for India and the Government of India. Your Committee are of opinion that such omission is greatly to be regretted. It also appears that there is sometimes a disposition at the India Office to act without consulting the authorities in India. Such omission may be detrimental to the interests of India, and produce an unfavourable impression upon the people of that country"—(Mr. *Fawcett*),—instead thereof.—Question put, that the words "Your Committee" stand part of the paragraph.—The Committee divided:

Ayes, 10.	Noes, 4.
Mr. Onslow.	Mr. Eustace Smith.
Sir Henry Havelock.	Sir George Balfour.
Mr. Balfour.	Mr. Fawcett.
Mr. Dunbar.	Lord Edmond Fitzmaurice.
Sir James Elphinstone.	
Mr. Sampson Lloyd.	
Mr. Campbell-Bannerman.	
Lord George Hamilton.	
Mr. Stanley.	
Mr. Birley.	

Another Amendment proposed, in line 7, to leave out the words "in reference"—(Mr. *Eustace Smith*).—Question put, That the words proposed to be left out s tand part of the paragraph.—The Committee divided:

Ayes, 9.	Noes, 5.
Mr. Onslow.	Mr. Eustaee Smith.
Sir Henry Havelock.	Mr. Dunbar.
Mr. Balfour.	Sir George Balfour.
Sir James Elphinstone.	Mr. Fawcett.
Mr. Sampson Lloyd.	Lord Edmond Fitzmaurice.
Mr. Campbell-Bannerman.	
Lord George Hamilton.	
Mr. Stanley.	
Mr. Birley.	

Another Amendment proposed, in line 9, to leave out the word "subordinate," and to insert, "in harmony with"—(Sir *George Balfour*),—instead thereof.—Question put, That the word "subordinate" stand part of the paragraph.—The Committee divided:

Ayes, 8.	Noes, 6.
Mr. Balfour.	Mr. Onslow.
Sir James Elphinstone.	Sir Henry Havelock.
Mr. Sampson Lloyd.	Mr. Dunbar.
Mr. Campbell-Bannerman.	Mr. Eustace Smith.
Lord George Hamilton.	Sir George Balfour.
Mr. Stanley.	Mr. Fawcett.
Lord Edmond Fitzmaurice.	
Mr. Birley.	

Another

Another Amendment proposed, in line 12, after the word "misunderstood," to insert the words "and magnified"—(The *Chairman*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 8.	Noes, 6.
Mr. Balfour.	Mr. Onslow.
Sir Henry Havelock.	Mr. Eustace Smith.
Sir James Elphinstone.	Mr. Dunbar.
Mr. Sampson Lloyd.	Sir George Balfour.
Mr. Campbell-Bannerman.	Mr. Fawcett.
Lord George Hamilton.	Lord Edmond Fitzmaurice.
Mr. Stanley.	
Mr. Birley.	

Paragraph, as amended, *agreed to.*

Amendment proposed, after the last paragraph, to add the following new paragraph: "In conclusion, your Committee would suggest that, as they have not had time to investigate the various home charges which are not connected with military expenditure, they should be re-appointed next Session. As much evidence was taken in reference to these charges by the India Finance Committee, which sat during the three previous Sessions, it is probable that the inquiry might be completed within a reasonable period"—(Mr. *Fawcett*).

Question, That this paragraph be inserted in the proposed Report,—put, and *agreed to.*

Question, That this Report, as amended, be the Report of the Committee to The House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence, and an Appendix.

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Tuesday, 12*th May* 1874.

MEMBERS PRESENT:

Mr. Stephen Cave.
Sir George Balfour.
Mr. Balfour.
Sir Thomas Bazley.
Mr. Birley.
Mr. Campbell-Bannerman.
Mr. Dalrymple.
Mr. Beckett Denison.
Mr. Dunbar.
Sir James Elphinstone.
Mr. Fawcett.
Sir Seymour Fitzgerald.
Lord Edmond Fitzmaurice.
Lord George Hamilton.
Sir Henry Havelock.
Mr. Sampson Lloyd.
Mr. Onslow.
Mr. Eustace Smith.
Mr. Stanley.

THE RIGHT HONOURABLE STEPHEN CAVE, IN THE CHAIR.

Mr. JOHN MILTON, C.B., Mr. ROBERT P. DAYE, and Mr. RALPH HENRY KNOX, called in; and Examined.

Mr. *Milton*, C.B., Mr. *Daye*, and Mr. *Knox*.

12 May 1874.

Chairman.

1. (To Mr. *Milton.*) You are Accountant General of the Army?—Yes.

2. (To Mr. *Daye.*) You are an Assistant Principal in the War Office?—Yes.

3. (To Mr. *Knox.*) You are Estimate Clerk in the War Office?—Yes.

4. (To Mr. *Milton*). You appear on behalf of the War Office to explain the system under which home charges for recruits raised for India are made?—Yes, and to give any information that the Committee may require regarding charging India with the home charges incurred in this country.

5. Will you explain that system shortly?—As the Committee probably are aware, from 1824, under the Act of the 4th George the 4th, accounts of all the home charges incurred on account of India were rendered. They were prepared from the pay lists and other accounts furnished to the War Office; and were consolidated by a Department of the Treasury, who recovered the amount from the India Company.

6. I think the Treasury sent the accounts to the Board of Control, and they were afterwards transmitted to Leadenhall-street?—I believe so; we sent the account in to the Treasury, who paid our bill, and then proceeded to make their claim against the India Company.

7. You only dealt with the Treasury in the matter?—Yes. That system proceeded for many years; and in the year 1860–61 a committee was appointed, consisting of members from the Treasury, from the India Office, and from the War Office, to investigate the subject of the home charges for India, on the base of the actual expenditure and payments during 24 years prior to the mutiny of 1857.

Chairman—continued.

8. That was what is ordinarily called Mr. Seccombe's Committee, was it not?—No; the Committee in 1860-61 was Sir Alexander Tulloch's Committee. They came to the conclusion that a capitation rate on each effective soldier in India should be paid at such sum as would serve to repay the expenses of keeping up the forces.

9. Will you state who were the members of that committee?—Sir Alexander Tulloch, Mr. C. H. Anderson, Colonel Jameson, Mr. Sandoz, the Auditor of the India Office, and Mr. Foster, of the Treasury. That capitation was calculated on the number of effectives of Her Majesty's troops in India, distinguished from the European troops of the Company's service, as shown by monthly rolls to be serving in India, and the calculation was that the wear and tear of that force might be kept up by a payment at the rate of 11 *l.* 1 *s.* 6 *d.* for each infantry soldier, of 15 *l.* 16 *s.* for each cavalry soldier, and of 23 *l.* 13 *s.* for each artillery soldier. Those being the figures arrived at by the committee, the Home Government agreed to take 10 *l.* a head for all arms, being a reduction in favour of India of 9 per cent. for each infantry soldier, 30 per cent. in favour of India for each cavalry soldier, and 57 per cent. in favour of India for each artillery soldier serving in India.

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Chairman—continued.

10. Those being the Queen's soldiers serving in India?—Her Majesty's troops serving in India.

Mr. *Onslow*.

11. Were the first figures that you gave the figures from the year 1824 to 1860, or were they recommendations of the committee?—They were recommendations of the committee of 1860-61, founded on the actual accounts kept and paid from 1834 to 1857. This arrangement of a capitation rate continued from time to time, and was renewed, provisionally, for eight years. But in 1868-69 the committee known as Mr. Seccombe's Committee was appointed. That committee consisted of two officers of the India Office and two officers of the War Office, and still exists, with some change in the persons.

Chairman.

12. What was the date of their first report?—Early in 1869. This committee reported in their third report in favour of a price current, or tariff, or commuted charge, for each recruit embarked for India; thus changing the basis of payment from the number of men serving in India to the number of men actually embarked for India. This mode of recovering the home charges has been approved for two years up to the 31st of March 1872, coupled with the payment, by the India Office direct, of the furlough pay of officers at home, of the colonels' pay for the several regiments, battalions, or brigades serving in India, and the advances of men on board ship to and from India and this country. The recommendation of the War Office members of this committee was in pursuance of the plan of only demanding a repayment in part from India, modified by the Secretary of State, who waived the battalion charges. As these charges included the cost of commanding the men, of paying the men, of medically treating the men, of instructing the men in musketry, and of equipping them through the quartermaster, the result of that concession was that all those duties are now performed for recruits going to India free of any charge to the revenues of that country.

13. Then would you modify the statement that the charges are made on the principle of actual charges?—That was the principle, but it was modified in amount.

Sir *H. Havelock*.

14. The charge for them is a charge against the home revenues?—Yes; that is to say, we recover no part of the pay of the battalion officers at home on account of their duties towards Indian recruits.

Chairman.

15. Were the members of that committee unanimous in their report?—In regard to the facts and figures on which that report was grounded I do not think there was any divergence of opinion; the Indian members questioned every sum we put before them; we justified every sum before it was admitted; in which process I might point out that India would be likely to get the advantage, because it was clear that what we claimed to bring against them was canvassed, and not admitted till approved, and equally clear that anything that we omitted to bring forward, as home recruiting charges, lapsed; and this was illustrated by the case of forage. In our second Report the

Chairman—continued.

forage was forgotten on behalf of the War Office; afterwards attention was drawn to it, and it was admitted by the Indian members. I only mention this to show that the tendency of that system must be to give an advantage to the party on whom the claim is made.

16. Will you explain what accounts might have been rendered that would not be admitted?—No accounts could be rendered, but there might be some small services performed towards these recruits that were not brought forward, because I must inform the Committee that these were not all direct charges; there were indirect or average charges; for instance, the proportion of the cost of repairs of barracks could not be a direct account, but indirect, and a share of the staff of the recruiting districts, and so on; and in collecting all the incidental charges on which our home officers were doing certain duties towards the Indian recruits, we might possibly omit some; we could create none.

17. Then your statement is, that the charges made were only direct charges, and that there were certain indirect charges, a portion of which might have been placed against the Indian revenue, which you were debarred from doing by your instructions?—Certainly; there were many indirect charges that we were instructed not to urge against the Indian Government; but the sum agreed by us included both direct and indirect or average charges.

18. Were there any indirect charges which you placed against the Indian revenue?—Yes; the sum placed by us as the cost of the recruit included direct and indirect charges. I instanced as indirect charges the cost of wear and tear, and maintenance of the barracks in which the men were housed, and the cost of the share of the staff of recruiting districts, they being raised in the same recruiting districts as our home troops; for instance, the paymaster was paid so much a year for paying 1,000 men; 500 of them were English and 500 Indian, so that one-half of his pay was a clear cost incurred for India.

19. All those indirect charges which you could easily apportion were apportioned in the way you have mentioned?—Yes.

20. But there were others difficult to apportion of which India got the benefit?—Yes, they were the more remote; the controlling staff of the Horse Guards, for instance, or the Secretary of State's Office; no doubt that office includes many persons whose duties arise from the British troops being employed in India.

21. Does the 10*l*. include the direct and indirect charges which you are now talking about?—It does; it was based upon those indirect and direct charges; the more remote indirect charges were omitted.

Mr. *Campbell-Bannerman*.

22. I think that the 10*l*. was not the result of the investigations of the Committee of 1860, but was a sum which was adopted by the Government very much in favour of India?—Certainly.

23. The investigations of the committee, based on direct and indirect charges, as the honourable Member has said, led to higher sums being charged, 11*l*. 1*s*. 6*d*. for the infantry soldier, and so forth?—Yes; they led to 11*l*. 1*s*. 6*d*. being chargeable; but only 10*l*. was charged.

24. What

Mr. *Fawcett*.

24. What is the date of this report to which you are referring?—The report of Mr. Seccombe's committee was in 1869.

25. But there is one committee to which you referred as Sir Alexander Tulloch's committee, and there is another committee of which you and Mr. Seccombe were members, and Mr. Daye was secretary?—Yes.

26. The date of Sir Alexander Tulloch's committee was what?—In 1861 that committee sat.

27. It seems to me that in speaking of "the committee," you have not kept sufficiently clear which committee you are referring to?—The committee that sat in 1861 fixed the capitation, which lasted for eight years.

28. That was not Mr. Seccombe's committee?—No; Sir Alexander Tulloch's committee, that suggested the capitation rate, sat in 1860-61.

29. And none of the evidence that you have given yet has referred to the committee of which you and Mr. Seccombe were members, has it?—I have continued my narrative up to that committee, which eight years after suggested the contribution by tariff according to the number of men embarked.

Lord *Edmond Fitzmaurice*.

30. I understand that the higher charge, that above 10 *l.*, which you say would have been the real charge, was never actually levied?—Never. Whilst the committee presided over by Sir Alexander Tulloch was still engaged in its inquiries, the Government accepted provisionally the 10 *l.* per man. That rate was continued and never increased. Although the final inquiries of the committee led to the higher sums I stated, the 10 *l.* continued for the whole period the capitation rate was in force.

Chairman.

31. Up to what year?—To the year 1870.

Lord *Edmond Fitzmaurice*.

32. That continued, roughly speaking, for 10 years?—For nine years.

Chairman.

33. You have given us instances of indirect charges which were apportioned, perhaps you can give instances of indirect charges which were not apportioned?—In the second report of Mr. Seccombe's committee, dated 24th of November 1869 the Appendix, Class 3, states the "Expenses affecting depôts of regiments in India which have not been matter of account between the Imperial Government and the Government of India, namely, proportion of the expense of the general staff, medical staff, commissariat staff, commissioned chaplains, military departments, Chelsea College, asylums, &c., expenses of female hospitals, billiard tables, and rooms for officers, recreation rooms for men, and cost of games and gymnastic instruction, and cost of utensils, &c., school of music, Kneller Hall, school of cookery." They were the more remote indirect charges which were waived.

34. Now will you proceed with your statement?—I think that the statement which I have given brings us down to the present time, observing that the arrangements under which that fixed tariff has been accepted between the India Office and the War Office has expired in March 1872, that the great changes then anticipated, and now since partially carried out by the Government, in the organisation of the troops in this country rendered the data, on which we had been able to proceed to that point, utterly beyond our power till we had some experience in it. The consequence is that the rates for the past year and for the current year are still a matter to be settled between us and the India Office.

Chairman—continued.

35. On what basis have the payments been actually made for the last two years?—No final payments have been made; in fact, no claims have yet been rendered for the last two years.

36. How do you explain these questions with regard to the increase in the charge for recruiting raised in the Report of 1869, of Mr. Seccombe's committee?—Having submitted to our colleagues who represented the India Office on that committee the figures as closely as we could possibly calculate them of the cost of a normal recruit fully trained and fit and efficient for foreign service, the War Office members then submitted to the committee that it was perfectly clear that for every hundred men whom we embarked we had raised a good many others who did not embark; that the wear and tear or dead weight of the depôts, before the men were brought to the moment of embarking, was very heavy; and the War Office members claimed from the Indian members that for every three men embarked four men should be paid for at the tariff price agreed to for the different recruits. The Report states that this would be justified by an annexed memorandum, but through some lapse that memorandum was not annexed to the Report when rendered.

Sir *George Balfour*.

37. Will you be able to give in that memorandum now?—Yes. I propose to read the memorandum which I afterwards prepared and forwarded semi-officially to the Chairman, Mr. Seccombe, for future reference, in case that arrangement should ever be questioned.

Chairman.

38. Showing your reason for charging four men for three?—Yes. "Memorandum regarding the dead weight of the Indian regimental depôts. The propriety of charging against Indian revenues an increased rate of cost for each recruit embarked for India, in consequence of the dead weight of the Indian depôts of cavalry and infantry regiments will be apparent from the annexed Return (*Return handed in*, vide *Appendix*), of the establishment of the depôts, for drill and training, of the actual strength of those depôts, of the actual number of recruits sent out thence as drafts to India, and the number of invalids and time-expired men disembarked, during each of the seven years, from 1861-2 to 1867-8, both inclusive (*see* Committee's Report of 11th March 1869, page 4). By this Return it will be seen that while the average strength maintained throughout the period was 8,494 men, 2,196 recruits, on an average, were embarked annually, who, at an average training of nine months each, account for 1,647 for the entire year. Further, an average of 3,521 invalids and time-expired men were brought back from India, who, at an average detention at the depôt of, say, three months, account for 880 for the entire year, leaving 5,967 men throughout the year as the dead weight of these

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Chairman—continued.

these depôts. Deducting from that number 1,841 men as the average fixed establishment of officers, non-commissioned officers, and drummers maintained for the purpose of drilling and training the recruits, it results that 5,773 men were entertained at the depôts to furnish 2,196 recruits. The addition, therefore, of 200 per cent. to the ascertained cost of each recruit would have been justified by these figures, in lieu of 33 per cent. only, as agreed to by the committee." To test that view, I yesterday got prepared at my Office a statement (*Statement handed in*, vide *Appendix*), showing what proportion of the home charges for Indian regiments would have been finally borne by Imperial revenue during the eight years of the capitation rate,—had this tariff price been the mode of settlement during that time in lieu of the capitation rate; and I find that whilst we should have recovered for the recruits at those tariff prices 1,320,000 *l.*,—of which 330,000 *l.* was the additional 33 per cent.,—we should have been out of pocket during those eight years, that is, the British revenues would have remained unrecouped, 1,700,000 *l.*, and if the 33 per cent. complained of had been further remitted, we should have been out of pocket over two millions sterling. Therefore, we are prepared by any probing of the figures to prove that the dead weight, or wear and tear, of the depôts is far in excess of the 33 per cent.; or one man in four for whom we have claimed payment.

Sir *George Balfour*.

39. That is to say, your calculation is made upon the sum you received?—The sum we should have received, had we been going on this tariff during the eight years, from 1861 to 1869; it amounts to above 200 per cent., which was required to be added to the ascertained cost to recoup or repay the British revenues for the charges that could be proved to be incurred solely on account of the Indian forces in this country; this is to say, we might have charged three times as much, instead of only charging one-third more.

Chairman.

40. What was the charge per head of each arm of the service, which you take as your basis in that calculation?—The lower rate agreed to by the Secretary of State for War, on Mr. Seccombe's Report, namely, for each cavalry man 136 *l.* 13 *s.* 11 *d.*, and for each infantry man 63 *l.* 8 *s.* 5 *d.*

41. Were those figures agreed to by the Indian members of the committee?—They were.

42. A "lower rate," in comparison to what?—A lower rate in comparison to what the committee state might be a fair charge. Mr. Seccombe's Committee drew out generally the cost in three forms; the cost of what the soldier received himself, the cost of his company for drilling him and training him, and the cost of the battalion to which that company was annexed for commanding him, medically treating him, instructing him in musketry, equipping him through the quartermaster, and otherwise. Those three charges, the personal charge, the depôt charge, and the battalion charge, were stated in this Report, and the battalion charge was waived by the Secretary of State for War in favour of India.

43. Can you give in figures the difference between the two?—£. 136 13 *s.* 11 *d.*, as against

Chairman—continued.

144 *l.* 9 *s.* 5 *d.*, making nearly 8 *l.* difference for every cavalry recruit, and 63 *l.* 8 *s.* 5 *d.* for each infantry man, as against 66 *l.* 19 *s.*, being 3 *l.* 10 *s.*, or nearly 6 per cent. diminution.

44. A diminution of nearly 6 per cent. between the higher and lower charges?—Yes, a diminution of 6 per cent. between the higher and lower charges by the omission of all battalion charges.

45. But I see an objection taken in page 2 of this same report of Mr. Seccombe's Committee; if you look at paragraph 9 you will find that 205 *l.* is stated as the cost of each soldier sent to India by the War Office?—Yes.

46. How do you explain that?—It comes to very much what I have been laying down, that to recoup ourselves absolutely for the full charges would have required us to multiply the sums of 63 *l.* and 136 *l.* by two, if not by three

Mr. *Fawcett*.

47. That is not the point, is it; you state here, do not you, in that report, that 205 *l.* is the actual cost to India of the recruit?—No; that it was the result of this calculation; the total amount of Indian depôt expenses in this country divided year by year by the total number of recruits whom we succeeded in embarking.

48. But anyone reading that paragraph, I think, would come to no other conclusion than that what you meant by that is, that the cost of each recruit to India at the present time is what you state, 205 *l.*; do not you think so?—The cost of the recruit upon the period ending in 1867-8.

49. That is what India had actually to pay?—No; that was the cost of the article, but not the charge for the article. The cost to prepare that finished article was 295 *l.*; we sold it, from 1870 to 1872, for 63 *l.*

Chairman.

49.* The 205 *l.* is not the charge against India, but the whole cost of raising the recruits?—The whole cost of raising recruits with other home charges incurred for India in this country.

Mr. *Sampson Lloyd*.

50. Are the figures which you have given to lead the Committee to believe that for the period which you speak of there has accrued to British revenues a loss of 1,700,000 *l.*?—No; the statement made by me assumed that during that period we had in that manner settled the accounts; but as the period in question was from 1861 to 1869, I would remind the Committee that during that period the payment was upon a calculation of the capitation on effectives in India, and that my comparison for the eight years was given only to show that the experience of the past proved that the tariff price fixed from 1869 was not excessive.

Chairman.

51. Then what you wish the Committee to understand is that if during those eight years the tariff of 63 *l.* and 136 *l.* had prevailed, the loss to the British taxpayer would be as you have stated?—Would have been about 200,000 *l.* a year, or 1,700,000 *l.* altogether.

Sir *George Balfour*.

52. That is for the eight years from 1861 to 1869?—Yes.

Lord *Edmond Fitzmaurice*.

53. Then your full calculation is a sort of calculation of arrears?—Having fixed the tariff after the

Lord *Edmond Fitzmaurice.*

the experience of those years, I then go on to show that the rates so fixed would not have repaid the whole expenses of those years, and that the expenses of those years might have been made to justify a tariff price of at least double. It was on the actual account of those eight years that we based our experience of the actual cost, and found the price which we ought to be paid to recoup ourselves.

Mr. *Eustace Smith.*

54. Am I right in understanding that what you mean is that if the recommendation of Mr. Seccombe's committee had been adopted, England would have got 1,700,000 *l.* less than she did?—No; what I wish the Committee to understand is this, that Mr. Seccombe's committee fixed the tariff price for the future at a sum arrived at from the expenses of the past, and generally the expense of training the men; that price I felt called upon to justify. I justify it by producing the figures of Mr. Seccombe's committee, and I test it by showing that had that been the principle on which our expenditure had been settled during the previous eight years the British revenues would have lost 200,000 *l.* a year; therefore I press upon the Committee the conclusion that these tariff prices were not excessive.

55. That if the recommendation of Mr. Seccombe's committee had been adopted during the eight years when it was not in operation England would have lost 1,700,000 *l.*?—Yes.

Mr. *Campbell-Bannerman.*

56. The new arrangement was more favourable to India than the old?—Certainly; if we had been paid for those years by the tariff prices only, we should have been left unrecouped 200,000 *l.* a year.

Sir *George Balfour.*

57. That is to say you ought to have had 200,000 *l.* a year more given you?—No; that is to say, that at those rates we should not have been adequately repaid, and the sum which represented the inadequacy was 200,000 *l.* a year.

Mr. *Dunbar.*

58. Then you have profited to the extent of 200,000 *l.* a year?—No; we have avoided a dead loss.

Chairman.

59. What you mean to state is this, that if the charges which you now mention as having been fixed upon by Mr. Seccombe's committee as the proper charges to be made had been in operation for those eight years, they were so favourable to India that this country would have lost 200,000 *l.* a year more than India repaid it; is not that so?—Yes.

Lord *Edmond Fitzmaurice.*

60. Then if that is the case, this country gains?—No; it would have lost 200,000 *l.* a year more than India would have repaid it on that basis.

Mr. *Fawcett.*

61. You mean that during the eight years previous to 1869 England received 200,000 *l.* more than she would have received during the whole of those eight years, supposing this proposal of Mr. Seccombe's committee had been in existence?—Yes; in fact, that during those eight years the depôt charges were at the rate of 205 *l.* for each recruit embarked.

Mr. *Fawcett*—continued.

Lord *George Hamilton.*

62. Am I to understand that you take the eight years, 1861 to 1868, as normal years?—They were the years the recorded expenditure of which had been carefully made during the provisional existence of the capitation rate.

63. But were they not exceptional years, and therefore any average based upon those years is not a fair comparison, is it?—I am not aware of anything exceptional.

64. If you look at page 2, paragraph 9, of Mr. Seccombe's report, you will see "the figures in the Return C show a cost of about 205 *l.* for each soldier sent by the War Office to India; but this must be modified as regards one or two exceptional years, during which, although the depôts remained at their full strength, very few recruits were required for India in consequence of each regiment in that country having been very largely reduced." And if you look at the Table C, you will see that in the year 1862-3 the average cost of each recruit embarked is 376 *l.*, whereas in the next year it is only 134 *l.*; partly owing to exceptional circumstances in the year 1862, the average cost of the recruit during the whole eight years was very much increased?—But I must submit to your Lordship that the very instance you give shows that the exception was righted the next year.

65. But would not 134 *l.* be nearer the normal cost than 376 *l.*?—I think not; the next year was 228 *l.*, and the total average is 205 *l.*

66. If you struck out the one exceptional year, you would very much reduce the average, would you not?—I do not think very much; but the base is so broad that you can afford any amount of margin to be stripped off between 63 *l.* and 205 *l.*

Sir *Henry Havelock.*

67. Is this the statement of the case, that in 1869 a calculation was made, based upon the actual cost of the eight previous years, from 1861 to 1869, and then it was ascertained that upon the average the cost of the soldier had been in those eight years 205 *l.* a year; that is so, is it not?—The cost of the depôt charges had been at the rate of 205 *l.* for each recruit embarked.

68. But during those years the British revenue had been receiving, on an average, something like 200,000 *l.* a year less than it will receive for the future if the charges against India are made on the basis of that calculation?—The charges against India will be for the future about 200,000 *l.* a year less than they were during the years in question, so long as the present moderate tariff charges for the recruits prevail, assuming that the number of recruits remains the same.

Mr. *Sampson Lloyd.*

69. Then England, as compared with India, loses 200,000 *l.* a year by the present scheme, assuming the army to be kept up to the present strength?—Assuming the depôts to be kept up on the same large scale that is the case, but the recent measures of the reorganisation of the army will put an end to those separate depôts.

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Mr. *Milton*, C.B., Mr. *Dayr*, and Mr. *Knox*.

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Sir *Henry Havelock*.

70. It appears that in 1869 certain calculations were made, based upon the actual cost of the eight years from 1861 to 1869, and on that it was found that the average cost to this country during those eight years for the training and the maintenance of each recruit had been about 205 *l.*; is not that so?—Yes; including every species of depôt charges.

71. During those eight years what had been the average charge to India for each recruit?—That we cannot give any return of. It was not based on the question of the actual cost of each recruit, but based on the assumed or ascertained cost of fortifying the battalions abroad. The receipts under the capitation rate shall be laid before this Committee. But, generally speaking, I think it nearly recouped us the amount of the actual home charges.

72. What was the amount, roundly, charged to India for each recruit, on an average?—My impression is that the capitation rate hit it excessively close, and that we were nearly repaid through the capitation rate our actual recorded expenses. (*Return handed in,* vide *Appendix.*)

Chairman.

73. If that were so, it would be about 205 *l.* a man?—Yes; and the new tariff prices will be very much cheaper to India than was the capitation rate.

Mr. *Fawcett*.

74. Just now you said that the cost of recruits to India was not 205 *l.*, and now you say it is?—I say that India has repaid us, not per recruit, but through the capitation rate, for a cost which represents 205 *l.*

75. That is the practical point which I want to get at; during those eight years really (I do not care in what way it was done) the recruits cost India 205 *l.* each?—Yes; subject to the variation that may be shown by the Return to be made, as to whether the capitation did or did not fully recoup us our expenses.

Mr. *Campbell-Bannerman*.

76. You think that the 10 *l.* per man serving in India comes very near to 205 *l.* a recruit; but the committee of Mr. Seccombe have not gone into that, nor have you ascertained that accurately by figures?—No, we have not.

Chairman.

77. How did you ascertain it, then, because upon that basis you fix your present charge?—No; we did not fix our present charge upon the basis of actual expenses, but on the basis of the necessary expenses of training, &c., of a recruit. The recommendation of the third report was founded upon the ascertainment of what it would cost to raise, drill, equip, and embark an efficient recruit, without any reference to the depôt charges of the past.

78. But then you have been comparing that cost with what you say India has paid during the last eight years?—The tariff price so ascertained has been challenged as excessive. I then go back to the ascertained figures of the previous eight years to show what the depôt charges were.

79. You did ascertain what the cost was there?—We have laid that before you in Mr. Seccombe's first report.

Mr. *Onslow*.

80. India practically benefits by 200,000 *l.* a year by the new tariff?—Assuming that the number of recruits embarked remains about equal to those embarked during the eight years in question, she would.

81. All things being equal, India would benefit to that extent?—All things being equal, she does. If the force were doubled or halved, or any great change took place, it is another question; but if her demand for these finished articles continues unchanged for the next five years from what it was during those eight years, she will save 200,000 *l.* a year by the tariff price agreed to by her members on our committee.

Mr. *Campbell-Bannerman*.

82. That 200,000 *l.* a year you can account for in a great measure, partly by a less costly organisation here, and partly by the fact that certain indirect charges which were taken into account in the calculation which results in 205 *l.* per recruit are now omitted?—Clearly. I could not justify having agreed to that low tariff price, which in itself, as accepted, was less than I recommended, but for the knowledge that the future arrangements of the military forces in this country were such as to largely diminish, for the future, the cost properly assignable to India.

Lord *Edmond Fitzmaurice*.

83. What I meant just now was that I understood from you (and I believe now I fully see what you meant) that if you had made the full charge to India which you considered yourself morally entitled to make, but which you did not make, and if repayment had been made on that basis, then on that basis England would have gained, but under the present basis you still consider it is India that gains?—The suggestion of a tariff, or price per recruit, never existed prior to 1869; therefore there was no suggestion in 1861 that we should be paid so much per recruit, which would have resulted, had it been accepted, in a loss of 200,000 *l.* a year for those eight years; but the payments during those eight years were founded on the principle of a capitation on the effectives in India; the payments, I believe, will be found to have nearly recouped the British Government for the expenses in this country on account of India; whereas had that tariff, recommended in 1869, been in operation in 1861, England would have lost 200,000 *l.* a year.

84. When I used the word gained, I did not mean beyond what England was entitled to; but I meant your calculation having been made, and having brought out the figure of 205 *l.*, I understand that you are not now going to make the full charge which, morally, you considered that you would have a right to make on India; India, therefore, gains to that amount; but if the full charge was made, then, in proportion to the present actual repayments, England would gain the difference between the actual repayment and the repayment which you consider, under certain circumstances, you might be entitled to charge?—Yes, all things being the same.

Mr. *Onslow*.

85. With regard to this cheaper organisation of the British army, will it require you to reckon on that extra man to send out three men now?—That question we have not at all considered. The arrangement of the tariff has been accepted for one year, and provisionally continued for a second, terminating in March 1872; and the

Mr. *Onslow*—continued.

the conditions of recruiting in this country for India under the new organisation are so absolutely new that they must be carefully looked into in every figure; I should not like to bind myself to it, but my impression is that it will not be necessary to charge for this extra man, and for this simple reason; a great part of that 33 per cent. was incurred in consequence of men of the depôt, raised solely for India, and available solely for India, being unfit or unready to embark when the drafts went from this country; in consequence, they remained on our hands for another 12 months till we could embark them in the drafts of the ensuing year; and it will be evident that that was a very heavy charge. Now, these men will be taken and used in the forces of Her Majesty's battalions in this country, and after having done 12 months' duty in this country will go to India next year.

Chairman.

86. There is no proposal in Mr. Seccombe's Committee to continue that charge of four men for three, provided that the charges which we have been talking of, 63 *l.* and 136 *l.*, are those which are adopted?—That is only from year to year.

87. But if your proposal to make these charges of 63 *l.* for infantry and 136 *l.* for cavalry were adopted, you do not consider that the charge of four men for three ought to be continued also, do you?—The new organisation which I have been alluding to affects the infantry but not the cavalry. For the cavalry recruit the wear and tear will be the same. For the infantry recruit the dead weight will not be the same. Under the new organisation, in fact, the infantry recruit who could not embark for India is available for England. As long as he was available only for India he was a dead weight in this country, and was properly charged against India.

88. Is it proposed to continue that charge as regards the cavalry?—The charges for both infantry and cavalry are passed for two years only, and are not in force by any sanction yet given beyond the 31st of March 1872. The committee under Mr. Seccombe's presidency will consider both the question of the cavalry and that of the infantry for the past two years; and it is evident that there will be great modification in the future conditions of the infantry service. It is not so evident to me with regard to the cavalry service.

89. But with reference to those figures of 136 *l.* for the cavalry and 63 *l.* for the infantry, were those figures intended to include the charge of four men for three?—Yes. The previous figures show that those sums are 33 per cent. over the actual necessary cost.

Mr. *Campbell-Bannerman.*

90. Those are figures which have not only been proposed but which have been acted upon for certain years?—For two years we have sent in our claims, but no payments have been adjusted for a single year yet. Advances from time to time are made on account, leaving only the balance to be adjusted.

91. That is a mere question of carrying out the organisation in practice, but the arrangement on that footing has been agreed to between the India Office and the War Office for those two years?—Yes.

92. And now it remains for Mr. Seccombe's Committee to meet again and arrange how the charges shall be made for the year subsequent to the 31st of March 1872?—That is the case.

Mr. *Campbell-Bannerman*—continued.

Chairman.

93. Then, in fact, the recommendation for those two years has really been acted upon, though the money has not passed?—Yes.

Mr. *Onslow.*

94. By what I understand you to say, the Indian Government was virtually paying for a portion of the effective strength of the army in England, because it was paying for this fourth man, and he was on the effective strength of the British army?—No; he was available only for India, and did us no service.

Mr. *Fawcett.*

95. But as regards all these men whom India is paying for in England, when the Secretary of State for War says that the effective strength of the English army is so many thousand men, what it really means is, so many thousand men, out of which number India is paying for all these men at the depôts, and charged as a portion of the effective strength of the English army?—I am not prepared to admit that in the slighest degree. With reference to the statement of the Secretary of State, on moving the Estimates, I believe a deduction is made by him.

96. Can you show that; is not this a fact, that when the Secretary of State for War asks a vote for so many men who are in England, that includes a vote for the men who are at the depôts, and who are being supported out of the resources of India?—There is no doubt of that.

97. Therefore it comes to this, that a portion of the effective strength of the English army in England is paid for by India?—No; I think I am going beyond my duty if I attempt to explain the Secretary of State's views in the House of Commons; but I understand that the number taken in a vote by the Secretary of State is simply the number of the men who shall be liable to the Mutiny Act, not the effectives or efficients, for it includes every recruit from the day he is enlisted.

Sir *George Balfour.*

98. But all the recruits for India are now included in the depôts at home, and taken in the Army Estimates, are they not?—Now, under the new system, a man unable to go to India becomes an available man at home, and will be no longer charged to India; and that explains what I meant when I added a fourth man to every three; I did not say that there were 25 men to every 100 sitting at home in the barracks, but I provided for the breakages—the deaths, the desertions—and all the dead weight, which I calculated at 33 per cent., and which I hope I have succeeded in showing was considerably more.

Mr. *Stanley.*

99. The cost of those men was the cost incurred in providing a certain number of men; these are men not provided?—Just so.

Sir *George Balfour.*

100. (To Mr. *Knox.*) There is no distinction between the Indian depôts and the home depôts now?—No; the depôts formerly belonged to one battalion only, and therefore they could be shown

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as belonging to the Indian army; now each depôt belongs to two battalions.

101. And from time immemorial, the depôts of regiments were formerly shown separately?—Before the capitation rate the numbers of the Indian depôts were not voted in the Estimates. They were included in the establishment serving in India.

Chairman.

102. (To Mr. *Milton.*) I think there was some exception taken to these figures by some members of Mr. Seccombe's Committee, by making a comparison between them and the expense of the Warley Depôt. I think you have something to say upon that point. In this 9th paragraph the 205 *l.* was compared with the 19 *l.* 15 *s.* or 26 *l.*, with regard to Warley; what reason can you give for that enormous disproportion of the two figures?—The statement of the cost at Warley was supplied by the Indian members of the committee; we had no means of checking it, or of ascertaining exactly what it meant. I think I must take blame to myself as a member (a junior member then) of that committee for not more questioning that Return; but it occurred to me then, and it occurs to me now, that the items are not fully comparable. As I understand the Return from Warley, it is simply the expenditure incurred at that station. In fact, for the purposes of account, Warley was a little bit of India at that time. That account does not, as I understand it, include the expenses that were incurred in our districts for enlisting and raising the men; and it certainly does not include what I should conceive must have been a very large item, the further drilling of these men in India, to bring them to that point of efficiency which is now required before a recruit can embark for that country. If that is the case, we are in this 9th paragragh simply comparing the cost of the raw material as against the cost of the complete and manufactured article.

103. Do you know how many months the recruit remained at Warley?—I do not; but I should say that, calculating from the figures here given, three months was the outside. That does not apply to the period of the mutiny, when, I believe, they were shipped as fast as they could be clothed.

104. How many months do you consider that they ought to be in training now before they are sent to India?—His Royal Highness the Commander in Chief laid down the period of six months as the minimum; consequently the Indian members of our committee considered it only fair that the average should be taken at seven months.

105. How many do you actually charge them for?—Seven months.

Sir *George Balfour.*

106. Does each recruit receive six months' training, do you believe, before going to India?—That is a fact that I cannot speak to; I know that recently, in consequence of a motion that was carried in the House of Commons, urging the Government not to allow any man to go to India until he was 20 years of age (a motion which, if fully carried out, will of course enormously increase the cost of the recruits, who, enlisting at 17½ or 18 years, would have to continue under that regulation 2½ years in this country, instead of seven months), His Royal Highness has been

Sir *George Balfour*—continued.

compelled, while sending men of long training, that is 12 months, who were 20 years old, to send men of very short training, but with the age requisite to allow them to go. Therefore I believe there have been some complaints of very young recruits being sent out; I am certain we could show that they were more than overbalanced by the mature character of those men retained in this country, because of the vote of the House of Commons requesting that no men might be sent out under 20 years of age.

Chairman.

107. Then I understand you to say that the difference between Warley and the present depôt system is, that in the present depôt system you charge all the expense of recruiting and all the expense of turning out a thoroughly trained and finished soldier, whereas in Warley both those two ends were wanting, and only the short amount of drill that took place while they were at Warley, varying from a few days to three months, was all that was charged?—That I understand to be the effect of that Return.

Lord *George Hamilton.*

108. Would you look at page 35 of the Reports, where you will find this: "For instance, on the 13th January 1874, a draft of 133 men proceeded on Her Majesty's ship 'Crocodile' to join the 8th Brigade Royal Artillery, in India. It included 68 men of less than three months' training, and of those 42 embarked in less than two months, and nine in less than one month from the date of their enlistment. On the same day a draught of 76 men proceeded to join the 73rd Regiment at Bombay. It included 37 men of less than two months' training, and of those no less than 26 embarked within one month of the date of their enlistment." Now, for every one of those men India had been charged for seven months' training?—Yes; or rather she will be by and by, if the present tariff prices are extended to 1873–74.

109. But that was, I suppose, not more than an oversight?—No; I think it is the effect of the measure that I have just mentioned; the Parliamentary necessity to have a certain age overruled His Royal Highness's view of the necessity of training; the men must be sent to India, and as there were not enough men trained of the requisite age to go, recruits, who were young soldiers but old men, must go. But I am going away, I think, from my position as an accountant in speaking on these matters.

Mr. *Stanley.*

110. As I understand, the calculation was made on the basis of the seven months' training; subsequent action in the House of Commons induced His Royal Highness to send the men out at an earlier period, and that alteration did not necessarily at that time affect the calculation?—The order for retaining men till they were 20 years of age did not exist at the time those calculations were made; it is the Parliamentary necessity to have men over 20 years of age overruling the necessity to have well-trained men.

Mr. *Campbell-Bannerman.*

111. And such a fact as that would probably not affect the average, because where there is a case of an old man of short service being sent out, there

Mr. *Campbell-Bannerman*—continued.

there are many cases of young men being kept at home for an unusually long period to complete the age?—Yes; and I have stated that that regulation if carried out will largely enhance the cost of the recruit; and, incidentally, I may mention that I understand that the authorities at the India Office will object to paying as for recruits for men who went out with the draft having a service of a period of one year or two years, being in fact men kept until they were old enough to go.

Mr. *Fawcett.*

112. I want to clear up this point; when you talk about "old men" being sent out, what it means is merely that recently India has had sent out to her boys, or, if you like to call them so, men of the age of 20; they have only been in the service, perhaps, for one month, and, young as they are, India has to pay for them as if they had been trained seven months; they are not old men; they are youths of 20?—I should perhaps have used the expression "men of a certain age," or "men who are of the required age of 20;" and it will be clear to the honourable Member that a young man taken in at 18, if kept to the mature age of 20, would cost 24 months' training instead of seven months.

113. Still a person of 20, after having enlisted one month, may now be shipped to India, and has been shipped to India, and India is charged as if that man had been a recruit for seven months and been all that time?—No doubt; and for the man who walks alongside of him on to the ship with 18 months' training she paid only for the same seven months.

114. We have no security whatever that there is any limit to the number of these persons sent to India, have we?—You have only the limitation which His Royal Highness's declaration not to send out inefficient men to India affords.

Mr. *Beckett Denison.*

115. Men who may be just as raw, in fact, as those formerly going from Warley?—I am afraid that under that limitation of 20 years they have been in some instances.

Mr. *Campbell-Bannerman.*

116. These are matters regarding which the Adjutant General or His Royal Highness himself could give better information than you can?—Yes.

Sir *James Elphinstone.*

117. Have you any knowledge with reference to the cost of those men going out to India who were alluded to by Lord George Hamilton?—We have not the personal cost of each man, but, given the service of each man, we could make a calculation.

118. Have you considered, now that troops can be sent out by railway from the point of disembarkation, which was not the case in the time of the East India Company, whether it is necessary to have any training at all in this country?—If they were not trained here they must be trained there, and the cost of training will probably be equal, if not greater, in India; but that is a question which I would ask to be excused from speaking about.

Chairman.

119. The idea when the depôt was at Warley was that they were trained on board ship, or in India, was it not?—Yes.

Sir *George Balfour.*

120. If we sent for the returns of the men sent out to India as recruits, and ascertained the numbers under the age of 19 and above 25, those returns would then show the information desired?—Yes.

121. And if we sent for returns of the training given to recruits sent to join the serviceable troops and companies in India, showing those with a training less than three months and more than four, they would also give information on the number of recruits trained?—The most exact Returns can be furnished of the length of service, and of the age of every recruit who embarks; but it will be obtainable from His Royal Highness's office, not from the Accountant General's Office.

122. You understand the word "recruit" to mean what the common acceptation of the word gives, a very young soldier who has enlisted in the last two or three years and proceeds to India in that time, or do you give a wider scope to the meaning of the word "recruit" than that?—I only attach to the word recruit the meaning of a man who is still under tuition, prior to being declared an efficient soldier. So soon as he is an efficient soldier, he takes the rank of a soldier, and ceases to be a recruit.

123. Then India is not chargeable for any men who do not fall within that category?—India is not chargeable in the account of Home Charges for any men that are efficient, assuming that you can send them to India as soon as they are efficient men; but if by reason of there being only one season in the year in which men can be sent from this country to India, men are detained in this country for Indian purposes long after they are efficient, India is chargeable for them.

124. The returns that you have sent in to the India Office would give us the information that we require of the ages of the men you send out, and the periods for which they were trained and enlisted?—No; those returns can be obtained from the Adjutant General, and form no part of our claim at present; we have claimed for all men sent out as drafts. The most accurate and full account of the length of service and of the age of every man embarked can be obtained.

125. And the numbers claimed have already been sent into the India Office for two years?—Yes.

Chairman.

126. Is there anything else that you would like to state before the Committee proceed to examine you on the evidence which you have already given?—I think, with a view to showing how uniformly the policy of the War Office has been to accept a partial repayment from India of the actual expenses, I might state the case of the non-effective charges. In the non-effective charges a similar policy has been adopted. From 1824 to 1861, 60,000 *l.* a year was accepted in payment of the non-effective charges or pensions, &c., of about 30,000 men, the British force then employed in India; this amounted to only 2 *l.* a man.

127. What were those non-effective charges?—All pensions and all payments to men made after their being sent to this country and discharged unfit for further Indian service. In 1859–60 it was shown by the committee presided over by Sir Alexander Tulloch that this ought to be 5 *l.* a man; but as the number of troops in India had been recently largely increased, it was fixed at 4 *l.* a man by the committee;

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mittee; and, again making a reduction, the Home Government said that they would agree to 3 *l.* 10 *s.* a man, being a reduction of 12½ per cent. on the minimum price named by the committee. Since 1870 the payment has been by actual actuarial calculation. For 10 years, from 1861 to 1870 the capitation rate prevailed, and then this basis was taken up; and since 1870 the payment has been by actual actuarial calculation, based on the periods of service relatively passed in India or elsewhere. But here again India has received her usual advantage, as we do not reckon as Indian service the period of training for India for which India has paid, nor the period men are at home from India to recruit or restore their health.

128. That exists at present?—That system exists at present, and under it the charge to India has very largely increased.

129. Is there anything else which you wish now to state?—Nothing further occurs to me.

Mr. *Eustace Smith*.

130. Was the seven months charged for recruiting based on the average period that was required to form a recruit, or the actual time that was required to form a recruit?—It was based upon the minimum that His Royal Highness laid down as the minimum period that he would be satisfied to have a recruit trained in this country; the minimum was fixed by His Royal Highness at six months; the Indian officers were asked by us, and agreed, that the average should not be the minimum, but the moderate addition of one month above the minimum.

131. Then, taking that as the proper time to form a recruit, may I ask you, as an accountant, whether you would consider it fair to charge India with the full amount of training when that recruit has only been a month in training?—So soon as an average rate was agreed to, as an accountant I am indifferent to the facts of each individual man's case; I charge the seven months for a man of one day or of three years.

132. Then, seven months being agreed upon as the average time, would you consider it fair that India should also be considered to reap the full benefit of a recruit who has been two years in training already, although that recruit has, practically, been an integral part of the British army during those two years?—We ascertained, to the best of our power, what is the average period that a man should be under training; and the expense of training him for that period is the amount that an average recruit costs.

133. But if His Royal Highness considers seven months as the proper time, it is evident that India suffers materially by getting a recruit with only one month's training, and I do not see that India benefits by getting a recruit with 18 months' training?—But I can show to you that I have suffered by paying for that man for 18 months, and only getting paid back seven.

134. But he is an integral part of the British army, practically, during that time, is he not?—No; he has no duties in the British army. The Secretary of State has decided that a man available for India is no part of the effective force of this country, and any charges incurred on account of that man are incurred directly and solely on account of India.

135. But he appears on the Estimates as a part of the British army, as a matter of fact, does he not?—As a matter of fact he does, for the purpose of subjecting him to the Mutiny Act.

Mr. *Eustace Smith*—continued.

Mr. *Fawcett*.

136. And is available for duties?—There are no duties for him.

137. In case of invasion, for instance?—Every Englishman is available in that case.

138. In case of an emergency he forms one of the British army, practically?—And so does the man who has got one month's training.

139. He is just as much at command in any emergency when we may require him for the use of the army, just as much bound to serve England, and assist her in anything she may want him for at home, as one of the Guards?—Yes, and just as much as the untrained civilian who has cost nothing for training.

Mr. *Stanley*.

140. He is not available for colonial duties, is he?—No.

141. He cannot be transfered to any regiment, can he?—No, not transferred to any regiment, or ordered to any duty in this country, otherwise than for preserving the peace, as any British subject is liable to the duty.

142. To the extent which you have named, he has been kept available for India?—Yes.

Mr. *Fawcett*.

143. If India is invaded he is practically of no use to India. If England is invaded that soldier is in England for the service of England?—No more for the service of England than any other British subject; but he is available for the protection of India as quickly as he can go across.

144. But he is available to this extent here, that he is available as a trained soldier. Take the case of one of these men who you say have been in depôts for two years; His Royal Highness has said that seven months is a fit time to train a soldier; he is, therefore, ready to serve England as a trained soldier during a great part of that two years?—No doubt he is; but India has paid only the seven months necessary to make him a trained man for India.

Sir *George Balfour*.

145. But you are aware that the Defence Commission of 1859 distinctly included amongst the defensive forces of the kingdom, the whole of the depôts available for the defence of the nation?—I am not aware of that; but I think it would be manifest to the Committee that the argument which has just been used would forbid us to charge against India a single penny for any man in this country.

146. I merely mention the thing to show you that other parties have taken the same view that many Members of the Committee do, that those connected with the depôts of the kingdom are maintained for the defensive purposes of the kingdom?—That is not a matter of account, and is scarcely within my province.

Mr. *Onslow*.

147. These men can be called out for military duties as a guard of honour, or to quell a riot, and in fact in various ways in which civilians cannot, and India is paying for these men who are available for home duties?—India is paying for these

Mr. *Onslow*—continued.

these men to be made fit for Indian service. That on an accidental occasion you might make a strong man who is available for India useful to this country there is no doubt; but if the argument is pushed, it would result, as it appears to me, in preventing a single penny being claimed from India for any man in this country.

Sir *Henry Havelock.*

148. Is not this the case, as per contrâ on the other side, that India has the benefit of a large number of men for whom she has never paid at all under the existing system; in this way, that supposing a draft of 80 men is required for a regiment in India now, and there are only 40 men available at the depôt to fill up that draft, the other 40 men under the existing system would be filled up from the home battalion, and would be men for whose training up to that time, it may be two or three years, India has not paid?—Certainly; and when this man embarks India will be only charged for seven months.

149. At the same time India would get the benefit of the previous one, two, or three years' training which that man has undergone in the battalion?—Yes.

Mr. *Fawcett.*

150. But suppose a recruit goes out to India, and he comes back as a trained soldier from India, India has had to pay all the expense of his preparation, and he comes back to England as a trained soldier, and England receives him, never having paid a shilling for that?—Do you mean when he is broken down in health?

151. No; I am not assuming that he is broken down in health?—But he returns only when he is no longer wanted there, or when he has lost his health there.

152. You do not mean to say, do you, that every soldier in a cavalry regiment, for instance, coming back from India is of no use; they are trained soldiers, are they not?—Yes.

153. Are not some of the best regiments at the present time in the English army regiments that have served in India?—I am not able to distinguish between good and bad regiments.

154. You said that these men came back as broken down in health; I will only put it in this way; England receives a trained soldier, she having never contributed a single shilling to his expenses in training?—Certainly; she receives him at the end of his service, when he is in one of two positions, either having closed his service as a short service man, in which case he is not worth one penny to England, or having lost his health in India, when he is worth very little more.

Mr. *Campbell-Bannerman.*

155. Following up what has just been said, is it not the case that although it may be true that in case of emergency those men who are here for Indian service would be available for this country, it is equally true that in the case of an emergency in India the whole British army can be drawn upon by India without her having paid any part of the cost?—No doubt, as was stated by Mr. Cardwell, in the letter to the India Office, of 24th April 1872, India is always able to remain safe with a peace establishment, knowing that she can raise it to a war establishment on the shortest notice from the resources of the English army.

Mr. *Campbell-Bannerman*—continued.

156. And if it is true that some men come home trained soldiers from India, and serve in England, without England having paid any part of their cost, it is also true that soldiers, the cost of whose training we have paid entirely, go out to India as trained soldiers, and she pays no part of that?—Exactly.

157. In fact, it is a partnership between the two countries, and it is impossible to allow one of those partners to indent upon the other for a manufactured article, paying merely cost price for it?—Yes, or something a little below it.

158. As to this correspondence which is now before us, the previous reports of Mr. Seccombe's Committee I think were presented by Mr. Eastwick, and printed separately; but in this instance it has been presented by the India Office, and a certain correspondence is appended?—Yes.

159. The first letter is addressed by Mr. Thom to the Secretary of State for War, on the 8th of September 1871. The answer, signed by myself, went back on the 24th of April 1872. A further letter was sent, signed by Sir Thomas Pears, dated the 9th day of August 1872, and that letter remains unanswered to this day?—It does.

160. Can you say, from your knowledge of what goes on in the War Office, why it was not answered; did you receive any instructions on the subject?—I did. I took the instructions of the Secretary of State upon the subject, and he desired that it should remain unanswered for a time, intending that the War Office answers should be given before the East India Finance Committee of the late Parliament. In February 1873 I was under orders to prepare to appear before the Committee of that Parliament, and it was intended that I should there state generally the answer to that letter as to the cost of recruits, but the subject was not entertained by the Committee of last year.

161. That was the reason of the delay?—Yes.

162. Then there is a further letter of the 14th day of April, that is to say, last month, enclosing a paper from India. Have you seen that letter; I presume it has reached the War Office?—It has.

163. Has it been answered?—No; it reached the War Office on the 19th of last month.

164. And this Paper was moved for in the House of Commons on the 28th?—It was ordered to be printed on the 28th.

165. Now we must refer to this Paper a little. There are several references there to the old Warley Depôt, and the rate of charges at that depôt. You said, in answer to a previous question, referring to the statement appended to one of the Reports of Mr. Seccombe's Committee of the cost at Warley, that you had had no opportunity of financially reviewing the items of that statement; but looking at it generally, have you any observations to make on that statement, which shows an average cost per man during 10 years of 19 *l.* 15 *s.*?—Only, as I observed before, that the statement, whilst without doubt it is perfectly complete in itself, is not complete in the history of the recruit. It omits, as I understand, all the cost of raising him and bringing him from the civil population to Warley, and all the cost of what I cannot but conceive must be a very heavy further expense, the drilling him

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when he arrives in India; and I would suggest that it is much the same to the cost of Indian revenues whether the drilling is in this country or in India.

Mr. *Fawcett.*

166. Is there any evidence to show what this 19 *l.* does include; are you stating merely an expression?—I am saying it from the heading of the Return, and the statement of the members of that committee is this: "We annex a Statement showing in detail the charges under each head at Warley." Therefore I am justified in saying that it does not include the expenses prior to Warley or subsequent to Warley.

167. But you were on that committee, were you not?—Yes; and I have already taken blame to myself for not more closely challenging that comparison. Our first Report was simply an *ad interim* Report, suggesting a temporary continuation of existing arrangements while the committee was making further investigations.

168. There was another representative of the War Office, was there not, on the committee?—Yes.

169. And you both signed the report?—Yes.

Mr. *Campbell-Bannerman.*

170. But you accept those figures?—I do accept them; I do not controvert them in the least. I maintain (and I know that the Indian members also admit this to a great extent) that it is a comparison of the raw material with the manufactured article. The training of Warley was admitted not to have turned out efficient men, but to have proceeded on the principle of rather training in India.

171. There are two averages given in that statement, one of 19 *l.* 14 *s.* and the other of 26 *l.* 7 *s.* It appears to me that 26 *l.* 7 *s.* is a much more regular average?—That was done with the spirit of fairness that has distinguished the Indian members in every transaction on that committee; they did not wish to give a general statement that should include so exceptional a year as the year of the Mutiny, when the men were shipped as fast as they could be clothed.

172. And, therefore, for the purposes of comparison, even if this were a proper statement of the charges, the 26 *l.* 7 *s.* 5 *d.* should rather be taken than the other figure?—Yes.

173. At that time the force in India, which was recruited in that way, was comparatively small, was it not?—Very small; I think the European troops might have been about 12,000 men.

174. And there was a considerable body of Imperial troops at the same time serving with them?—Yes, to the number of about 30,000.

175. So that in all this correspondence and evidence that has been given to this Committee, when we hear of returning to the old system, that does not mean that the whole British force in India is to be recruited on the Warley principle and charged on that principle; that system never applied to the whole British force in India?—That system never applied to Her Majesty's troops serving in India, only to the Company's troops raised in this country.

176. Can you draw any inference as to the length of time that recruits stayed at Warley from the figures?—I think the figures given in the two specimen years lead to the conclusion that it was an average of three months.

Mr. *Campbell-Bannerman*—continued.

177. And I daresay you are well aware, being so well acquainted with these things, that the Royal Commission to inquire into the sanitary state of the army in India reported against the Warley depôt system?—I am not aware of that.

178. Would you read a portion of that report (*handing it to the Witness*)?—"Deputy Inspector General Stewart has pointed out the necessity of greater attention being bestowed on these conditions of a soldier's service. He states that no man ought to go out to India under 20 or from that to 25, and this opinion is supported by a great amount of testimony contained in the reports from the stations. Dr. C. Smith states that for the first few years of service men are very apt to suffer from fevers and inflammatory diseases, partly from greater constitutional liability, partly from inexperience, in the case of young soldiers arriving in India who take no care of themselves at all. Sir A. Tulloch is of opinion that recruits might be enlisted at 18, provided they had two or three years' training in a temperate climate before being exposed to a tropical climate, or to the fatigues of a campaign. All the evidence derived from the stations is to the effect that none but fully drilled men should be sent to India. The only question on which any difference exists is the place where the troops should be drilled. It has been proposed that the drill should take place at some intermediate station, as *e.g.*, at the Cape, for the purpose of accustoming the recruit by degrees to change of climate. But the great preponderance of the evidence is in favour of completing the drill at home, and sending the soldier, fully formed both as to age and habits, direct to his destination. From want of attention to these primary conditions growing lads, who are very susceptible to disease when weakened by fatigue, have been sent out to India to learn their drill; their unformed constitutions are exceptionally liable to injury, and the over zeal of an injudicious commanding officer or adjutant may lead to loss of health and efficiency, if not of life. We have here, then, a well-known preventible cause of disease, or rather of predisposition to disease, which can be put a stop to. It is true that under the altered circumstances of the army since the amalgamation of the two services, these evils will be less likely to occur; but any way, the past experience is sufficient to prove that they should be avoided in future." That is in the sanitary report of 1863.

Mr. *Fawcett.*

179. But that does not apply to Warley; it applies, does it not, to the present system?—It applies by aggravation to Warley, where the training was less; by mitigation to our country, where the training is more.

180. You stated, just now, that until the action of the House of Commons recruits were sent under 20 years of age?—Yes.

181. Therefore, all that you have been reading there applies to the present system just the same as it does to Warley?—It may apply in principle, but I submit entirely differently in degree. Surely a man who has been on training and good food for seven months is far better fitted for this state of affairs than the man who has been three months or one.

182. But to make it applicable to Warley you have to show, from official documents, what was the

Mr. *Fawcett*—continued.

the age of the recruits that were sent out from Warley, and what has been the age of the recruits that have been sent out under this new and expensive system?—The same report states the fact, "At the time of the mutiny it (the aver age time spent in depôt) was about six weeks; and it happened occasionally that men were embarked for India on the day of their arrival at Warley."

Lord *Edmond Fitzmaurice.*

183. Since the time that Major General Pears and Mr. Seccombe gave evidence before the Committee that sat on these questions during last Parliament, I understand that there has been a change in the depôt system?—I think not during that period. Since the sitting of Mr. Seccombe's committee, who reported on it the second time in 1869, there have been very great changes in the depôt system.

184. I will read an extract from an answer of Major General Pears, and I will ask you whether that represents the depôt system as it at present exists. If it does not (and I imagine it does not) perhaps you would just state what changes have been made, and if those changes in any manner affected the system of accounts He says, in answer to Question 235, "In the re-organisation, if I may so call it, of the British army two years ago, the War Office determined that there should be in connection with every battalion in India two companies at home, which should be attached, and considered as depôt companies to the corresponding battalion in India (each battalion now on foreign service has a corresponding battalion in this country, at least it is the wish of the War Office to arrange that as far as they can), and it was assumed that, to a certain extent, those two companies would become chargeable on the Indian revenues"?—I am unable to agree with that answer, as I understand it, because the committee under Mr. Seccombe did not assume at all what would be the future organisation, but proposed a rate that should be adopted for one year at a time, to be reviewed so soon as the system of the new organisation came into operation, and we could obtain some experience of the expense of such organisation.

185. I suppose there is no doubt that a considerable increase of expenditure has been caused in these matters of depôts of recruits by the fact that whereas, under the arrangements of the old East India Company, their recruits were all in one or two large depôts, the present depôts are comparatively very much more scattered?—No doubt.

186. Have you ever considered at all (or do you consider it in any way within your province, because I do not wish to trespass against the rule which has been laid down by the Chairman) whether the number of officers and non-commissioned officers attached to these depôts is out of proportion, and larger than it was under the old system of the Company?—The new organisation will unquestionably bring a larger number of officers and non-commissioned officers to the brigade depôt; but at the same time it is accompanied by the fact that the duties will be very much enlarged beyond what that of an ordinary recruiting depôt was under the old system.

Sir *George Balfour.*

187. You have been in the War Office for nearly 30 years?—More than 30 years.

Sir *George Balfour*—continued.

188. You are cognisant of the fact that India derives advantages from the troops in England, that England has also derived advantages from the troops in India, and that lately England drew from India a considerable number of battalions of infantry for Abyssinia?—I am aware of that, but I am not aware of the fact which appears to be enforced by the letter from the India Office, of the 9th of August 1872, that whereas India in her dire emergency could draw upon England, England in her dire emergency drew upon India. I submit that the India troops were not sent to Abyssinia, because England had no troops to send, but because they were more handy. The one case is the case of a large reserve kept up at enormous expense, and available; the other is the case of two parties employing, by agreement between themselves the troops that were nearest at hand for the purpose.

189. And has England paid for the troops sent from India to Abyssinia?—All the extra expense caused by their being employed on that campaign has been paid by the British revenues. The standing pay of the men has been paid by India at the same cost to her revenue, whether they stood in India or Abyssinia.

190. Did England pay for the European troops sent from India to Persia?—I think not.

191. Did India pay for the European troops sent to China, consisting of a strong force of infantry and artillery, European and native?—No; they were paid for by the British Government.

192. Perhaps you will kindly consult on that question, whether England paid a single fraction for the pay of the troops sent to China?—I will satisfy myself. My impression is that the whole of the troops sent to China were paid for by the Imperial revenues; but there are so many Chinese wars; which do you mean?

193. The expedition of 1840 and 1841?—That is more than 30 years ago, and my experience in these matters does not go so far back. But I should have thought that was wholly an East India Company's war.

194. Will you kindly explain what was the moving cause which induced the War Office to give up the capitation rate of 10 *l.* per man for effectives in India, and 3 *l.* 10 *s.* for the non-effective charges?—I do not know that there was any particular moving cause as regards the 10 *l.* for effectives. I think there was a great deal of interchange of accounts, almost as laborious and as irksome as when actual accounts were rendered and paid; and in calculating the payments upon the effectives in India a very great delay occurred in completing the returns throughout the whole of that country. As regards the 3 *l.* 10 *s.* for non-effectives, that rate was given up because it was believed by the Secretary of State for War not to be adequate; and such proved to be the case on actuarial calculations being substituted.

195. Was it not mainly on the supposition that the sum paid on account of the troops in India, at the rate of 10 *l.* a head, was insufficient to cover the charges incurred at home?—No, I think not.

196. Considering that you have made the calculation of the cost of recruits at the rate per head upon the expenses of the troops at home as the charge which ought to fall upon India for recruits, is not that rate of charge affected by the

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the insufficient total sum which you formerly received under the capitation contribution at the rate of 10 *l.* per head upon the effectives in India?—There seems to me to be a little misapprehension in that question; we do not base the charge or tariff upon the troops in this country, if you mean the total effectives, as we did in India for the capitation; but we have ascertained, with the greatest care we were capable of, what was the cost of a normal recruit trained for an average period, and supplied and equipped in this country fit for service in India. The details of those calculations are given to every halfpenny, and the result was a price current as the cost of that manufactured article when it was handed to the party by whom it was required.

197. Is that calculation not shown at page 5 of the first Report laid before Parliament?—No.

198. Does not it bring out 205 *l.* per head?—That Return states the cost in annual totals, but it does not give the particulars; it gives the entire cost of the depôts, including men waiting for discharge, and including men sent home from India to recruit their health, as well as the actual cost of the recruit. In making our price current, or tariff, we took the cost of one recruit.

199. Having regard to the fact that the sum which the War Office would have received under the capitation contribution of 10 *l.* a head depended upon the number in India, and as that number has been kept for a series of years below the fixed establishment, the sum receivable by the War Office would thereby be very considerably diminished, would it not?—If the numbers in India are low, the receipts by the War Office are low; if they are high, the receipts by the War Office are high. That rate of 10 *l.* a man was based upon the experience of 24 years, during which actual amounts to the last halfpenny were kept of what was the cost of keeping up a thousand men effective in India. That experience might or might not be valuable; it was based on 24 years. It was an average upon that period, and was the only foundation on which such a system as a capitation rate could be based.

200. At page 11 of the first Report of the committee of which Sir Alexander Tulloch was chairman he calculated that the depôts then at home would be sufficient to supply infantry regiments in India, then a thousand strong, with men trained at the depôt complete and effective in all respects?—The statement as the base of his calculation is "that each infantry depôt, being intended to keep effective 1,000 men in India, the cost of it may, in an approximate calculation such as the present, be held as applicable to that number."

201. Was that depôt as then formed considered sufficient to keep that number of a 1,000 strong effective?—I believe so.

202. Was the force in India then kept effective or far below the establishment?—I cannot say; the Returns would show.

203. Would you kindly prepare a Return for the Committee to show the sum which ought to have been received under the capitation contribution of 10 *l.* per head of effectives in India, supposing the establishment to have been kept up to the full number, and the sum received for the number actually effective?—Yes. (*Return handed in,* vide *Appendix.*)

Sir *George Balfour*—continued.

204. Having regard also to the strength of the depôt, did the cost of the depôt entirely fall upon the War Office out of the payment of the 10 *l.* per man?—Yes.

205. Was that depôt kept above or below the strength?—There were variations in the strength of that depôt; sometimes it was above the strength, and sometimes below.

206. At page 5 of the first Report you will see that the depôt strength was very considerably above the establishment?—You are speaking now of the period subsequent to the actual accounts, and during the capitation; the depôts were, on an average, largely above the establishment.

207. To that extent, therefore, that the men were in excess of the establishment, the War Office has incurred charges extra to what they need have done if they had kept the numbers within the establishment?—Yes, certainly; but I am not prepared to say that a single man less could have been maintained for the purpose of keeping efficient the army in India.

208. Then, perhaps, you will kindly make a return of the depôts strength up to the latest date, so as to show the number of troops as far as the returns will state, which have been kept at the depôts of late years?—That return can only be obtained from the Adjutant General.

Mr. *Dunbar*.

209. Was that 10 *l.* capitation grant charged on the fixed establishment, or on the number actually in India?—On the number actually serving and effective in India, taken monthly.

210. I think you said that the Warley statement was insufficient, because it did not charge the expense of recruiting and of conveying the recruits to the depôts?—Yes, so I understand; the Warley return professes to be a return of expenses at Warley.

211. If you look at page 4 of the first Report, you will find the expenses of the officers on the recruiting staff and the other expenses included?—But the pay of the men from the date they enlisted until they left the district, the cost of conveying them to the head-quarters of the district, and every species of charge of that kind did not come into the Warley accounts, because they were in the War Office accounts. The men were inspected by War Office officers, and then were taken in charge by an adjutant, who was paid by the War Office, and the whole of those charges, prior to the man arriving at Warley, are in the War Office accounts, not in the Warley accounts. We raised the men in our districts, we medically examined them in our district, and then they were sworn in by the magistrates, and detained for a certain number of days in London or Liverpool, and then after that they were sent to Warley. The final bounty issued within the precincts of the Warley barracks was, of course, in the Warley accounts. All the charges out of the precincts of the Warley barracks were charged in our accounts. But that is not at all a large sum; I only insist that the Warley account is defective, as a comparison, in this way, that it did not take the expenses before Warley nor the training after Warley. I have taken blame to myself as a member of that committee for not having more thoroughly sifted this comparison; but taking that (as on the face of it it is) as a statement of expenses disbursed at Warley in Warley barracks on

Mr. *Dunbar*—continued.

on account of these men, I have maintained before this Committee that it neither includes the expenses of the men before they join at Warley, nor the heavy expenses of training them after they left Warley. You must see whether the two things you are comparing are similar. That return is instructive to show how cheap it can be done, but it is not a comparison.

212. Before the re-organisation of the army a recruit was specially enlisted for a regiment serving in India?—Yes.

213. And could not be transferred to any other battalion?—That is the case. When I say "could not," of course there was no power to do so. He might be transferred with his own consent.

214. But now a recruit is enlisted generally for the brigade?—Yes.

215. And after the battalion is despatched to India he is at the disposal of the Government, to be sent to any part of the world?—I understand it is so.

Mr. *Beckett Denison.*

216. You have laid great stress upon the fact of the recruit that is now sent to India being a very much more valuable man than he was under the old system, the Warley system, on account of his lengthened training in the depôts now?—Yes.

217. If it were shown to you from the Returns that, owing to one cause or another, the average period of seven months was very much diminished, would not that alter your conclusions?—Do you mean my monetary conclusions, or my sanitary conclusions?

218. The monetary conclusions; would you still think it fair, as a matter of account, if it turned out by these Returns that the recruit sent to India, instead of an average training of seven months, had something very much in diminution of that seven months, to charge India with the cost of the superior article?—No, I think not; if it can be shown that the average of the recruits of those two years does go below the seven months, India is in a position to reclaim a rebate on the price agreed on.

219. With regard to a question which fell from Sir Henry Havelock, as to the advantage which India gained by having a number of trained soldiers sent out to fill up the vacancies in the regiments, and the training of whom is not charged to India, I think you said that it is the custom to charge seven months of those soldiers' training to India?—The agreement is, that for the draft, that is, men sent out to reinforce corps already in India, the charge shall be what an ordinary recruit trained for seven months will cost.

220. Then, if it be taken for granted that seven months is a sufficient time to make a good and efficient recruit for India, is it not a loss to India every day that he remains in this country over and above the time that is necessary for his preparation?—Certainly not; it is a loss to us, because we are retaining him for seven months and a day, and we are paid for seven months only.

221. But India has to pay for the relief of that man under the short time service very much oftener than under the old system?—I understand you are speaking of a few months or days now.

222. It might be so long as the difference between seven months and eighteen months or two years?—The honourable Member is aware that the system of short time service is not applicable to any part of the period to which these figures relate. My impression is that India gains by keeping her men for a short time, and sending them home and replacing them.

Mr. *Beckett Denison*—continued.

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223. What is the rule about not sending out men who have a less time to serve than two years?—I think the rule is, that for short service men those who have not got two years to serve are not sent out; long service men who have not got three years are not sent out.

224. Will you turn, please, to page 24 of this printed correspondence, at paragraphs 8 and 9 of Mr. Thom's letter. Paragraph 8 says, "The committee stated in the same Report that the annual average of recruits required for an infantry battalion in India would be 60, and the total number required would be 3,000; allowing, however, the very liberal proportion of one-third for death and desertion, there would be in the aggregate 4,000 men for seven months of the year, or its equivalent, 2,333 recruits for the whole year, with an establishment of 100 captains, 102 subalterns, 100 colour-sergeants, 300 sergeants, 200 drummers, 300 privates, maintained at an aggregate cost per annum of 68,406 *l.* 17 *s.* 6*d.*, being something more than half of the pay and personal expenses of the men themselves." Then paragraph 9 says, "This arrangement gives 200 combatant officers for 2,333 men, or about 1 officer to 12 men, and 1 non-commissioned officer to every 6 men, while the proportion of combatant officers to rank and file in a battalion on actual service in India, where they are still far short of a war establishment, is only 28 combatant officers and 43 non-commissioned officers to 820 rank and file, or 1 commissioned officer to every 29 men, and 1 non-commissioned officer to every 19 men." May those figures be accepted as a correct statement of the number of recruits, and the officers detailed for their instruction?—I see no objection to the mode in which it is presented.

225. Have these figures come under your revision as a member of Mr. Seccombe's Committee?—Hardly, because this involves the whole question of what is the proper strength for a depôt. That question is settled by the Horse Guards, and not permissible to the accountants to question.

226. Then I will not ask you your own opinion as to that?—My own impression is expressed as a member of the committee, that for the mere purposes of recruiting that is not necessary; but there are other considerations which render it impossible, as I understand, to carry on the service of India without having that number of positions for the officers in this country to remain at.

227. Will you turn to page 10 of the second volume of the East India Committee's Report. At Question 239 you will find this: "I observe that there is also a charge in addition to that of 68,489 *l.* for 2,500 infantry, at 27 *l.* 7 *s.* 11 *d.* per man?" The answer is, "Those are the men with the regiments. The system is, and has been for some time, in respect to every man that goes out with the regiment a finished soldier, for the War Office to charge the India Office so much, and for the India Office to charge the War Office for every man that comes back; and this is the

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balance struck between the two charges, on account of men embarked for India in excess of men returned from India, say 2,500 men at the fixed rate per man of 27 *l.* 7 *s.* 11 *d.*"; does that system still continue?—Yes; that is the present settlement for men going with their regiments, or returning with their regiments, leaving the amount of reinforcements to be paid for at the higher rate of trained men as recruits.

228. Then the next Question, 242, is, "There is another item, 'Invalids and time-expired men awaiting discharge,' 30,000 *l.*"; and the answer is "Yes; when men come home from India invalided, pending their examination before the Medical Board and their final discharge, the East India Government are charged with their pay, as they are supposed to belong to the Indian establishment during that time." That also still continues?—Yes.

229. Then the next is, "'Pay of colonels of cavalry and infantry of the British forces,' 55,000 *l.*"; what is the meaning of that?—Every regiment in India has its colonel, usually a general officer, not an effective officer, with the regiment; but at home we pay that, as he belongs to and is a member of a regiment which is serving in India." Now I want to ask you upon that, where there are two battalions with one colonel, what is done?—India pays only one-half.

230. In the case of the Rifle Brigade?—India pays rateably per battalion; for a regiment with two battalions and one colonel, each battalion pays 500 *l.* for its colonel. In the case of a regiment with four battalions and two colonels, in the same way each battalion pays 500 *l.* for its colonel.

231. Do I rightly understand you to say that the capitation rate is now done away with?—It ceased from the 31st of March 1870.

232. But Mr. Seccombe says this, in answering a question on the same page, Question 258, "This present arrangement of charging the actual expenses, that is to say, so much per man, is more advantageous to the Indian Government than the old capitation grant, is it not?" General Piers says, "No, I doubt that;" and Mr. Seccombe says, "The capitation rate also comprised other items, which you will come to presently; the furlough pay of officers and the depôts of British regiments serving in India. We are paying this year 658,000 *l.* for 61,000 men"?—"Paying this year" here means paying the claim for two or three years before. That was the great reason of the capitation arrangement being put an end to, the delay that was involved in getting a settlement.

Mr. *Fawcett*.

233. The War Office, on this committee we have been speaking of, had just as many representatives as the India Office, had it not?—The War Office had two members, and the Indian Office had two members, and, with the usual advantage which we always give to India, they had the chair.

234. You had a gentleman as secretary who was a War Office official, and whose ability is mentioned?—Yes; I think a more impartial tribunal could not have been formed.

235. And that Report (there are two Reports) you say the representatives of the War Office agreed to?—Yes.

236. There are several very strong statements

Mr. *Fawcett*—continued.

in that report; do you think that any impartial person reading those two reports through could come to any other conclusion than this, that it was the intention of that report to convey the idea that India under the modern system was paying a very much higher price for recruits than she did under the old system, and that some charges were thrown upon her which she ought not to bear?—I would rather say that some charges had been thrown upon England which she ought not to bear; but that we from that day proposed that the payment from India should be at the rate of each man embarked as a finished article, and it was clear that the excess would fall, not upon India, but upon England.

237. But the whole of your recommendations have not been carried out?—It is no part of a subordinate's duty reporting to his superior to ask whether his superior attends to his recommendations or not.

238. I mean up to the time of that report, the drift of your recommendations is that India had been over-charged?—I do not quite accept that; we animadverted strongly upon the heavy expenses at the depôts during the years preceding our report; but those expenses were not borne by India, but by British revenues, the settlement then being on a basis wholly independent of the actual expenditure.

239. But then do you not see that it comes to very much the same thing. After taking an account of all those heavy charges, you calculate that the cost of these recruits to England is 205 *l.* per man?—Yes.

240. You have admitted that the price paid by India was nearly the same; therefore if a great deal of money was wasted it comes to this, that 205 *l.* represents the actual cost of the recruit, and as India paid that amount she paid a great deal more than she ought to have paid; not simply as a matter of balance between her and England, but she paid an extravagent price for the recruit?—It might, or might not be so; but I ask your attention to the fact, that that price is fixed upon the experience of 24 years preceding those large depôts which were then objected to.

241. But there are two things which I think it is very important should be kept distinct. In the first place, there is the question as to whether England improperly charges India, that is one question?—Yes.

242. But then, although England may not charge India a penny more than the recruit costs her, and may even charge India less than the recruit actually costs her, it may be an extremely bad bargain for India if England administers her army so extravagantly and inefficiently as in the end to bring out a great cost for the recruit?—But I wish to point out to the honourable Member that we did not fix the tariff upon what it had cost, but upon what it ought to cost; and therefore, having arrived at the fact of what it ought to cost, we asked India only to pay us what it ought to cost. What it did cost was a loss, not to India but to England.

243. But your calculation, you see, arrives at this very strange result; you admit that the cost of these recruits at Warley was 26 *l.* a head; you are responsible for that statement; you signed the report; of course, if you were guilty of an oversight, I regret it?—I was a party to the Return being printed, certainly.

244. You say that a slight addition may be made,

Mr. *Fawcett*—continued.

made, so it is not 26 *l.*; we may say 28 *l.*?—I would rather say 58 *l.*, without any information. We are comparing the raw material with the finished article.

245. But I am not considering now what is the value of the recruit sent from Warley as a recruit, landed at Bombay or Calcutta; but what I am now putting (and that is the important element first of all to draw your attention to) is, what was the cost of the Warley recruit to India when that recruit set sail from England, and what is the cost of the recruit under the present system; and you are a party to the statement that the cost of the Warley recruit was 26 *l.* 5 *s.*, and the cost of a recruit, under the new system, is 205 *l.*?—Yes; and I remain a party to that statement, and I again repeat that the cost of a Warley recruit was 26 *l.*, and the cost of a recruit from our depôts was 205 *l.*, and I leave anybody to compare the two articles.

246. The Warley recruit was, on the average, trained for three months; the Commander in Chief recommends that the recruits under the present system should be trained for seven months?—Yes.

247. Now, taking those eight years (we know how long the Warley recruit was trained, namely, for three months) from 1860 to 1869, when you investigated the matter, and during which years the cost of the recruit was 205 *l.*, both to India and England, can you tell me how long on the average were those recruits trained?—I think we can obtain Returns.

248. But did it not strike you that in comparing the cost of the two systems that is one of the very first things to consider?—I hardly admit that; we had the greater fact of what it cost.

249. Have you any official evidence to show that they were trained for double the time that the Warley recruits were?—I am sure that Returns can be given.

250. When can you furnish them?—I should not at all; the Adjutant General would.

251. There is nothing whatever in your report, or in those elaborate returns that you have given, to contradict the statement, which I believe is true, that these recruits have not been trained for anything like, on the average, double the time of the Warley recruit?—I do not understand what "elaborate returns" you refer to.

252. I mean the elaborate investigation; and this part you have never investigated?—The elaborate investigation as to the cost. When we came to that point we at once abandoned all arrangements in the committee that should be founded on the past cost. We took a new line. We ascertained what the Commander in Chief of the army considers as the minimum period in which a man can be properly trained and sent out as an efficient soldier; and adding a small sum thereto for the average, we ascertained to a penny what that ought to cost.

253. But it must be in your recollection that I did not draw you away from any of these considerations of account, but that when I have asked you, and other honourable Members have asked you, questions about the small charge of the Warley recruit, you have merely said that you objected to treat that as a matter of account, and you said, "Look how extremely raw these recruits were." Now, as you have made that statement to qualify the advantages of the economy associated with Warley, I ask you now to prove in what respect these recruits that were sent out under this new and costly system were more efficient, the depôt system I mean, which cost 205 *l.* instead of 26 *l.*?—It was not a new system; it was concurrent with the existence of Warley.

Mr. *Fawcett*—continued.

254. But I am comparing the two; where is your evidence for telling me that the recruits that were sent out from Warley were so extremely raw that, although they were cheap, they were very inefficient; and where is your evidence to show me that the recruits sent out from the depôts were better trained; what official returns, I mean, have you to show that?—Surely the evidence is manifested by the fact that they cost 205 *l.*

255. That obviously is no answer, because it is easy for a Government department to waste a great deal more than 200,000 *l.*?—It is clearly an answer for all purposes of the comparison of the cost that I instituted; we could give you those Returns, I believe, to a day.

256. But your evidence, you see, will now be printed; you make a distinct statement about these Warley recruits. If anyone now in the House of Commons, referring to the great cheapness of the Warley system, says that under that system India obtained her recruits for 26 *l.* 5 *s.*, an honourable Member appealing to your authority will say, "Those recruits were the raw material, and the recruit sent out from the depôt at a cost of 205 *l.* was a finished article;" he will justify that upon your authority; I want you to give your evidence for that or withdraw it?—I would withdraw it if, upon being allowed to obtain those Returns, they failed to prove the fact; but I think the honourable Member is losing sight of the fact that after applying to the Commander in Chief, as to what he held to be the necessary drill for the soldier, I had a right to assume that as being the actual period.

257. You have got no official evidence to prove it. The Commander in Chief may fairly say, "I consider that a certain time is necessary to train a recruit," but it does not follow that the recruit has been trained for that time?—But as the Commander in Chief is the officer by whose orders each man individually is placed on board ship after it has been determined that he is fit to go, if his report was officially laid before Mr. Seccombe's Committee, that a drilled recruit means on the minimum six months' drill, it justifies me in assuming that those recruits, on the average or minimum, were at least six months in training.

258. He may say it is desirable, but where is the Commander in Chief's statement that the recruits, on the average, who have been put on board from the depôt are properly drilled recruits?—He has not stated that; he has stated that the recruit in the minimum must be six months in training.

259. If the Commander in Chief had stated that they had been actually, I should have accepted that, but he has not, you say?—And as His Royal Highness stated that they should be, I accepted that.

260. It must be obvious to you, that a Minister of War, or Commander in Chief, may wish many things to be done, but various reasons may prevent him doing them; for instance, we cannot suppose that those recruits put on board ship, as shown by the quotation read by Lord George

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Hamilton, some of whom had not been recruited for more than a month, were put on board at the wish of the Commander in Chief, any more than anyone can suppose that the Warley recruits at the time of the Mutiny were sent out after a few days, because the Indian authorities wished to send them out, but it was as a matter of necessity in each case?—Under the altered conditions consequent on the vote of the House of Commons in the one case.

261. But when you state that the cheap Warley recruits were raw material, and that the recruits sent out from the depôt were a finished article, you have not in your own knowledge any official statement to show how long they were trained?—No.

262. Now, admitting that the wishes of the Commander in Chief have actually been realised, and that these recruits have been trained as the Commander in Chief wishes for seven months or six months, we again come to this result, that as the Warley recruits were trained three months and the depôt recruit trained six months, the Warley recruit, trained half as long as the depôt recruits, only cost about one ninth of the amount?—Yes.

263. Therefore, considering and making allowance for the time, and supposing that the depôt recruits are trained twice as long as the Warley recruits, the depôt recruits are four and a half times as costly as the Warley recruits for each month?—That is the result of the form of comparison that the honourable Member has adopted.

264. I adopted the figures given to me?—And in that comparison sight is lost of the entirely different organisation of the two depôts.

265. I am now considering the cost to India; we arrive at that result month per month under the new system of organisation; the new system of organisation is so much more costly that month per month the depôt recruit costs four and a half times as much as the Warley recruit?—I must ask leave to interpose; as to the "new organisation," the honourable Member is speaking of an organisation that existed 50 years ago.

266. I mean, under the depôt organisation?—Under the depôt organisation the result is this, that the whole charges for which India was liable come per head per recruit to 205 *l.* for the Queen's army, and 29 *l.* or 26 *l.* for the Warley recruit.

267. Now you say that some of these recruits on the Indian depôts stop on the Indian depôts two years before they are sent to India, do you not?—There are many who have served two years before they embark.

268. During the two years therefore these men are on the strength of the English army, forming a portion of the effective strength?—Yes.

269. A man under the short service system is enlisted for a certain period, is he not?—Yes.

270. What period is that?—Six years.

271. Therefore, if he spends two years in England, he can only serve four years in India?—Less than that, because there is the period of his voyage home.

272. Then, if she wishes to induce him to serve a longer period, India can do so by offering a very considerable sum of money?—I do not know that it requires much bounty payable in India.

273. Do you know what it is?—No.

274. But, as a matter of fact, India pays him a premium to stop?—I have no doubt India pays him a premium to come into a second period of service; I have no doubt it is inconsiderable compared with the whole cost.

275. The longer this man stops in England the more frequently India will have to pay this bounty?—The man cannot go on six or seven times for re-enlistment; he will go in for a bounty a little earlier; that is all the difference.

276. It is obvious that if all the men stopped here two years before they went to India none of them can serve in India more than three and a half or three years before India would be called upon to pay them the bounty?—Yes.

277. Therefore, the greater the number of men who serve in England for a long time as recruits before they go to India, the more frequent will be the number of these bounties which India will have to pay?—Mathematically speaking, that is the case.

278. You have spoken of the great service which India derives from England by having England constantly to draw upon for troops?—Yes.

279. But now, whenever England has drawn upon India for troops, this has taken place: the very moment that the soldier is put on board the steam-vessel, from that time till he comes back to England again India pays every shilling of his expense, does she not?—In some cases that has been the case; I question whether it was so in the China wars.

280. That was for an English purpose, not for an Indian purpose?—Was the first China war entirely independent of India?

281. There can be no doubt of this, that when the troops were sent out to India in the time of the Mutiny, as a matter of account every shilling of the expense of those troops from the time they left England to their return was borne by India?—Yes.

282. Now contrast that for a moment with what was done in the Abyssinian war; that was admittedly an Imperial war?—Yes.

283. England borrowed troops from India, did she not?—Yes.

284. Just the same as India borrowed troops from England during the Indian Mutiny; and not only did India render England that assistance of the loan of troops, but India paid the ordinary pay of those troops when they were fighting in Abyssinia?—That is a matter of fact; its value as a matter of account I don't pretend to give.

285. That is a matter of fact which is on record, is it not?—There is no question of the fact.

286. Then we arrive at this result, do we not, that if England assists India with troops, the very moment that the assistance begins India pays the cost?—Yes.

287. Whereas, though India has been frequently called upon to assist England with troops, as was the case in the Abyssinian war, a portion of the pay of those troops is thrown upon India, and not borne by England?—Is accepted by India; I do not know that there was any "throwing"; I was no party to that; and if I had been an accountant in the India Office, I venture to say that every word which I wrote on the subject would have been contrary to any such arrangement, for a more extraordinary arrangement I never knew. But if the honourable Member were right

Mr. *Fawcett*—continued.

right in his argument, we should never charge India anything for troops, as it seems to me.

288. In what way do you think that the argument leads to that result?—You instance a case in which Indian troops went and fought a British war, and were paid for by India. Therefore, to be friendly, and nice, and reciprocal, England must always send her troops to India, and not be paid for them, I suppose.

289. The argument shows the palpable injustice with which India has been treated, does it not?—That argument shows that the payment of the Abyssinian troops by India was very exceptional.

290. Does it not also suggest that if the same thing was done by India towards England, suppose India had the power to carry on such a transaction as that towards England, it would bring about a result which is so unjust as really to suggest a smile at its folly?—It can only prove this, that India should have all the troops she liked from England without paying for them.

291. And if you carried out logically the policy which was pursued towards India, that would be the result which we should be landed in?—Yes.

292. A question was put to you just now by Mr. Denison, from which it appeared that if a regiment is in India, and an honorary colonel is attached to that regiment, India pays for that honorary colonel?—Yes.

293. Therefore India at the present time is paying for a great number of colonels who may never set foot on the Indian soil?—Yes, just as she pays for regimental agents, who never go to India.

Mr. *Onslow.*

294. Considering that India pays for these recruits, having been trained in England, on an average for seven months, that they go out to India, and that at the end of their period of serving they come back to England and form part of the army reserve, would it not be the case that India, therefore, pays in a great measure for the army reserve in England?—No doubt any member of the army reserve who has acquired his experience in India has been trained by India; that is all I can say.

295. He might be paid wholly out of the India revenue?—Yes.

296. And, I suppose, a very considerable portion of the army charge in England would be paid for out of the Indian revenues?—Yes; clearly, during the period they rendered service to India.

297. Considering that the army in India may be called upon, and has been called upon, to fight battles wholly on account of England, in any portion of the globe, and that the abolition of the local European army was a part of the Imperial policy, are you of opinion that India is justly called upon to pay anything at all on account of the capitation rate?—I am.

298. Will you give your reason for that opinion?—Because the clear understanding of the last 50 years with the Indian Government, ratified by the Act of Geo. 4, assigns to India the payment of all expenses on account of the British army that can be directly traced to service in India.

299. You must recollect that there is a different state of things now from what there was in the time of George the Fourth; now, India is Imperial, under the Crown?—Yes; but the revenues of India are still as distinct as when they were under the Company.

Mr. *Onslow*—continued.

Sir *Henry Havelock.*

300. Remembering the fact of there remaining in England a large army of reserve, partly in the shape of soldiers who have passed through an Indian training and partly in the shape of soldiers in depôts, and regiments who are kept trained in a high degree and are necessarily available for an immediate need, does not that admit of the effective force in India being kept at a lower figure than it otherwise would be?—I think there can be no question of that, as laid down by Mr. Cardwell in Mr. Campbell-Bannerman's letter to the India Office.

301. For instance, during the years immediately succeeding the Mutiny there were kept in India some 72,000 effective men; that has been reduced in succeeding years to about 59,000 effective men?—Yes.

302. Is it not the fact that the difference between those two figures is kept in England, at England's expense, but immediately available for Indian needs?—Certainly.

303. With reference to the comparisons that have been made here as to the cost of training under the old system of training and the present system, by which recruits are trained and sent out to India in a thoroughly finished state, do you not consider that the data given as to the cost of the Warley depôt are very unreliable for the purposes of that comparison, in consequence of there being no recorded figures to show either what the average time of training soldiers at the Warley depôt was, whether or not very considerable charges are omitted from the Warley statement, but included in the present cost?—With reference to the first point, as to the period of training, the accounts are wanting. With reference to the fact that many charges are included in the statement C, as compared with Warley, that is manifestly true. In the cost of the 205 *l.* is included, for instance, the recruit's share of his colonel's 1,000 *l.* a year. In fact, the whole organisations of the two depôts are quite different.

304. In fact, the data given as regards Warley are entirely useless for matters of comparison with the present calculation, because the calculations are made on entirely different conditions?—Yes; the return was given as a matter of instruction, and was put in by the India Office members of that committee, and, as I have said, inadvertently admitted by me; for comparison might, had it been canvassed, have been shown to be really not fair in any respect beyond this, that it showed that if the whole system of recruiting the British army was changed, and if a depôt, like that at Warley, was adopted as a better one, that would be about the rate it would cost.

305. Assuming, as we have, that the Warley recruits in former days were sent out after an average training of about three months' service, would not the cost of their training be entirely incorrectly stated, unless the cost of their subsequent training for many months in India were also taken into account?—So it appears to me;

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in fact, the Warley Return is not the cost of a trained recruit at all, but of the raw material.

306. Whereas the data on which the charges proposed to be made against India are now based are calculated upon the condition of a fully trained soldier, who has undergone seven months' training?—Yes.

Chairman.

307. An honourable Member has asked me to put one question to you; that is, whether you can give a statement of what the other items in the Warley accounts ought to be, so as to make it perfect; have you any means of giving such?—I am afraid those accounts are destroyed; they are the pay lists of a period that certainly ceased in 1857, and I do not believe that they are any longer in existence. But the amount of the home charges, that is for the period prior to the Warley Return commencing, are excessively small. I only mentioned it by the way, to show that the Warley Return was defective for comparison; it did not take the beginning of the man as a fresh recruit, nor the end of the man as a trained recruit; if you put 5 *l.* a man as the cost for each recruit for that prior period, it would be a very fair average.

Lord *George Hamilton.*

308. Do you observe that this Return A. does not pretend to include clothing, arms, and accoutrements?—B. is the explanation; there is one special return for that.

309. But this Return A. does not include clothing, arms, or accoutrements?—Just so; that is another illustration of the incompleteness of the Return.

Mr. *Denison.*

310. As to that difference of charge for men sent to India, and men returned, an average of 27 *l.* 7 *s.* 11 *d.*; how is that made out?—Page 7 of Mr Seccombe's second report gives that at paragraph 14, and that report gives those two items, the details of which are given in Appendices B. and C.; page 11 gives the details of cavalry to every penny, and also the details of infantry.

311. You have said, I think, that everything that is done in the matter of charging soldiers to India is in accordance with the Act of Geo. 4, that is to say, that every charge for the British soldier which can in any way be regarded as for service in India is charged to Indian revenue, and in pursuance of that India is charged with the cost of the soldier from the date of his being put on board ship, whereas England is not charged again with that same man until he is discharged from Netley, or wherever he is?—Yes; the voyages both ways are charged against India, being solely incurred for Indian service.

312. Do you think that under the altered condition of the Indian service, recruiting, short time, and everything else, the principals of that Act of Geo. 4 can be fairly worked out?—I think the principle is unassailable, that any charges that are incurred by the Imperial Exchequer, solely for India, and which would not have been incurred if India did not exist on the face of the earth, are fairly chargeable to Indian revenues.

313. And that, you think, would cover this excessive charge for the recruiting depôt system?—That would cover all necessary charges.

Friday, 15*th May* 1874.

MEMBERS PRESENT:

Mr. Stephen Cave.
Sir George Balfour.
Mr. Balfour.
Sir Thomas Bazley.
Mr. Birley.
Mr. Campbell-Bannerman.
Mr. Dalrymple.
Mr. Beckett Denison.
Mr. Dunbar.
Mr. Fawcett.
Sir Seymour Fitzgerald.
Lord Edmond Fitzmaurice.
Lord George Hamilton.
Sir Henry Havelock.
Mr. Sampson Lloyd.
Mr. Massey.
Mr. Onslow.
Mr. Eustace Smith.
Mr. Stanley.

THE RIGHT HONOURABLE STEPHEN CAVE, IN THE CHAIR.

Mr. JOHN MILTON, C.B., Mr. ROBERT P. DAYE, and Mr. RALPH HENRY KNOX, re-called; and further Examined.

Mr. *Stanley*.

314. YOU stated, I think, at your last examination, in answer to a question from the honourable Member for Guildford, that there might be cases in which men were enrolled in the reserve forces whose whole army service had been given to India, and who had been wholly paid for by India; are you aware whether those men, together with a great many other men, who have been paid for wholly by the Imperial funds, are liable as reserve men for service in India?—Yes; belonging to the first-class reserve, they are liable in case of emergency to be called to the ranks, and then to serve in India or elsewhere.

315. Apart from the actual cost of men while serving in India, have the Indian Government been called upon to contribute in any form to the expenses of this reserve?—No, in no part; the reserve is an arrangement of the last few years, I mean to any extent; and it will be, most probably, one of the questions before the next adjusting committee, Mr. Seccombe's committee, if that continues, to consider whether any portion of the cost of the reserve in this country should be charged against India, being the retaining fee for future service which will be as available in any emergency for India as for any other part of the world.

316. In addition to these army reserve men, the first-class army reserve who are liable to be called upon for foreign service, is there not an additional class of reserve men in the militia?—Yes, certainly; the militia reserve receive a retaining fee of 1 *l.* a year, for which they are liable at any time of emergency to be called into the regular army, and sent to India or elsewhere.

317. I think there are about 30,000 men so enrolled?—Yes, costing 30,000 *l.* a year, for which, at present, no charge has been made against India.

Mr. *Stanley*—continued.

318. When a price current was agreed upon in Mr. Seccombe's committee, was it supposed that those prices would repay the cost of the home depôts?—No, certainly not. The price there agreed upon for infantry men of 63 *l.*, of course, would not at all approach what had been the cost of the infantry depôts, as shown by the tables so often quoted, amounting, on the number of recruits embarked, to 205 *l.* per recruit. That 205 *l.* is open to some explanation; but in accepting 63 *l.* as the tariff price for future recruits for India, it was only done by the War Office members in the full expectation that arrangements which were then in operation by the finance branch in connection with the Horse Guards would in future greatly reduce the dead weight of those depôts. Every exertion was made to attain that object, and it has been attained to a very great degree, for I have here Returns, which I will furnish the Committee with, showing the number of men left in this country at the termination of the embarking season. By the 31st of March all embarkations of the year are over, and this Return is dated in March 1869. The number then remaining at the depôts, excluding those depôts of regiments which were returning to this country that year, also the depôts of those regiments that embarked for India that year, was 4,992 men. A similar return for the 31st of March 1872, which is exactly the same embarking period, for there has been no change in that, gives the number left at the depôts as only 3,008; whilst a similar return for March 1873 gives the number remaining at the depôts at 2,907. (*Returns handed in*, vide *Appendix*).

319. And that economy, the difference, namely, between those two numbers of 2,907 and 4,992, would represent the result of the efforts made by the Financial Department at home to reduce expenditure which would otherwise have been

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charged to India?—Which would otherwise have fallen upon England, and would not have been repaid in any adequate amount by the tariff price agreed upon for the recruit; our only ground we had for agreeing to that low tariff price was our hope of reducing for the future the cost of the depôts.

320. Has there been any proposal made by Mr. Seccombe's committee as to diminishing the number of companies at home at the depôts?—The tenour of the protest of the Indian members, I think, in the third report, is with reference to the unnecessarily large establishment of the depôts.

321. Would the reduction of the 2nd company, in your opinion, materially decrease the cost of a recruit to India?—No; I do not think that it would have enabled us to have quoted a lower price for the recruit; the depôt establishment to which the Indian members then objected consisted of two captains and two lieutenants; the former company, which was the model which they wished it reduced to, was one company, called the Recruiting Depôt Company, but it consisted of one captain, one lieutenant, and one ensign, or two subalterns; now no ensign or junior subaltern is kept at the depôt; therefore the present depôt establishment is four officers against three. But in our calculations for those recruits the committee will observe that we divided the cost of each depôt into 80 portions, being the number of recruits which it was capable of training; those 80 portions, therefore, divided the depôt companies of the 50 regiments in India into 4,000 portions for each year, but our actual number of recruits or drafts embarked for India during the last four years, that is, from the period ever since the capitation ceased, has only averaged 2,022. It is therefore clear that we are repaid only one-half of those 4,000 portions into which we divided the companies. Adding the fourth man, it comes to about one-quarter, which will not have been repaid; therefore the reduction of the captain, which does not represent a quarter of the depôt, would not have enabled us to have quoted a lower price for the recruit.

322. Have you been able to get out any Return to show the Committee whether during the time of the payment of the capitation rate India had repaid, or nearly repaid, the actual cost of the home charges?—Yes; during the eight years during which the capitation rate was the sole mode of settlement between ourselves and the India Office for the home charges, the most accurate accounts were kept at the War Office for the cavalry and infantry, and to some extent for the artillery, exactly as if we were going to send in our annual bill; and the consequence is that we are now able to compare the bill which would have been sent in and the receipts under the capitation; and allowing for the ordinary loss annually by men not returned from India, we come to the result that the loss to the British revenues during the eight years was 408,000 *l.*, being 51,000 *l.* a year. And I may remark that had the proposed minimum rate of 11 *l.* been accepted instead of 10 *l.* (the Committee will remember that the rate proposed for infantry was rather more than 11 *l.*, for cavalry 15 *l.*, and for artillery 23 *l.*), that would have exactly covered it. The 51,000 *l.* would represent roughly the number of men on whom the pollage was collected in India. If we could exclude the artillery from both sides of this Return, I believe the loss to Imperial revenue could be shown to be double, or over 800,000 *l.* odd.

Mr. *Stanley*—continued.

323. Will you put in the Return I have asked for?—Yes. (*Return handed in*, vide *Appendix.*)

Lord *George Hamilton.*

324. Is that calculating the cost of every recruit at 205 *l.* per head?—Yes; that includes the period during which those figures apply.

325. That basis of calculation is on the assumption that the average cost of a recruit was 205 *l.*?—Yes; I was going to offer an explanation about that. The 205 *l.* will be evidently seen by the Committee to be the division year by year of those totals as given in that Return; but as the number of recruits varied very much the fairer plan would have been to divide them by the total number of recruits, as in the Warley return. That would have reduced the average cost to 173 *l.* But in answer to the noble Lord's question, I may say that the figures I now state as to the 11 *l.* do apply to the period during which the rate of 205 *l.* or 173 *l.* per recruit embarked is arrived at.

Mr. *Stanley.*

326. (To Mr. *Knox.*) Before we leave this question, I should like to ask you whether it is not the case that you had a great deal to do with the carrying out of the details of those reductions which were made in the expenses of the home depôts?—Yes, in making the arrangements.

327. Would you be able shortly to state to the Committee the leading features of the reductions which were then made?—It was found on experience, as has been stated, that at the Indian depôts a very large number of men were always serving, whereas it was contemplated in making the calculations that the number that would be there constantly would be comparatively small. On examination of these facts it was ascertained how these large numbers were made up, and it appeared clear that it was in consequence of our carrying on the system of obtaining drafts for India in accordance with the regimental regulations. Under that system the number of men who were constantly returning from India as invalids and as time-expired men under the short service system, and were sent to the depôt before discharge, was very large. The invalids who were coming home for the purpose of recruiting their health were very numerous; and it was also found that men were enlisted so short a time before the period for sending the drafts to India that the time did not admit of their being thoroughly trained before the period came round for sending out the drafts, and therefore it was not possible to send them with the drafts of the year. The result was that a large number of men were accumulated at the depôts, which led to the large cost of the depôts during the years which have been mentioned.

Mr. *Fawcett.*

328. Those were the eight years?—Yes. When a man was invalided from India if it were found after the voyage home that he became convalescent

Mr. *Fawcett*—continued.

valescent he was not discharged, but he was sent to the depôt of his regiment. If when he became quite restored it was found that he had not two years, or from eighteen months' to two years' more service to complete his short period of service or his period of service towards pension, he was never sent out to India, because it would not be an economical arrangement to send a man with that short period of service in him to India. One of the first arrangements to reduce this large number of men at the depôts was made in 1869, when a special Warrant was obtained from Her Majesty to admit of men in that position being discharged from the army on a slightly reduced permanent pension. That cleared the depôts at once of a considerable number of men who would have been retained for perhaps a couple of years on the establishment of the depôt as a charge to that depôt, not being available for any other service but service in that depôt. Then subsequently to that it was decided to stop the system of continuous recruiting which had up to about that time existed; up to that time men were recruited for Indian regiments without respect to the period of sending the draft abroad. It was thus found, as I before stated, that men were raised for the regiments perhaps a couple of months before the draft went abroad; they were thus, when the draft went abroad, not trained recruits, and therefore not available to form a portion of the draft. It was decided, therefore, that when the minimum period for training a recruit had been reached before the period for sending off the draft all recruiting should stop; so that by that means we had no recruits on our hands that were not available to form a portion of the draft, when the draft was sent out, instead of having, as we had before, a considerable number in hand whom we had to train for more than 12 months before they could be sent abroad. By that arrangement the number of men at the depôts was considerably reduced also. Thus we found by pressing this plan upon the Horse Guards that the number of men that remained behind at the Indian depôts, although still considerable, was nothing like so large as the number which had remained during several of the preceding years. Thus the state of things which has been alluded to by the Accountant General of the Army was brought about, that instead of having some 5,000 at the depôts at the time that the drafts were completely despatched, we had only something like 2,500, which is very nearly a similar proportion to the numbers which used to be at the old depôts before the system of the capitation rates, and before the amalgamation of the armies took place in 1861.

Mr. *Stanley.*

329. Will you be able to furnish us with the date of that?—Yes; the figures here quoted give the numbers of 3,008 and 2,907, but these numbers include a small number of recruits that had been raised in the meanwhile between November and March, the date of the Return.

330. If you look at the evidence at Question 176, there is a contrast drawn between the old and the new system. Now, when we hear about the old system, I must repeat a question which was asked of the Accountant General before; the old system does not mean that the whole British force was recruited on the Warley principle; that never was applicable to the whole British force in India, was it?—Not to the British force, not to the 24 regiments of the regular army that served in India before 1861; they were not recruited upon the Warley system, but upon the regimental system which has obtained for all the regiments of the army since they have formed a portion of the Imperial forces.

Mr. *Stanley*—continued.

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331. (To Mr. *Milton.*) Will you look at the answer to Question 12, and will you be able to give the Committee in general terms any outline of the reasons which induced you to report in favour of the price current, of the tariff, or commuted charge in the place of the capitation. Could you briefly lay before the Committee the objections which, I believe, you entertained to the working of the capitation grant?—The main objection was the great delay that took place in obtaining the basis of our claims against India. That basis was founded upon returns of every effective soldier serving in every portion of India, and it was found to be sometimes 18 months, sometimes two years, before the returns of those effectives reached this country. It was therefore another considerable period before they were agreed upon between us and the India Office and the settlement took place; that was therefore the main objection to the existing system of the capitation. When, however, Mr. Seccombe's committee met, and the proposal for the price current was suggested in lieu, it recommended itself to the judgment of every one of the members, and from its first suggestion it was adopted as by far the more satisfactory mode of adjusting the accounts, being, in fact, the now approved system of paying by results.

332. (To Mr. *Daye.*) I think I understood that claims from the India Government have not yet been rendered for the last two years, or rather they have not been finally adjusted?—We have not agreed upon the rates, and consequently no accounts have been rendered.

333. And the system has been that large advances have been made, and the final balance remains unsettled?—Yes; we have rendered accounts for 1870–71 and 1871–72, but none have been rendered since that date; but in the meantime advances have been made by the India Office to the Treasury on account of these services.

334. But the final balance of accounts remains unadjusted?—Yes.

Mr. *Fawcett.*

335. When you say 1871–72, there has not been any adjustment for three years?—No; the accounts of 1870–71 and 1871–72 are under audit now at the Audit Office; no final adjustments have taken place since the termination of the capitation.

Chairman.

336. And the accounts have not been admitted as correct, have they?—No.

Mr *Stanley.*

337. (To Mr. *Milton.*) Mr. Seccombe's committee will meet again, and will arrange how these charges are to be subsequently made, will it not?—At present that is the arrangement. The recommendations of Mr. Seccombe's committee

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have been approved by the two Governments for the two years ended 31st March 1872; the basis on which it should be settled for the following year, to March 1873, and again for the year to March 1874, is not yet determined, the question of the organisation of the army as lately adopted having not brought sufficient experience yet to enable us to say with any accuracy what would be a fair settlement for those years; and my own impression is (in fact, I am prepared to say so at Mr. Seccombe's committee), that our recommendation should be that the Government should accept the present tariff prices for another year, perhaps for two; that would bring us, with the present system, to the 31st of March 1874.

338. Then there will be continual fluctuations in this basis of accounts until this new organisation is entirely completed?—No doubt it will be the case, the India Office being of opinion that the proposed organisation will so largely reduce the cost of recruits as to render it to their advantage to have the system and the prices revised constantly from time to time; we can have no objection to that. Of course a permanent arrangement would be more easy, but would not be so free from objection.

339. Inasmuch as your inquiry is based upon actual charges, you have perhaps no very definite information to speak upon with reference to the effect of short service; but have you ever, either individually or in that committee, had occasion to consider the effect which short service will have upon the adjustment of these charges?—Not quite in the adjustment of the charges, because the charges being made by direct reference to the result, that is the number of men sent out, the system of paying by the tariff prices will be unaffected by that; but that the number to be so paid for will be largely increased I cannot doubt, as the short service will render so many men continually necessary to be renewed in the army, that the number sent out in draft will bear a far greater proportion to the strength of the corps itself or the regiment than it does at present. My own impression is that a much shorter service in India for the corps themselves could be effected with great saving of life of the soldier, and with little, if any, increased expense. It may appear a paradox to say that transporting such large bodies of men across the world twice in 10 years instead of once would not be more expensive; but then, on the other hand, it must be remembered that in effect we do so by the individual return of those men. The corps itself may remain for 50 years in India, but the number of men will be found to average very little more than five or six years individually; and many economies, it has struck me, might attend the removal or relief of those corps *en masse* instead of the renewal or supplying of them by drafts. I only state this in answer to the question whether individually I had ever considered the effect of short service upon India. If you could prove that it would be more economical to India to return her regiments every five years, instead of every 10 or 12, it is quite clear that those men who have only got to serve for six years will not be more expensive to India.

Chairman.

340. In that case, would India receive anything for the men returning who had only a short time to serve?—As to those who renewed their service, which would be a very common thing, I think, when the men saw that their next period was a home service one, India would, of course, get the value of men returned by her for further service.

341. Your meaning is, that in that way it would be more economical to India?—In that way I think it would be more economical to India, and there is no question, I believe, of the economy of human life that would attend it.

Mr. *Stanley.*

342. Those men being replaced at home by others recruited for the purpose?—Those men being replaced in India by men raised for another service of six years, who would go out and serve five years, and come home either to join the reserve or to renew their service for a second period at home, and go on to a pension.

Lord *George Hamilton.*

343. Is it not the fact that in regard to all soldiers coming home from India who have less than a year's service to expire, India does not receive this sum?—No; she does not receive any sum for any man in his last year of service.

344. The service is only considered service with the colours, not in the reserve?—Certainly not; but the present arrangement, your Lordship is aware, has not affected those men who have come in on the new system; there are no men who have yet served six years under the new army system.

345. So that the question has not yet arisen?—The question has not yet arisen what will be the effect upon the men of the new system of short service; and therefore I said, in my answer, probably an inducement to remain a second period for home service would lead a great many to renew their service.

Chairman.

346. That is entirely speculation?—As regards any proposal laid before Mr. Seccombe's Committee, certainly.

Mr. *Eustace Smith.*

347. If a man who had been enlisted for short service came home from India a short time before the expiration of that service, India would get no credit for him?—None.

348. Supposing when the time expired he re-enlisted in this country?—It could be so arranged that India would get the credit of that.

Mr. *Fawcett.*

349. Is that provided for; is there any security for it?—No; we are speaking of the future.

350. You may make, of course, a prospective arrangement; has India the smallest guarantee that such an arrangement will be carried out?—She would have a guarantee before the arrangement was entered into.

351. What evidence have we now that such an arrangement will be carried out for her benefit?—None, as the arrangement does not exist; but if it is proposed it will be accepted by India with due guarantees, I presume.

352. But this short service system has come into

Mr. *Fawcett*—continued.

into operation; it will have a great present effect on the finances of India, and it will have a great prospective effect, and it will be a very important thing for the Committee to ascertain at the time when this short service system is carried out, what guarantees have actually been given to India at the present time that her interests will be protected, and I want to know, as to this arrangement that you speak of, whether a promise has been given to the Indian Government that it shall be carried out?—No, not even suggested that I know of.

Mr. *Stanley*.

353. My question to you was, whether these matters had ever been considered before the committee; you say that they have not yet arisen before the committee?—Before Mr. Seccombe's committee no such views have been entertained or proposals made.

Mr. *Eustace Smith*.

354. In the case of long service men, under the old system where men were enlisted for 10 or 12 years, and they came back with only a short time to serve, and were re-enlisted, has India ever got any credit for their long re-enlistment?—No, I should say certainly not, unless they went out again.

355. It was never done in the past?—No, but the terms are future; the men up to the year 1871 have enlisted only for 10 years, which is considered the Indian period.

356. But if a man came home at nine years India got no credit for him?—No, if she had had nine years or eight and a half years of his service. The honourable Member will observe that not only is the comparison between a period of six years and 10 years, but that comparison becomes all the stronger when you exclude the period of training and the period of voyage to India. The residuum to India in the one case is far more in proportion than in the other.

Lord *George Hamilton*.

357. You consider the present arrangement of actual charges more favourable to India than the old system of a capitation rate?—Yes; certainly a much lower price to India.

358. And I think you said in your previous evidence that if the establishments had been maintained as they had previously been at the present rate, England would be losing 200,000 *l.* a year?—Yes.

359. In the first report of Mr. Seccombe's committee there are two statements included; one is in reference to Warley, and the last is in reference to the establishment of Indian depôts for the years 1861 to 1868; how did you arrive at the cost of each recruit; did you take the total number of persons, officers as well as men, on the recruiting establishments, and then divide them by the annual amount of recruits who were sent out to India?—The question of dividing it among the annual number of recruits sent out to India, your Lordship will find on the face of the return. We there state the number of men, and therefore perhaps your Lordship's question is limited to this, what are the constituent parts of that sum, "approximate amount of Home charges for depôts, including recruiting expenses and pay on passage out and home." That is the sum that we have compared as against the number of recruits.

Lord *G. Hamilton*—continued.

360. I was rather questioning you in reference to an answer which you gave in your previous evidence on page 6, at Question 38. You give in a Return, and you say, "By this Return it will be seen that while the average strength maintained throughout the period was 8,494 men, 2,196 recruits on an average were embarked annually;" what I want to arrive at is this: do you take the cost of each recruit by dividing the cost of the total number of men by the amount of recruits annually sent to India?—Yes, year by year. I observed just now, that had we taken it man by man in the eight years it would have come to 173 *l.* instead of 205 *l.*

361. But then in calculating the cost of 2,196 recruits who annually go out to India, you include the expense of maintaining the remaining men not sent out to India on the establishment?—Yes.

362. Then if the average strength is 8,494 men as against 2,196 recruits sent out to India, for every recruit that goes out to India three men are charged who remain in England?—That would have been the dead weight on that principle; therefore I maintain that I was most moderate in asking for the dead weight to be allowed as one man to three, instead of three men to one.

363. That is to say that under the late system four men were kept in England to send one out to India?—That was the result arrived at in the summing up of the depôts; but in that number is included, first, the number of trainers, secondly, the number of men sent home from India to recover their health, who on becoming convalescent, and being pronounced to be possibly fit for further service, must be retained at the depôt for one year before they can embark again; if therefore the embarking term came round when they had been there, say eight months, they would have to wait for another year; again, in that number were then included the number of men sent home for the purpose of being discharged on their time expiring; again, in that number were included the men sent home for permanent pension, and in the Memorandum which I had the honour to submit to the Committee, I stated what was about the fair average of detention of those men, namely, three months. I therefore deducted one-fourth of the number from the number existing, and that showed the residuum; but the whole of that formed the dead weight which had come, to the extent that it then existed, into the calculation of the 24 years on which Sir Alexander Tulloch and his committee based the capitation rate. In experience we find that taking all those our loss would have been about 50,000 *l.* a year, or would have been fully met had the capitation been 11 *l.* instead of 10 *l.*

364. But whatever may have been the cause, the result was that the depôts in England consisted of a strength four times the number of recruits annually sent to India?—Yes, that was the fact; the term "depôt expenses" is more properly applicable to the case than "recruiting expenses," because those depôts contained, as I have shown, not only the new men raised, the new men being trained, and others detained for training, but also convalescents whom we hoped

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to send out again, the time-expired men going to discharge, the pensioners going to discharge, and another considerable item, the pay of the men both on the passage out and on the passage home, which was paid by us and recovered through the capitation rate from India.

365. The cost of transport to and from India, of course, has nothing to do with the number of men on the establishment?—No; I am not speaking of the cost of the transport. I am speaking of the pay of those men whilst on board, the whole of which cost is included in those depôt charges.

Mr. *Fawcett.*

366. But 205*l.* does not include the cost of transport, does it?—Not of the ships, but the cost of the pay during the passage out and home.

367. Therefore it does not represent anything like the real expense of India in getting the soldier?—No; there is the cost of his conveyance to be added.

368. But if India, for instance, is buying a cannon, you would not say what price she gave for it in London; you would say what she had to pay for it, when she had it, at the place where it was wanted; and in the same way these soldiers are not the least use to her till they are on Indian soil; what should you say was the cost of the transport?—I cannot say; it does not come into the Army Accounts.

Lord *George Hamilton.*

369. It is on the Admiralty Accounts?—Yes.

Mr. *Campbell-Bannerman.*

370. But that item is excluded from the Warley account?—Yes, from both statements alike.

Mr. *Fawcett.*

371. It appears that in the Admiralty Accounts it is 260,000*l.* a year; therefore, calculating the number of men who are sent out and were brought home, you easily get the average of each; what is the number of men?—I think roughly 8,000 a year may be said to go out, and 7,000 or 6,500 to come home; that is 15,000; that comes to about 17*l.* a man, roughly.

Lord *George Hamilton.*

372. I dare say you are aware that exactly the reverse of that which you have described as the system prevailing at the depôt was the system at Warley; that the establishment was much less in numbers than the amount of recruits who were annually sent out?—Yes; but I do not believe that Warley was in any way an invaliding station or sanatorium for recovering the health of the men, or for the reception of them on their being discharged, which was done in India; the European troops were discharged in India, and sent home, not to any depôts but to civil life.

Mr. *Beckett Denison.*

373. They all had their passage found home, had they not?—Yes; but they were discharged from the service in India.

Mr. *Stanley.*

374. Warley, was a recruiting depôt and nothing more, was it not?—Warley was a receiving depôt for recruits, and nothing more; we paid for raising them, and they kept them there and shipped them as quickly as they could.

Mr. *Stanley*—continued.

Lord *George Hamilton.*

375. At page 4 of the report of Mr. Seccombe's committee you will see that there are many charges included in the sums given for Warley; there was the cost of recruiting at the different stations, and pay of officers and non-commissioned officers, but still you assert that this statement is not in any way exhaustive?—I assert that the Return is complete in what it professes to be, the cost expended and disbursed at Warley; it does not tell anything of the expenses disbursed for the man before he got to Warley, nor of the expenses disbursed for him after he left Warley.

376. The system under which the recruit cost 205*l.* was admitted to be rather an expensive system at the War Office, and Mr. Seccombe's committee sat rather with a view of suggesting alterations by which recruits could be more economically provided, did they not?—No; Mr. Seccombe's committee was only to agree upon a price current, not to agree upon a mode of recruiting.

377. Still they suggested a reduction of the establishment, did they not?—I think the Indian members entered a protest against the unwieldy establishment; but the efforts of the finance branch, as described by Mr. Knox, were those that followed the fact of those expenses being so heavy.

378. If you look at page 16, you will see that there is a Report which you signed, and you express your "concurrence in the view taken by the committee presided over by Major General Jameson, in their Report, dated 5th of August 1869, that for the purpose of raising and training the number of recruits required for battalions of infantry in India, it is not necessary to maintain more than one company with the depôt in this country"?—Certainly.

379. Therefore the proposals which were contained in this report were made with a view rather of reducing the expense of recruits?—Yes, for the purpose (as had been the case with the first report, which was an *ad interim* report) of calling strongly the attention of the authorities to the subject of the heavy depôts which were maintained in this country of the regiments in India.

380. Therefore the committee did, indirectly, admit that the cost of recruits was high?—Yes; that the staff, if it were only for the purposes of recruiting, was higher than was necessary.

381. Then you state that, according to a calculation which you made, the total amount paid by India, under the capitation rate, involved a loss upon England of 408,000*l.* during the eight years that the capitation rate was in force?—Yes, the figures show that the recorded expenses during the period were greater than the capitation repayment to the amount of 408,000*l.*

382. That is calculating that every recruit cost 205*l.*, is it not?—No; that calculation has not come into the question; it applies to nearly the same period to which those figures apply, certainly. Instead of saying that each recruit cost 205*l.*, the more proper expression would be that the home charges, including invaliding, journeys out, journeys home, and detention for health, were

Lord *G. Hamilton*—continued.

were in this country as 205 *l.* is to each recruit who went out; but not for that recruit.

383. Is not your calculation based upon the assumption that the recruit cost 205 *l.*?—Upon the assumption that the home charges are at the rate of 205 *l.* for every recruit.

384. That calculation is arrived at by a somewhat curious method, because you take the average of each year, and then you take the average of the years, that is to say, that calculation is arrived at by an average of averages?—Yes; taken year by year, as I explained a little while ago.

385. If you take the more simple mode of calculation, which is to divide the total amount of expenditure on depôts by the amount of recruits sent to India, you will find that the charge is reduced from 205 *l.* to 173 *l.*?—Yes; we have stated that.

386. Therefore, there is a difference between the more simple method of calculation and the more complicated of 32 *l.* per recruit?—Yes.

387. If you multiply the number of recruits sent to India by the difference, that is, 15,376 recruits by 32 *l.*, which is the difference between the two methods of calculation, you will find that the amount will come to 491,032 *l.*?—Yes.

388. Then, because you assume the less simple method of calculation, India has paid that 491,000 *l.*?—No, she has not paid one penny on that basis at all; for the period which we are speaking of, India paid so much per head for every man in India, not for every recruit who went out.

389. Yes; but you in your evidence said that the capitation rate amounted to about 205 *l.* per recruit, did you not?—No.

Lord *Edmond Fitzmaurice.*

390. Does not Lord George Hamilton mean the charge which might have been made, not the charge which was made?—Perhaps his Lordship does.

Lord *George Hamilton.*

391. What I understood was that the actual amount paid by India was about 205 *l.*, and that you further estimated that, upon the basis of a recruit at 205 *l.* per head, England had lost 408,000 *l.* by the transaction?—No, that is not the case; we did not come to that result on any calculation per recruit. We dismissed that complicated system that your Lordship pointed out just now of the double averages, and we went back to the original facts. We had in a return (which I have had the honour of laying before this Committee) a statement of the total recorded expenditure year by year, and the total receipt under the capitation rate; comparing those two and leaving out of question whether the recruits cost 205 *l.* or 173 *l.*, we came to the result that whilst England had disbursed during eight years a total of 5,492,000 *l.*, she had recovered through the capitation rate 5,084,000 *l.*

Mr. *Stanley.*

392. Perhaps you will look back to the answer which you gave at Question 74, "Just now you said that the cost of recruits to India was not 205 *l.*, and now you say it is? (*A.*) I say that India has repaid us, not per recruit, but through the capitation rate for a cost, which represents 205 *l.*" That is the answer which you wish to give?—Yes.

Mr. *Stanley*—continued.

Lord *George Hamilton.*

393. Therefore, the general average of 205 *l.* may be struck out as worthless, may it not?—The 173 *l.* is a more simple item, and I can have no objection to its being put in the room of the 205 *l.*

Mr. *Sampson Lloyd.*

394. Does the 173 *l.* include the expense of sending the recruit out and back from India?—No, not the transport.

395. Who pays that?—It is in the Admiralty Vote, unless directly taken up by India; his Lordship has stated that it amounts to 260,000 *l.* through the Navy Votes per annum; you may add about 17 *l.* a man for that item, therefore.

396. So that the 173 *l.* really comes to 190 *l.*?—Yes.

Lord *George Hamilton.*

397. I still want to get at the origin of this 205 *l.*, because it does not seem to be a mere matter of account. You charged India for the cost of the recruits, and you calculated that cost at what per head?—The first point of your Lordship's position is a little inaccurate, if I may be allowed to say so. We did not during that time charge India with reference to her recruits at all. If any one year had occurred when there was not a single recruit sent out, India would have paid us to the last farthing the same amount as she did. She paid us the settled sum founded on the number of men in India, by which it was calculated in a long series of years we could keep up the wear and tear of those forces.

398. What sum did she pay per head for recruits?—She never paid per head for recruits; the recruiting and home charges cost us during that period at the rate of 205 *l.* for every man who embarked, 173 *l.* or 205 *l.*, whichever way the Committee take it. The payments made by India on the capitation did not amount to that by 408,000 *l.* in the eight years, or 50,000 *l.* a year.

399. The amount paid by India did not amount by 408,000 *l.* to the cost of the recruits calculated at 205 *l.* per man?—Just so.

400. If you take the real cost of recruits at 173 *l.*, there is a difference of 32 *l.* between that and 205 *l.*?—The total expenditure which we are now dealing with does not vary one penny, whether by the complicated system of averaging averages we bring it to 205 *l.* per recruit, or by the simpler system we bring it down to 173 *l.* per recruit. The one starting point in both cases is the actual expenditure recorded.

401. But I want to know what has India paid per head for her recruits during those eight years?—If you take it year by year, it is 205 *l.*; if you take it for the seven years, it is 173 *l.*; identically the same base of calculation applies to the one as to the other.

Mr. *Fawcett.*

402. You mean that India actually paid 173 *l.*, and on the average 205 *l.*; and that paying those amounts she did not pay England as much as the recruits cost England by 400,000 *l.*?—Quite so.

403. So that if India had paid England on the principle

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principle that England should lose nothing, a considerable addition would have to be made to those figures of 173*l.* and 205*l.*?—No; the result of it is this, that the home charges cost us per recruit 173*l.*; India paid us per recruit 146*l.*; 205*l.* is the figure taken year by year, if each year is taken by itself; 173*l.*, if we take the whole number during the seven years; because if we send out in any one year an unusually large number of recruits, the average rate is, of course, less per recruit; and if in any one year we had sent out only two recruits, the average rate on those two recruits would have been 129,000*l.* each.

Sir *George Balfour*.

404. Let me try and see if we can unravel this confusion; you state that the net charge incurred by the War Office was 5,492,267*l.* during the years that the capitation rate was in force?—Yes.

405. And that the charge, if there had been no capitation contribution, would have been made against the Indian Government, 5,084,010*l.*?—The charges against the Government of India.

406. And you thereby lost the 408,000*l.* to which you have referred?—That is the difference between the amount we were repaid by the capitation and the amount of the home charges as recorded.

407. But the sums in that figure of 5,492,267*l.* comprise many other charges besides that for the recruit?—Yes; I illustrate that by saying how much each recruit bore on his back.

408. The difference of 408,000*l.* which you show on that statement may be due, may it not, partly to the increased cost of the recruit, but partly to various other charges independent of the recruit?—No; because the capitation was founded upon all those items during the 24 years from 1834 to 1857. There is one item I did call the attention of the Committee to, that is the increase of the pay of the soldier which took place in the year 1866–67, and added one-sixth to the pay of every man; therefore, as that was an alteration since the capitation was fixed, it threw out all the calculations.

409. The 5,084,010*l.* which the War Office received from India was intended to cover not only recruits but the pay of officers on furlough, and a variety of other charges of all kinds, was it not?—It covered everything.

410. The agreement entered into in 1861 was distinctly for the purpose of putting an end to all claims on account of all actual charges whatever by a lump payment?—Just so.

411. But out of the 5,492,267*l.* which was paid by the War Office during those years, there was only 2,666,100*l.* paid on account of recruits?—On account of the depôts.

412. One year is wanting in this statement, at page 5 of the Report, and there is an extra one in what I will call Mr. Daye's Return?—As we sat in March 1869 we could not, of course, give it for the year 1868–69; one is for seven years, and the other for eight.

413. Therefore, to compare the two accounts, I have now taken the one year away from Mr. Daye's Return, and I find that the total charge was 4,812,378*l.* to the War Office, whereas the amount received from India was 4,499,700*l.*?—I have no doubt you are right.

Sir *G. Balfour*—continued.

414. These are the results of the whole series of years, deducting the one year of 1868-69?—Just so.

415. Consequently the disbursement on account of the recruits, which you show in your Indian Committee's Report, being 2,666,100*l.*, has to be taken away from the 4,812,378*l.* of charges?—Yes.

416. Therefore the loss which the War Office has sustained by the capitation rate not being sufficient may have been caused by the increased charges which were thrown upon the War Office by the larger number of officers, for instance, who have come home and received their furlough pay, may it not?—Of course every officer who comes home on furlough pay increases the cost.

Chairman.

417. What we want to understand is how these two conclusions were arrived at from the same set of figures; can you explain this any further?—They were arrived at by the somewhat complicated system alluded to by Lord George Hamilton; we stated in each year the average cost of one recruit. We then proceeded to repeat that process for seven years; we then added those seven averages together and divided them by seven and came to another average. If, on the contrary, we had gone back to the primary elements, and added up the total number of recruits for the seven years, the result would have come out different.

418. Then the result would have been the smaller sum mentioned?—The result would have been 173*l.*; and it must come out different, unless every year exactly the same number of men are sent out.

Lord *George Hamilton*.

419. Then in reference to your previous evidence we are not to understand that India has paid at the rate of 205*l.* per recruit through the capitation rate?—Yes; she has nearly paid that, but not by so much for each recruit, but by the operation of a system which I hope I shall be able to make intelligible to the Committee, namely, the difference of men on passage to and from India. During the period up to 1857, on which Sir Alexander Tulloch's Committee founded their capitation, actual accounts of the home charges were rendered and paid by India; but that left to be considered the wear and tear of the corps that went out to India; about 1,500 men a year do not return; I do not mean that that represents the mortality in India, because there is a great item of it consisting of men who volunteer to remain after their corps have come home, and take another period of service in India. So soon as the capitation rate was introduced, it was the only source of settlement between us and India; but at that period the British force in India was enormously beyond its normal state in consequence of the large bodies of troops sent out for service in the Mutiny, and for holding India after the Mutiny. Consequently in 1861–62 a vast number of these men were returned to this country, men who under the old system would have brought to India some 27*l.* apiece. The amount in 1861–62 of that disturbing cause was 149,616*l.*, and India under the capitation rate got no credit for it; but the whole sum paid by them was on the capitation rate. Consequently, whilst

we

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we have lost 408,000*l.* during the period on our recorded home charges as compared with what India paid us, India has not paid that loss in money, but has repaid it to some extent in the men whom she would have been entitled to have had credit for, had the old system continued. (*Return handed in,* vide *Appendix.*)

420. Now, in reference to the present system, you prefer actual charges to a capitation rate?—Certainly; I proposed that plan of tariff prices fixed on actual charges to Mr. Seccombe's Committee; it recommended itself to every member, and it is the fairest and most equitable mode in which we can make our charges, to calculate what is the cost normally of a fully trained recruit, to take care, as far as possible, that none go out to India but those who are fully trained, and to charge India for that trained recruit such sum as we have agreed, item by item, to be the fair cost of raising him and training him.

421. But is it not a fact that no accounts as yet have been sent to the India Office for recruits during the past two years?—Two years' accounts have been sent, and are under consideration or audit at the India Office.

422. But does not this present system rather lead to disagreement between the two offices, the War Office and the India Office, because the natural tendency is for one office practically to include every item, and for the other to exclude every item?—I pointed out that in that case the advantage would be as usual with India, because, whilst we could not invent any item we might forget some. Every item printed there was laid before the very able accountants and financial officers of the India Office, and accepted on distinct proofs. They have since been laid before the world to be canvassed by officers and others. If any ground can be shown for altering that price current it should be altered, and I would submit that that is the only point that should be considered.

423. But would not the War Office be much more independent if they could rely on a certain sum being annually paid to them by India, and in return supply India with the necessary number of recruits?—That might be a loss to the Imperial exchequer, or it might be a gain. It would be very rough and ready, and of course easy, but it would be very unsatisfactory, and could never be the right sum.

424. But now, if the War Office wished to lengthen or to shorten the service, the amount of the recruits whom India would require varies according to the length of service?—Yes.

425. And those India has to pay, or she possibly may get the advantage of alterations in which she has no voice?—I submit to you that anyone coming to another to purchase or obtain an article has no voice in the price asked for that article. We are called upon by India to supply recruits; we have a perfect right to say what the character and conditions of the training of the recruit shall be, before he leaves this country for India, more especially because in a year or 18 months he may be returned to the general army of Her Majesty; we therefore say that he shall be a man of such and such training and qualifications, and we say to the purchaser, you shall have no word in the amount of his qualifications or training; you shall pay us a portion of the price he costs us,

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and if you do not pay that we cannot supply the article that you require.

426. That is all very well, but you may employ a very costly method of manufacturing the recruit?—No doubt; but I maintain that the purchaser is perfectly helpless in that matter.

Mr. *Onslow.*

427. According to your views, then, India has no voice at all?—We say India shall have only this voice; she shall pay what has been considered by the manufacturer the proper and necessary expense of the article, or, rather, a part of the expense. Of course to the extent that India comes to us to purchase those articles it is for her to settle; she determines the force in India, and she comes to us to buy at our price.

Mr. *Dunbar.*

428. Could she not come to any other shop?—No; there is no other shop that the Act of Parliament allows her to come to.

Lord *Edmond Fitzmaurice.*

429. England is, then, in the position of a monopolist?—She is the only depôt where the article exists.

430. Do you think it is fair to insist so much upon that, and not to consider what India, supposing it was not a monopoly, might be able to get the article for?—Certainly that should be considered, and we have done that by being satisfied at all times with a partial payment of the actual expense.

Mr. *Fawcett.*

431. But I should like to give you an opportunity of correcting what I think is an inaccuracy; you said that India came to England and asked England to supply her with recruits. Is not that a statement which is not quite accurate; was not this amalgamation of the two armies forced upon India; did she ever ask for it?—The amalgamation of the army was not the commencement of recruits for India.

432. I mean before that she could supply recruits; she had a local army of her own?—She had a small local army of her own out of all proportion to her requirements at the time this arrangement was made.

433. Still now, as a matter of fact, she is obliged to get all her recruits in this way from this manufacturer, who you say has a monopoly?—Yes.

434. As a matter of fact, your evidence would lead to the conclusion that she came and asked England to compel her to deal alone with her for recruits; is that the case?—So far as my answer may be considered in any way political, I should like it to be modified to any extent.

435. It is the fact I want?—Which was the moving power I am hardly able to say; she comes to the Commander in Chief, or any officer you like, and says, "I want a certain number of recruits;" she must pay the cost price of those, and the equity of the price demanded consists in the manufacturer laying before her inspectors a careful detail of every penny that that article cost him in manufacturing, challenging them to show that that is not the case, or that the expense is unnecessary, and then calling upon her to pay a portion of that cost price.

 436. What

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Mr. *Campbell-Bannerman.*

436. What you meant was not that India as a country came to this country and asked for certain things, but that the India Office, representing the Government of India, comes now under the arrangement which at present exists, as a matter of public policy and under the Acts of Parliament, to the War Office, and asks for a certain number of recruits?—Certainly.

437. You did not mean to go into the question of the general Imperial policy as between England and India?—No; that is quite beyond my province.

438. But merely as to the practice between the two Governments, as at present constituted?—That is all I wished to refer to, and I should be sorry for any other meaning to be given to my reply.

Mr. *Sampson Lloyd.*

439. How much more does the Queen, as Mistress of India, pay for recruits trained for Indian service than the Queen, as Mistress of England, pays for recruits used in the English service?—Not one shilling; the rule of His Royal Highness has been that every recruit passed into Her Majesty's service shall be equally well trained, whether going to India, the Mediterranean, or for home service.

440. The Queen's Government in India does not pay more for recruits for Indian service than the Queen's Government in England pays for recruits to be used in any other service not in India?—That is not quite so, because the circumstances of the climate of India prevent her from taking the manufactured article at all times of the year; she can only take it out of the storehouses at certain periods, and it must be kept in store till that period comes round, at great expense to her. But the new organisation of the army, by which the men will be available for other than Indian service, is the point on which we mainly rely to justify the modified charge now paid by India for each recruit.

441. But with the exception of sending the recruit out to India and back, if he returns, and the expense of keeping him so much longer in depôt than he would be for other service, the answer would be "Yes"?—Yes.

Mr. *Campbell-Bannerman.*

442. In reference to this subject of the relations between the two Governments, I think you have answered in the affirmative a question asked you as to India having no voice in the matter, so that if the authorities at home chose to shorten the service or lengthen it, or change the organisation, or do anything they please, India would have no voice; but is it not the case that the Secretary of State for India and the Secretary of State for War are members of the same Cabinet?—Yes.

443. And if the service of the soldier were to be shortened or any step of that kind were taken, it would be done by Act of Parliament, and would have to be submitted to the Cabinet before it was introduced; so that it is not absolutely true that India has no voice, but there is a means of consulting the separate interests of India before any step is taken?—Clearly so; India as a consumer has no voice, but the Indian Government is represented in the Cabinet, without whom no alteration can be made.

Lord *George Hamilton.*

444. I dare say you have seen the last Report of the Inspector General of Recruiting?—Yes but I have not had time to read it.

445. I want to call your attention to a short paragraph there: "Men enlisted for 'short service' may, at the expiration of three years' service in the ranks, with their own free consent, and with the approval of their commanding officer, be permitted to pass at once into the first class of the reserve, and there complete the unexpired portion of their engagement in that force." This is not a question which has been brought before the Cabinet, but that alteration would clearly affect recruiting for India?—Certainly, if it applies to men while serving abroad.

446. But does it apply to men serving abroad?—It applies only to men in this country, I think.

Mr. *Stanley.*

447. Considering that the paragraph to which the noble Lord has referred states that men may, "with the approval of their commanding officer, be permitted to pass at once into the first class of the reserve," would you not read that with a reservation that the commanding officer might have some voice in recommending it for favourable consideration or otherwise?—I should think so, and in that way it would not apply to men serving abroad.

448. It would be governed by such considerations as the place where a man was serving, and the facilities of his returning home, and so forth?—Yes.

Lord *George Hamilton.*

449. You are still strongly in favour of the present system of actual charges, as against any system of paying a lump sum, such as the capitation rate, which might be fixed on an equitable basis, and revised at given periods?—Yes, I am; your Lordship will see that the settlement of the capitation rate involves watching increase or decrease of the force in India by the most accurate returns monthly throughout the year, which returns, in practice, we find excessively difficult to obtain, and I believe I may say that during the whole period of the capitation rate the charges were never once settled on that basis. They were compelled always to be settled on give and take principles, there being mistakes traceable in the different returns which could only be reconciled by the give and take, on that principle of equity and fairness which has marked every operation between the two offices.

450. But could not Mr. Seccombe's Committee, from the actual charges at which they had arrived, also arrive at a fair basis of a capitation rate?—No; there was no element there that could have supplied that, because the cost of one recruit is no key to the problem—and a very difficult one it is—of the cost of keeping up the whole effective establishment. We found that fact so hard to arrive at that we said, instead of paying a lump sum for supplying the wear and tear of the establishment, you shall pay a fair price for every recruit you send out to keep it up.

Mr. *Campbell-Bannerman.*

451. Of recent years a good many changes have been introduced, changes of organisation, which have had the effect of lessening the charges

Mr. *Campbell-Bannerman*—continued.

charges which India ought to pay for recruits; is not that so?—For the period which we are starting with, that of Mr. Seccombe's Committee, undoubtedly that is the case. For the period prior to that the operation was entirely in the opposite direction. The introduction of arms of precision, the absolute necessity that men should not be sent out to India to go through those drills in India, but should be fully drilled before they left England, the increase of pay to the men amounting to one-sixth additional, all tended to make the expense of the recruit larger. At the time Mr. Seccombe's committee was appointed all those were taken into consideration, and in view of the organisation being in future likely to cause very great reduction of expenses, a sum of 63*l.* was accepted, in lieu of what would have been a much larger sum.

452. Take, for instance, the expense which was incurred, to which you have already alluded, in keeping a recruit at the depôt after he was trained for a considerable period while he was waiting for the draft being despatched to India, and at the other end of the operation in retaining at the depôt a useless invalid, who could not be employed for British purposes because his regiment was in India, and who could not be sent to India because he was an invalid, both of those great sources of expense have been very materially modified?—The new system of organisation is calculated to remove them altogether, and to reduce the recruit for India to the position of making him in no way more expensive than an ordinary recruit for the colonies or for this country.

453. Some questions were asked with reference to the future operation of short service. Short service will not come into operation so far as the discharge of the men from the regular army is concerned until 1876, will it?—So I understand.

454. And if it then tends in any way to complicate matters, that complication will be met by the effect of the new organisation, whereby short service men coming home with less than one year to serve will not be detained at the depôts, but will be transferred to the home battalion and will be useful for our English purposes?—No doubt the entire tendency of the new organisation is to make a man when he is in this country available for the service of this country; and the moment he is in that position the War Office ceases to have or to make any claim upon India for his cost. Whilst he was in this country only available for Indian purposes, and it was not possible to send him to the colonies or for duty anywhere else, except protecting the peace of the country, he was a dead weight due wholly and solely to Indian requirements, and equitably charged against India.

455. You are aware that in the Army Enlistment Act of 1870 a provision was introduced allowing men to be recruited for general service?—Yes.

456. The effect of that was to enable the War Office more easily to reduce that dead weight at the Indian depôts?—Yes; it might have that effect.

457. Because men could be transferred to other regiments?—Yes; men could be transferred to other regiments; within 15 months of his enlistment he could be transferred.

458. During the periods to which your examination has been confined, namely, the periods when the capitation rate existed, and the years which have already been dealt with by Mr. Seccombe's Committee, systems were in force which are now really obsolete?—Certainly.

459. There are no Indian depôts properly so called under the new organisation of the army?—When the new organisation of the army is complete there will not be any.

460. A recruit will now be enlisted for a brigade composed of two battalions?—Yes.

461. One of which may be in India and the other will always be in this country?—Yes; that is the intention of the new organisation.

462. And after a brief period of training he will be passed into the home battalion and will serve in it?—He will be passed into the home battalion in three months, I will not say to serve in it, but to be trained in it. I say so because the letter from India, which concludes the correspondence before you, treats the three months as the period for training a recruit, and states that that should be the period for which alone India should pay. But I wish to point out that he only goes to the home battalion for a further and better training.

463. But so soon as his training, consisting of the three months at the depôt, plus the balance which is required to make him a perfect soldier with the home battalion, is over, he will cease to be chargeable to India, and will become a British soldier, and will serve until he is shipped off in the draft?—Yes, India being only by our arrangement of the price current responsible for the first seven months of his service.

464. All these changes to which I have alluded, owing to the recent localisation scheme of the army, as it is called, have not yet been taken into account by Mr. Seccombe's Committee?—They have not.

465. And when you meet to discuss how the charges are to be based for the future, of course that will be a very important element in the consideration?—No doubt the leading element.

Sir *Seymour Fitzgerald.*

466. If Mr. Seccombe's Committee meets again, and reconsiders the charge which is to be made against the Indian Government, and which is at present too high, would the alteration they suggest apply to the accounts of the years 1872-73 and 1873-74?—If it could be shown that the circumstances which modified their opinion led to a lower charge, I should be the first to advise the Secretary of State for War to reconsider the accounts for the earlier period.

467. Nothing has passed which reaches the existing tariff applicable to those two years?—Nothing is immutable; the tariff price has been passed as far as it could be, officially approved by both the Secretaries of State, and confirmed by the Treasury; but as all these parties are open to any representation made for an equitable adjustment, I feel sure they would adopt one.

468. I understand you to say that the new system would, in your opinion, not justify a continuation of the charge of 33 per cent.?—Precisely so; that is the only one item, in my opinion, that would be largely affected by the new organisation; that would not be entirely swept away, because under every organisation there must be some small amount of desertion

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and deaths; but the great preponderating weight in that 33 per cent. was the fact of the man not being ready when the time came for him to go, and being compulsorily kept till he was ready to go.

469. Am I correct in understanding that after a recruit has been three months under drill he then passes into a battalion and becomes available for Imperial purposes?—No; he goes to the battalion for further drill, for the battalion drill, including the most important part of his drill, the musketry instruction; and the consequence is that he is not ready for embarkation to India, as an efficient recruit, one day earlier than he was under the former system; he still requires six months of drill, and it will be at least as long under the new system, where he is partially trained in the recruiting depôt, and finally trained at the battalion. But that man will not be the man to go out to India; that man will form the lower stratum of the battalion, and India will obtain the men from the upper stratum, being the fully trained men. Those considerations were unfortunately not before the Government of India, it would seem, when they wrote their letter attached to this correspondence.

470. Then the only direction in which you think there would be a qualification would be in reference to that which you call the dead weight?—Certainly; that would be very largely modified. It is unavoidable under the late system of regimental depôts; it vanishes with the system of battalion organisation. It is not unusual under the system which has prevailed for a man to absent himself a few days before the draft embarks. In fact, a number of men are marched down to the vessel in excess of the draft, to be ready to take the place of those who escape, and those who escape at that moment are here at India's cost for 12 months. Now they will remain in Her Majesty's troops, and not be a charge to India.

Chairman.

471. You will still have the difficulty that a draft may be wanted in India, and that you may have to send out men of 20 years of age who have not had more than a month or two's training?—Certainly, that will be a difficulty; but India gets the top stratum of the battalion at home, leaving the young men in the battalion at home, and his Royal Highness will then have a number of trained men to put his hand upon.

Sir *Henry Havelock.*

472. Is it not the case that in past years these trained soldiers have formed the draft?—In the drafts from the depôts of late years it is the case.

Mr. *Denison.*

473. As Accountant General, you of course have experience of the army in all parts of the world?—Yes.

474. You have stated quite properly that the principle is, with regard to India, that the cost of the soldier, from the first hour of embarkation to the last hour of discharge, shall be borne by India, under certain rules and conditions?—Yes.

475. Will you state in what respect that system differs from the system which prevails in Canada or at the Cape of Good Hope?—Taking Canada when there were Imperial forces there, no

Mr. *Denison*—continued.

account was kept of the cost of the regiments, as against the colony, for it was not paid by the colony; they were Imperial forces, paid uninterruptedly from Imperial revenues whilst in Canada.

476. There was not any local increased rate of pay, is that so?—They had colonial allowances, and those again were paid by the Imperial Exchequer.

477. And at the Cape of Good Hope?—At the Cape of Good Hope the same; there is a small allowance, but the men never go out of the Imperial Exchequer in those colonies.

478. There are some of the colonies, are there not, which pay the whole of their own military charges; Ceylon, for instance?—No, I think not; they pay us a commuted sum.

479. Do you know the principle of that commutation?—No; I have not been a party to that.

480. (To Mr. *Knox.*) Can you answer that question?—The Ceylon Government is supposed to bear the full expense of the whole of the force in Ceylon, including the cost of recruiting it in this country and the passage of the men out and home. Their contribution until recently was 160,000*l.* a year, but in consequence of the reduction of the Ceylon Rifles their future payment is under re-consideration.

481. And how with reference to Hong Kong and the Australian Colonies?—We have no troops in the Australian Colonies at all, and in Hong Kong we get a small contribution to the extent of 20,000*l.* a year, I think, which does not in any way repay us the cost of the force employed there.

482. India, then, is the only country which is charged on this principle of paying the utmost farthing?—Except Ceylon; Ceylon pays the utmost farthing.

Chairman.

483. (To Mr. *Milton.*) You have seen this last letter in the correspondence before us. At the bottom of page 39 are the recommendations by Lord Northbrook and the Indian Government; I should like to have your opinion upon those recommendations. The first is, "That the charge for the home depôts of regiments serving in India should be divided into two parts, the one representing the value of the presence of such troops at home and of the general service rendered by them, the other representing the value of the labour of raising and training recruits for the battalions in India; the latter may be fairly charged to this country, while the former should be borne by Imperial revenues." What is your opinion upon that recommendation?—My opinion is that that recommendation is entirely rendered futile by the new organisation; that the depôt will be entirely at the expense of Imperial revenues, and not one shilling of it will be chargeable against India beyond the expense of training those recruits that are actually sent from this country to India; the new organisation, as I have already pointed out, has the effect of rendering all these men available for Her Majesty's service anywhere; and therefore they cease to be peculiar to India, or chargeable in any way against India.

Sir *Seymour Fitzgerald.*

484. Take the case of a man who has been recruited

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recruited at 18, and cannot be sent out; he has been for two years in the battalion at home performing duties, or may be sent to the colonies; do you mean that no portion of the training of that man should be charged to the Imperial Government?—The whole portion is; if he is sent out to the colonies he never comes under Indian charge; if at the end of two years, at the mature age of 20, he is sent to India, we do not add one penny for that fact, but give her that recruit, charging her for seven months' training only.

485. But for a shorter service?—Yes; but we cannot help that, when Parliament has laid down the law as to the age.

486. Still an Imperial Government has the benefit of that man's service for two years?—Yes.

487. And you charge the full cost of training him to the Indian Government, and you put upon the Indian Government the necessity either of inducing him to re-enlist or of having out another recruit to supply his place?—Yes, that would be the fact. The honourable Member is speaking of the future, because the short service has not yet been applied to any part under the re-organisation. I was speaking more of the past; but it is clear that that point suggested by the honourable Member, and which I shall make a note of, must come before the revising committee as one of the elements, and they are numberless, of the total change of condition of the Indian recruit of what he will be in the future from what he has been in the past.

Chairman.

488. The second recommendation is, "That the charge for the cost of training the infantry recruit should be limited to three months, during which he remains at the depôt"; what is your opinion on that?—I have already stated and, I trust, shown that that is a mistake; that his training is not completed when he leaves the depôt, for he has only gone from a preparatory school to a public or bigger school to finish under better and more expensive circumstances his training till he is completely efficient.

Lord *George Hamilton.*

489. They do sometimes, however, go out with only three months' training?—There have been instances which no doubt will be explained to you by the Adjutant General or by His Royal Highness, in which, under the pressure for recruits during the last two or three years, in consequence, as I understand, of the operation of that order for men not to be sent out under a certain age, they have been compelled to send recruits who had the age but not the efficiency. But the Government of India are here arguing not upon exceptions, I presume, but upon the future system, which I submit with all due deference they have totally misunderstood.

Mr. *Campbell-Bannerman.*

490. Under the new system it is extremely unlikely, if not impossible, is it not, that any recruit should go out with only three months' training, because the recruits will be sent from the home service battalion?—I have no hesitation in saying that the system, independently of exceptions, is, that they shall not go out till they have had that full training.

Mr. *Campbell-Bannerman*—continued.

491. Not only is that the principle, but when the new system comes into operation of enlisting for a brigade of two battalions, the contingency of the necessity of sending out men with three months' training can hardly arise where you have a whole battalion to choose from, and you can send, if you like, the old men instead of the young men?—Clearly; I only wanted to guard myself against individual cases that may arise from time to time of a single man who may have had a training under other conditions, and is anxious to go out at once.

Lord *Edmond Fitzmaurice.*

492. But when they are in the home battalion, are they counted as part of the Imperial army?—Yes; as all recruits under drill are.

493. I mean they appear on the Estimates?—They do; from the very day when he enters the service a recruit is reckoned among the effectives provided for by the Estimates.

Mr. *Fawcett.*

494. When was this resolution passed about not sending out men of less than 20 years of age, which you say is responsible for the fact that men only recruited a month have been sent to India?—I have said that it appeared to me that that was the result of that resolution; I believe that resolution was passed in 1872.

495. But I can prove to you, and you are probably aware of the fact, that before the resolution was passed, in 1870–71 men were sent out in considerable numbers to India who had only been recruited a month; therefore, the resolution cannot be responsible for it?—I have no doubt that that may have been the case in some instances. Of course, in these arrangements we have not proceeded upon those facts, but upon what was laid down to be the system. The system communicated to us by the military authorities was, that as a system the men would have six months' training.

496. But as Mr. Campbell-Bannerman says, that in future you will always be able to send out men who have been recruited more than six months; I say judging from the past it does not at all follow that men will be sent out with six months' training, although you have the power of doing so, because it seems to me as far as I can discover, that there is no reason why in 1870 you should have sent out men who had only been recruited one or two months, and yet you did?—I do not know on what evidence the honourable Member states that.

497. I will bring it; can you state the contrary?—I find by a Return which I will hand in to the Committee (*vide* Appendix), that the infantry recruits in 1870-71 estimated as wanted in India were 4,273, and the number of all the recruits that could be sent was 3,225; and therefore it is clear that the Adjutant General was driven to his last man. In 1871–72 the demand was 2,570, and all that could be mustered and sent out was 2,150 recruits.

Mr. *Stanley.*

498. The Adjutant General will be able to give us that information, I presume?—Yes. (*Return handed in.*)

Mr. *Fawcett.*

499. You say that England could not help it; but

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but we are considering its bearing on the finances of India. In 1870 a great number of recruits were sent out who had only been recruited a month. Under the present system, suppose that recurs, has India any security that if a recruit is sent to her, who has only been trained a month, a demand will not be made upon her for seven months' training; it would be, would it not?—With reference to that, I would say that of course it is possible to do what I have already mentioned in Mr. Seccombe's Committee, that it might be advisable to charge India a daily rate for her recruits. By the present arrangement the charge is made upon an average of seven months; and if I am to allow India a lower charge for a man who went out in four months, I must get from India a higher charge for a man who went out after nine months.

500. I want to get at facts; now these accounts during the last two years are at present under consideration between you and the India Office, and what I understand is this, that you, as a representative of the War Office, are going to make a demand upon India to pay you for a recruit as if he had been trained seven months, although we know that in some cases he has only been trained a month?—The demand I have made is entirely conformable with the agreement with the India Office, namely, that without any names or otherwise I shall charge an average rate for the number of recruits going out.

501. Then am I to understand as a fact that at the present time India is called upon by the War Office (I am not saying whether it is just or unjust) to pay for all of her recruits as if they had been trained seven months, although some of them have only been trained one month; that is a matter of fact, is it not?—If you will say "a less period than seven months," I will say certainly.

502. We have had it in evidence that some of the recruits have been sent out with less than a month's training; those recruits will have, will they not, to be paid for under the arrangement which now exists as if they had been trained for seven months?—If those recruits embarked prior to the 31st of March 1872, we have claimed for them at the average rate.

503. And what are you going to do in future; you are going to do the same, are you not?—No one knows.

504. Then, according to that, you have been supplying India with recruits (as you say, compelling her to take them, and she must take them from you) during the whole of 1873, and up to the present time, and neither you nor India knows in the least degree upon what terms those recruits have been supplied?—Certainly; it is for future settlement, on obtaining sufficient data.

505. She is to go on buying an article, and she does not know even the principles on which she is buying?—Certainly.

506. The terms of the bargain will be referred to the representatives of the two offices, the War Office and the India Office; supposing they disagree?—I am happy to say there has been no experience of the case, but in that case it would be referred to the Cabinet that rules both.

507. In which you are aware that India has one representative, and England 15?—I am not aware of it, but it may be so.

Mr. *Onslow*.

508. In the case of an epidemic in India, which is a common occurrence, what guarantee is there under this new system that India would get trained recruits to fill the vacancies?—This question goes upon India demanding more from us than we can find. I can only say every effort will be made to supply the demand at a most reasonable cost. He must be a trained recruit when he goes out, and a very moderate charge is made for that.

509. But is there, under this system of Lord Cardwell's, any guarantee that India will get a sufficient number of trained recruits to fill up the vacancies that will occur in case of an epidemic?—I should say the guarantee there is that the Government will behave fairly to India; I, as accountant, would only charge for the number that actually went.

510. But they did not in former years, because they had not given the full training?—Because India demanded the article at all costs: "If you have not a finished article, send us the best you can," and we have constantly been obliged to put men on board ship to fill up vacancies. And another point: I think it will be found, for instance, that almost every one of these young men has been sent out solely because India represented, fairly enough, that she had got the ships; there were the berths, and they must be filled.

Mr. *Stanley*.

511. I presume you were in this position: India demanded of you, taking the strict letter of her demand, a man of 20 years of age with seven months' training, who had been enlisted for a particular regiment, and if you had not that man, complying with all the supposed conditions, you sent the best you could?—So I understand.

512. And you were obliged to do it in fulfilment of the demand?—I have no doubt that the Adjutant General or some other officer of His Royal Highness's office, will explain that that is the system under which they have proceeded uniformly.

Lord *George Hamilton*.

513. Lord Northbrook, the Governor General of India, and Lord Napier, the Commander in Chief, who are responsible for the efficiency and discipline of the army, recommend that the period of training should be reduced to three months; would it be in the power of Mr. Seccombe's Committee to take into consideration the proposed change?—I should say certainly not, because we do not know whether His Royal Highness would for one moment consent to sending such men, but I am satisfied from what has passed between His Royal Highness and myself that he would not consent to any such modification, assuming that the authorities in India were contemplating such an arrangement.

Sir *Henry Havelock*.

514. Did I understand you to mean in reference to training that that recommendation was that it should be for three months?—The charge for training is, more probably, what is meant by the recommendation of the Indian Government.

Chairman.

515. The third recommendation is, "That the items of charges which are arrived at by general averages should be supported by detailed statements

Chairman—continued.

ments showing how they are arrived at"?—Yes, we could give the fullest details. Those details were laid before Mr. Seccombe's Committee, which agreed to every figure, and there is not the least reason why they should not be published either to this Committee or to any other public authority whatever.

516. Upon that point you are in accordance with the recommendation?—Yes; they appear to require further information, and we are quite ready to give it.

Sir *Henry Havelock.*

517. Mr. Fawcett asked a question relating to this very point as to what guarantee there was that under the existing new system a supply of trained men to India would be kept up, meaning a guarantee that the men would not be sent out untrained; is it not the case that in consequence of the entire body of the home battalions being now the area from which drafts to India are made up instead of the very much smaller area formerly of the depôts, there is a perfect certainty that the full number of men will be forthcoming, and that they will be fully trained soldiers?—There is no doubt of it; in fact, the contrary consideration which has been put by an honourable Member presses us in the other direction, that the men will be so long trained that they will have lost a great part of their service, and become more expensive on that account.

518. In the correspondence now before us from the India Office a great deal has been said of the increased charge to India in consequence of the new system of two company depôts, and I observe that in the volume of the Evidence of 1873, at page 893, an item of decrease of charge to India in the year 1870-71 of 151,900 *l.*, and that is explained to have arisen from two sources: the one the reduction of the Indian establishment of two regiments of European infantry, of which you will see the cost was 136,000 *l.*; that leaves, therefore, a reduction of charge annually to India of 15,000 *l.* The reduction of charge is stated to have taken place from the reduction of the establishment of the remaining 50 regiments from 10 to eight companies, with an increased complement of privates; is not, then, this a permanent reduction to the charge against India of 15,900 *l.* annually, caused by this same regulation, that is to say, the change to two company depôts which has been complained of as causing an extra charge to India?—The charges which the honourable Member refers to are the charges of effective troops in India. The infantry in India has been reduced from 52 regiments to 50, but that does not affect the question of the two company depôts, which existed ever since 1857.

Sir *George Balfour.*

519. (To Mr. *Knox.*) The honourable Member refers to this change, that 52 regiments of infantry were serving in India in 1870, and the Secretary of State authorised a reduction to 50, with the same number of privates?—Yes.

520. Therefore we struck off two depôts in this country?—There were only 50 depôts required at home for the 50 regiments.

521. There was a very great reduction which Lord Cardwell made in the Indian army?—The Indian Government pressed very much for a reduction of military expenditure in India, and that was the mode adopted.

Sir *G. Balfour*—continued.

522. And Lord Cardwell approved of the reduction in infantry battalions on service in India from 10 to eight companies, and he then consolidated the whole of the privates of 39,000 previously scattered over the 52 regiments into 50 regiments, with the same number of privates?—Very nearly the same number of privates.

523. And therefore India, by that great reform, did effect the great reduction that the Accountant General has just observed as having been made in the military expenditure of India?—Quite so. (Mr. *Milton.*) And to that extent the observations of Sir Henry Havelock are perfectly correct, that the home charges have been decreased, whilst the number of effectives remained in round numbers the same in India.

524. (To Mr. *Knox.*) The infantry of India was reduced from 520 companies to 400 companies?—Yes.

Sir *Henry Havelock.*

525. (To Mr. *Milton.*) Then, in fact, that is a reduction in the expense to India which ought to be taken into account as against the increased expenditure of the home charge in England?—It will undoubtedly lessen the total home charges in this country.

Chairman.

526. A Member of the Committee wished me to put this question to you: In case a soldier is 18 when his period of training is finished, and he is then sent for two years to do duty in England, and at the end of two years, being 20, he is sent to India, is it the fact that India would have to pay for seven months' training of that man?—Yes, that is the present arrangement; whether the audit of the India Office will lead to an application to have that modified, I cannot say.

Sir *George Balfour.*

527. In that statement which you have got before you, in the years between 1862–3 and 1867–8, I find you received from the India Office 3,915,320 *l.* on account of the capitation rate?—Yes.

528. I make out by your own estimate of your office, prepared by your own department, you ought to have received 4,228,820 *l.*, and that you have therefore lost 313,500 *l.* short paid by India?—If the honourable Member will allow me to draw a distinction between estimate and fact, what the difference is between what we expected to spend and what we got repaid, I do not know.

529. (To Mr. *Daye.*) Have you not been in the habit, when making up your accounts, of taking the establishment in India at the calculation of 10 *l.*?—No; the number of effectives in India.

530. That you have been paid according to the effectives in India is a fact?—Yes.

531. (To Mr. *Knox.*) But your estimate is made up of what the established strength of India ought to be?—Yes.

532. And therefore that establishment would have been maintained by the War Office if the number sent out had been sufficiently great to keep up the established force?—The full establishment was of course the number which it was expected would be maintained during the year.

533. But inasmuch as that established strength

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was not maintained to the full extent, but the effectives were a very considerable number below that established strength, thereby the War Office lost the 10 *l.* per head of that diminished number?—In some years the establishment was below its strength; in some years it was quite up to its strength; in recent years it has been above its strength.

534. Do you think you will be able to prove by returns that, until the last two years when attention was drawn to the subject, the effectives have ever been equal to the establishment?—No; I think they have generally fallen short, because we are not allowed at any time to go above the establishment, and we are endeavouring to come up as closely as we can to the establishment; therefore the probability is that they are a little below.

535. Would it surprise you to learn that the strength had been 6,000, 5,000, and 4,000 men below the fixed number?—I know that it has sometimes been considerably below.

536. And that therefore the War Office have, practically speaking, lost the advantage which they might have gained by the payment for increased numbers?—We certainly did not receive payment for the full establishment, but for the reduced numbers.

537. The entire control rested with the War Office and the Horse Guards, in respect to keeping up the number. The India Office never did apply to the War Office to have the recruits sent out, but it was left optional with the War Office?—We frequently received a letter from the India Office, urging us to send out as large drafts as possible, in order to maintain the full force of the establishment in India.

538. The evidence which you have given to-day distinctly shows that you have brought down the strength of the depôts very considerably?—Yes.

539. And that the strength of the depôts now is very considerably below the strength shown at page 5 of the first Report?—Yes, very considerably.

540. Therefore, if the same measures had been taken then, to send out the recruits which have been taken of late years, or to prevent the depôts being swelled up to that extent, the cost of the depôts would have fallen very considerably below what it was?—Yes.

541. Therefore, the sum stated at page 5 of the first Report as showing the total expenditure on account of the depôts might have been very considerably diminished if that system had been in force?—Yes.

542. To whatever extent that might have been diminished, the average cost of the recruits would also have been diminished?—Yes.

543. You stated that you had now brought down the depôt strength to very nearly the strength which existed in former years, before 1857?—Proportionately.

544. Relatively with the number of regiments being no greater in India than before 1857?—Yes.

545. Will you be good enough to state what the strength of the depôt was before 1857?—The depôts before that time were merely skeleton depôts, so far as our establishment was concerned, although the actual numbers present at the depôts seem to have been similar to those that have been maintained since 1861; the establishment which was allotted to the depôt consisted then of one captain, two lieutenants, and one ensign, six sergeants, one trumpeter, and five corporals; so that it was a mere skeleton. No privates whatever were included in the establishment allotted to the depôt, but large numbers of privates were always there, that is to say, that we had to keep up a large number of men at the depôt in order to turn out the drafts annually required for each regiment, under the regimental system of enlistment. I find on looking through one year, as a specimen, that we had on the average at the depôt throughout the year something like 67 men, and, besides those, 43 men on passage; these men were counted in the establishment which was supposed to exist in India, the establishment of each regiment consisting of 1,000 rank and file; that 1,000 were all supposed to be in India, but a certain proportion of them were at the depôt or on passage. The average number during that year that were on service in India was 920, the average number on passage 42, and the average number at the depôt 67. So that although we had not an establishment allotted to this depôt, we had always on an average 67 privates there.

546. Still with that small depôt the regiments were kept singularly effective in India by that small establishment at home?—An average of 920 out of 1,000.

547. I have looked over the strength during 10 years which were given in the Army Estimate during those periods, and I will hand you a return which you can verify at leisure, by which you see that the strength in India was then closely kept up to the established strength, except on the 1st of January 1854, when the alarm took place about the war with Russia?—The actual number of men present in India I have no means of verifying, but the Adjutant General will have the means of doing so.

548. Will you take that return and verify it, showing the efficient of strength of infantry and cavalry in India from 1846 to 1854 (*the Return was handed to Mr. Knox*)?—I see no reason to doubt the accuracy of the Return.

549. (To Mr. *Milton*.) You stated several times, and very properly so, the testimony borne by Sir Alexander Tulloch with respect to the charges that should be borne by India; in fact, he was the moving spirit in arranging for fixing the capitation rate?—He was.

550. The country are deeply indebted to that able officer for his economical views?—Yes.

551. You stated also that you considered that it would have been quite impossible of late years to have kept up the depôts with less than two companies?—No; what I said was that for the pure purposes of recruiting there could be no reason for keeping up a two company depôt; that is exactly the contrary, you see.

552. Are you not aware that when the discussions took place connected with this very capitation rate, Sir Alexander Tulloch considered that in ordinary times one company was quite sufficient for the purpose of maintaining the regiment in India up to the establishment?—I think that is his evidence.

553. That therefore all this time India has been burdened with two companies instead of one company, which Sir Alexander Tulloch previously calculated upon?—India has paid for two companies, but I have no doubt upon very good reasons,

Sir *G. Balfour*—continued.

reasons, to be shown by the military authorities.

554. Still the fact is that Sir Alexander Tulloch then, having all the statistics at his command, considered one company quite sufficient to supply the recruits required by the regiments in India?—No doubt Sir Alexander Tulloch said that, and cautiously avoided all the other considerations which his Royal Highness will lay before you.

555. The data upon which Sir Alexander Tulloch proceeded were based upon half the establishment which has been kept up?—Having a very great opinion of Sir Alexander Tulloch's cleverness in figures, I should be sorry to admit that, because his views have come out so close with the double establishment.

556. Now, with reference to the weight of authority which you have given to Sir Alexander Tulloch in connection with the charges on India, are you not aware that the whole of the discussions between the India Office and the War Office were referred to Mr. Hammack, and that Mr. Hammack gave it against the calculation made by Sir Alexander Tulloch, in favour of the economical manner in which the troops of the Indian service were kept up in contrast with the cost of the troops in the Imperial service?—I am not sufficiently acquainted with those old Reports.

557. Perhaps you will refer to Parliamentary Paper 330, of 1860?—I have no doubt it is the fact.

558. (To Mr. *Knox.*) You were asked a question connected with the power of control over the military expenditure in India. Is it within your knowledge that when General Peel increased the pay of the troops in 1867 that was done without any communication with the India Office?—I cannot say so; I am not aware what communications did take place.

559. Are you not aware that the Recruiting Commission, upon which that increase took place, carefully abstained from recommending any increase of pay, but advised various reductions to be struck off?—The recommendations of the Recruiting Commission consisted of a large number of various advantages which they thought should be given to the soldier; and, instead of granting those specific advantages, the Government decided to add 2 *d.* a day to the pay of all the men in the army; the expense of the two measures amounted to about the same.

560. But still, inasmuch as the changes recommended by the Recruiting Commission carefully guarded against any increase being thrown upon the pay of the soldier in India, the departure from that recommendation necessarily threw upon India an expenditure which has been variously calculated at from 200,000 *l.* to one-third of a million?—I am not aware of the recommendation of the Recruiting Commission that the increased expenditure in India should be avoided.

561. (To Mr. *Milton.*) The tendency of those recommendations of the Recruiting Commission was entirely to avoid a direct increase of pay to the soldier?—No doubt the feeling of that Commission was, that any direct increase of the bare pay was not so advisable as the removal of a number of small stoppages, that were small in amount, but irksome and wearisome both to the soldier and to the accountants. The Government, on the contrary, thought it be better to capitalise these in the round sum of 2 *d.* a day increased pay.

Sir *G. Balfour*—continued.

562. But if those recommendations of the Recruiting Commission had been carried out, as far as you know, none of these changes would have affected the soldier in India?—I do not know at all the system of stoppages from the pay of the soldier in India.

Chairman.

563. Would it not affect the charges in this country?—It would affect the charges in this country far more than in India. Instead of abolishing stoppages, General Peel gave the soldier the extra 2 *d.*

Mr. *Fawcett.*

564. You say that you know nothing about how it affects the charges in the army in India; then the conclusion we are to draw from that is this, that changes are made at the War Office which practically greatly affect the finances of India, and there is no one there in the least degree responsible, to point out what effect it would have upon the finances of India; you say that you do not know?—I said that I did not know the system.

565. Then you could not know the effect?—I can know, as an accountant, that an additional 2 *d.* a-day must cause an extra expense.

566. I understood this, that the Recruiting Commission recommended the abolition of certain reductions that might have affected, to a certain extent, the expense of the army in India; that recommendation was not attended to, but instead of that, against the recommendation of the Commission, and without consulting India, the Secretary of State for War of the day gave a blank increase of the pay, which did produce a very great effect on the finances of India; and you say that you do not know, although you are Accountant General, what that effect was?—I was not Accountant General then.

567. Who was likely to know at the War Office what would have been the financial effect if the first recommendation had been carried out?—I do not think any immediate authority in the War Office exists on the subject. We should have had to consult the accountants of the India Office, or the Government of India. I meant that I did not know whether, for instance, there was a stoppage for sheet-washing in India. That was the character of the petty stoppages to which I was alluding.

568. I think this is an illustration of the system; one thing is proposed by a Commission which would have a certain effect upon the finances of India; that recommendation is not carried out, but another plan is adopted which produces a much greater effect on the finances of India. The first recommendation is disregarded, and another plan is adopted without any one being in the War Office to point out what the effect to the finances of India would be. Therefore, India is absolutely unprotected as far as that change is concerned?—That appears to be the logical result of your argument. Whether it is the practical one depends upon what communications took place between the Indian Government and the Home Government before that change was made.

569. Of course my object is to find out the practical result. There are three officials from the War Office here; can you produce the smallest

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smallest evidence that there was any communication made between the War Office and the India Office on the subject?—No; these communications would be made by the *Dii Majores*, the heads of the office, and not by the subordinates.

570. Then the only persons to find that out from would be the heads of the office?—Yes; the only authentic information would be obtained from them. I do not know whether it was settled between General Peel and the India Office.

Sir *George Balfour*.

571. You were not Accountant General at the time this change was made by General Peel?—No.

572. But you were Accountant General when the late increase of pay was made in the pay of the soldier, doing away with the stoppages?—Yes.

573. On that occasion there has been, practically speaking, a small increase of pay to the soldier, has there not, of about a halfpenny?—Yes.

574. That increase has also been given to India, has it not?—I am not aware of how it has applied to India.

575. Suppose you accept my statement that the increase has been extended to India, then India has also been obliged to incur a considerable increase to her military expenditure by that augmentation?—My impression is, that before that Warrant was carried out India was consulted. I know that before any Warrant is of any effect in India it is submitted by the India Office to Her Majesty; but the whole question of that Warrant was the grant of a free ration in this country. My impression is, that that had already existed in India for many years, and, if so, the leading principle of that Warrant had already been adopted by India.

576. The practical thing was, that the system at home was assimilated to what had been in force in India for a number of years?—So I understand.

577. Still there was a slight increase in order to effect that useful change in the home army?—Yes.

578. And whatever increase was given there it is probable has been given to the Indian recruits also?—It was for the Indian Government to say whether they would extend that Warrant to India or not.

579. Now I will take the 37th Regiment of foot; in 1866 it went out 699 strong; that was nearly 250 below its established strength; in the year following, I see drafts to the extent of 126 men were sent out; under these circumstances, would you think, as Accountant General, that you would charge for these 126 as recruits, or as drafts?—Recruits and drafts are the same thing.

580. What do you charge for the 699 then sent out?—The rate agreed upon for the difference of men on passage; 27 *l.* 7 *s.* for an infantry soldier.

581. You charge for men sent out in complete battalions, 27 *l.* 7 *s.*?—Yes.

582. But you charge more for recruits sent out?—Yes.

Mr. *Fawcett*.

583. What is the difference?—£.63 for the recruit, and 27 *l.* for every man as he stands in the ranks.

Sir *G. Balfour*.

584. Seeing it was the duty of the War Office to send out regiments complete in number, would you charge these drafts sent out as recruits or not?—I should charge for them as recruits sent out by the India Office, as was done.

585. Seeing that the regiments have gone out very considerably short of the numbers for a long series of years until the last two or three years, do you consider that it is quite right to charge India for all the men needed to raise up these regiments to the fully-established strength?—Yes, as drilled recruits.

Mr. *Fawcett*.

586. Is the Secretary of State for India consulted as to what the full strength of a regiment should be?—Yes, because the force is settled by the Cabinet, of which, as you have already stated, he forms one-sixteenth part.

Sir *G. Balfour*.

587. I will call your attention to the fact that the establishment of an infantry regiment in India was reduced in 1861 by 261 of all ranks, and only one officer was struck off in respect of that great reduction?—Yes.

588. About these recruits; is there no fixed period for training the recruits of the cavalry and infantry?—Yes, the whole of our proceedings were settled on that basis; we got a letter from the Deputy Adjutant General, which is printed at page 12 of the proceedings of the Committee, and is the base, in fact, of the whole of our proceedings; "Royal Horse Artillery, nine months; Royal Artillery, eight months; Cavalry, nine months; Infantry, six months."

589. Do you hold to the fact that each individual must be trained for that period before you charge the whole sum which is agreed upon, or do you consider that averages may be taken to justify you to make the charge for the men?—No; the whole principle of the agreement under Mr. Seccombe's Committee between the Indian Government and Home Government was, that the average should be taken; because it was impossible to follow out without great labour (which is money) the history of each individual recruit; it was therefore determined to ascertain what was considered an efficient recruit, and to pay for the number of recruits embarked as efficient.

590. Was it not a condition of the new arrangements, based on the discussions that took place in 1860, that the contrast was drawn between the Warley recruits and the recruits of the Imperial army, that the latter were much superior to the other, in respect to being fully trained and fit for effective service?—I believe it never was a matter of doubt on either side of the committee.

591. If therefore you found on examination that the demand which you sent in for 1870–71 and 1871–2 for men sent out to India included men who had been less than one month, and that large numbers had not been more than four months, would you still consider that these men were thoroughly trained and fit for war service?—I should certainly conclude that men who had been for one month in the army were not efficiently trained, and certainly not so efficient as if they had had six months' training.

592. Seeing the vast importance to India that the most effective men should be available and ready for war in case of need in India, is it not right

Sir *G. Balfour*—continued.

right for India to pay the full value for the soldier so trained, and that any shortcomings in respect to that training should be allowed for by the War Office?—I think if the question was of that moment to India which you suggest, the course India would take would be not to seek to recover 3*l.* 10*s.* or 7*l.* 10*s.* per man, but to make the strongest representations that the men sent out were not such as she required.

593. To that extent the proceedings of that committee are now open to examination?—Yes.

594. With regard to soldiers enlisting for service, is it not the fact that the service in India has been, as a general rule, very popular?—Yes.

575. Was it not the fact that India could always obtain recruits when the other branches of the service could not obtain them?—India, I believe, had never any very great difficulty in filling up the small force of Europeans which she raised in this country.

596. Was it not the fact that the Imperial army could always get recruits for the regiments on duty in India when they had long service in India?—I should not like to be drawn into a discussion of the effect of long service or short service upon recruiting.

597. Was not the infantry, when the mutiny broke out, filled up to the full establishment, and yet, during the Crimean War, the infantry was never within 50,000 men of its full strength?—I am not aware of the figures to which you allude.

Mr. *Birley.*

598. Is it the fact that the Secretary of State for War has the power (of course, under Her Majesty's authority) of issuing a warrant to increase the pay of troops serving in India without the concurrence of the Secretary of State for India in Council?—No, it is not. No warrant obtained by the Secretary of State for War has any validity in India; the measure contained in that warrant can only be made operative in India by the obtaining by the Secretary of State for India in Council a similar warrant from the Queen under his counter signature.

Mr. *Fawcett.*

599. But the Secretary of State for War may issue such a warrant without obtaining the consent of the Secretary of State for India, and that warrant would affect the pay of all the soldiers who are being maintained by India in England, would it not?—Yes; that would again affect the cost of the manufactured article, which I maintain we have a right to fix.

600. Could you put in for each year, say from 1860, the number of infantry, cavalry, and artillery who are in England, classed as belonging to a portion of the effective strength of the English army, who are each year maintained out of the revenues of India, I mean indirectly?—Yes; I think there would be no difficulty, say from 1853 up to 1872. There must be a modification as regards the artillery, because we have never had a separate Indian depôt for the artillery (*Return handed in*, vide *Appendix.*)

601. Are you aware that in some years, in the year 1860, for instance, there were as many as 18,500 infantry and more than 1,000 cavalry in this position?—I do not think the numbers were quite so large.

Mr. *Onslow.*

602. After your experience in the War Office, is it your opinion that when any organic change is made in the British army India should be consulted?—I am of opinion that the Indian Government is consulted in every one of these organic changes; for no organic change can be made in the army by the order of the Secretary of State for War; it must be by the Cabinet.

603. Is it the fact that when Lord Cardwell introduced this new army scheme India was consulted?—How can I say what passed between the Secretary of State for India and the Secretary of State for War in the Cabinet.

Mr. *Fawcett.*

604. I find from a Return here that the figures for 1860 were on the 1st of July 17,000 infantry and 1,200 cavalry, constituting a portion of the effective strength of the English army maintained out of the revenues of India. Therefore, what practically takes place is this, that when the Secretary for War asks the country to vote so many millions for the support of so many men, that is not after all a correct statement of the men; he gets so many millions for the support of so many men; but a portion of the army are always maintained out of the revenues of India?—A portion of the army as represented by those who embark.

Mr. *Stanley.*

605. (To Mr. *Knox.*) Of course, in the preparation of the Estimates, it is your duty to prepare the resolution voting the number of men, placed before Parliament every year?—Yes.

606. Will you state to the Committee the form in which that vote was taken before 1861, and the form in which it has been taken since that date?—Before 1861 I have stated the number of privates that were maintained in England to provide the drafts for India were not given in any establishments fixed for home service; although they existed at home, they were not included in the number of men voted in the Army Estimates. When, however, the European Local Indian army was transferred to the regular army, and the arrangements of the capitation were introduced, then establishments of privates were given to all the depôts of the regiments serving in India, and then the number of men was voted by the House of Commons by a resolution in these words, "That a number of land forces not exceeding" a given number of men ("including," a given number, "all ranks to be employed with the depôts in the United Kingdom of Great Britain and Ireland of regiments serving in Her Majesty's Indian possessions) "be maintained for the service of the United Kingdom of Great Britain and Ireland from" the commencement to the end of the financial year. Then in 1870–71 that was slightly altered, and the wording describing the Indian depôts was as follows, "including an average number of" (number given) "all ranks to be employed with the depôts in the United Kingdom of Great Britain and Ireland of regiments serving in Her Majesty's Indian possessions." Since, however, the new organisation was introduced, the number of men has been voted in the following form: "That a number of land forces not exceeding" (a given number) "be maintained for the service of the United Kingdom of Great Britain and Ireland, and for depôts for the training of re-

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cruits for service at home and abroad, including Her Majesty's Indian possessions from" one date to another.

Mr. *Fawcett*.

607. (To Mr. *Milton*.) But that does not state at all this fact; it says how they are employed, but it does not say how they are maintained; it does not bring out the fact that a portion of the men voted by the House of Commons are maintained by the revenues of India; taking the English Estimates, the Army Estimates, as produced in any year, the Army Estimates show that there are so many men constituting the effective strength of the English army, and that so much money is going to be spent upon them, but those Estimates do not in any way indicate, do they, that a portion of those men are not maintained with money voted by the House of Commons?—The same Estimate states the amount expected and estimated to be obtained from India in repayment of those men.

608. But it does not state the number of men who are maintained by India?—There are no men maintained by India; repayments are made on account of a number of men shipped to India. The whole question is whether they are paid directly or indirectly by India.

Mr. *Fawcett*—continued.

Mr. *Stanley*.

609. They are all provided for in the Estimates, and a statement is also printed in the Estimates that the money is expected to be repaid by India?—Yes.

Sir *Henry Havelock*.

610. With reference to what has been stated about the comparatively greater popularity of the Indian local service in former days, is it not the case that there were several hundreds of civil appointments in India which were open to the soldiers of the Company's service, and from which the soldiers of Her Majesty's service were excluded?—I have no information on that point, but I have no doubt of the fact.

Friday, 5th June 1874.

MEMBERS PRESENT:

Mr. Stephen Cave.	Mr. Fawcett.
Sir George Balfour.	Lord Edmond Fitzmaurice.
Mr. Balfour.	Lord George Hamilton.
Sir Thomas Bazley.	Sir Henry Havelock.
Mr. Birley.	Mr. Sampson Lloyd.
Mr. Campbell-Bannerman.	Mr. Onslow.
Mr. Dalrymple.	Mr. Eustace Smith.
Mr. Dunbar.	Mr. Stanley.

THE RIGHT HON. STEPHEN CAVE, IN THE CHAIR.

Major General Sir THOMAS TOWNSEND PEARS, K.C.B., called in; and Examined.

Major Gen. Sir *T. T. Pears*, K.C.B.

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Chairman.

611. WILL you state to the Committee what position you hold in the India Office?—I am Secretary in the Military Department.

612. You know the object of this inquiry; perhaps you would state what part you have taken in conducting the correspondence on Military Finance with the War Office?—I think I may say in general terms that in the Military Department we conduct correspondence with the War Office on questions of military organisation and equipment, but not on the details of financial adjustments.

613. Now, the Committee wish to avoid as much as possible taking you over the same ground you were taken before, on the former Committee on Indian Finance, when you gave very elaborate and valuable evidence; but I will ask you what are the main points brought under your notice in controversy with the War Office?—I think the most important point that we have had to discuss in the War Office has been that which has been so much already before this Committee, that of the charge for recruits sent to India; that involves a very large expenditure of money, and, therefore, I look upon it as the most important question that I have had to do with; but there are various questions arising from time to time between us and the War Office, which although they are not so large in their consequences are equally difficult to settle in the absence of any very broad and intelligible principle on which they should be based.

614. I will first ask you, are your opinions upon this subject expressed in the letters laid before Parliament from the India Office to the War Office?—As far as concerns the charge for the recruits for India they are expressed in them, but those letters touch upon no other points.

615. Perhaps, now, you will state your objections to the system pursued by the War Office as a matter of principle?—My objection is that the organisation and machinery by which they affirm that they procure recruits for the army in India is of such an elaborate and such an expensive character and is so organised with

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reference, not only to Indian requirements, but to the requirements of European policy, that it is not fair to charge India for the actual cost of the recruit as due to that organisation, and that was the view taken, I think, in those letters to the War Office.

616. Do you mean by that answer that India is charged with expenses which are really Imperial?—Exactly so.

617. And that if you were left to yourselves you could carry out the same results upon a simpler and cheaper plan?—Certainly.

618. Do you think that India should be considered by itself, and not with reference to its connection with England in such matters?—I think certainly so, in a great measure; but I admit that it is a difficult question, and as I said on a former occasion, I think the first thing we want, and the great thing we have always felt the want of, is a principle that should underlie all these questions of detail between us and the War Office. I think the two questions to be settled are, first, whether India ought really to be called upon to pay for the whole of the expenses involved in the maintenance of our dominion there, as I may say, by force of arms; and, secondly, if that be taken for granted, whether we should admit as the cost of the men and the material which we send out for that purpose the actual cost as given by the War Office. I think those two principles underlie the whole of these questions, and I do not think they have ever yet been fairly and fully discussed or determined. The late Secretary of State for War, Lord Cardwell, was in the habit of saying that he looked upon India as a partner with the Imperial Government in army matters. I think that most men interested in India would repudiate that principle; but the very assertion of it, I think, shows that the real principle remains to be considered and determined; it would be very desirable that it should be so.

619. You are considering the question now as a point of policy to be determined by statesmen, rather than as one of detail to be deter-

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mined by accountants?—The first question is one of policy, most decidedly. The second question is, whether when the War Office say to us, "We will give you a gun which costs us 150*l.*," we are to pay that, although we may see that they charge us in that for a very elaborate and costly machinery, establishments, and so forth, which they may require to keep up here for European purposes, and not for Indian purposes. That is the second question, whether we should pay the charge as they give it; it is the same with the recruit.

620. You have, of course, to a considerable extent, the power of regulating the quantity of men and material that you require in India?—As a general rule, I may say that we have the power of always regulating the amount of material, and generally the amount of men; but of late years it has become much more difficult to regulate the force in India. Formerly, I believe, under the Court of Directors, they never had any hesitation, if they felt that they had a regiment or two too many in India, in sending them home, and the War Office received them, and that was the end of the matter; but now the force in England being limited by the annual votes, there is always a difficulty, a very serious difficulty, in sending home men of the British army, regiments, we will say, from India to England, though we may not want them there. We experienced that difficulty five or six years ago, when Lord Mayo was very anxious to reduce the force in India, and he proposed to send home five regiments of infantry, I think, several of cavalry, and some artillery; and the War Office found it so exceedingly difficult to receive all these men and regiments that they proposed another arrangement, one of reorganisation altogether, which would save the Government of India as much or nearly as much money, but would render it unnecessary to send so many regiments home; so that we could only send two regiments of infantry home instead of five.

621. Do you mean that if you wanted to send a regiment home you would have, up to a certain point, to pay its expenses at home?—Yes; they would easily draft the men away; but I am afraid that we are still paying for certain of the officers who came home on that occasion. I am not sure that I am quite right in saying still, because the accounts are not come in, but I know that accounts are coming in, perhaps two years old now, representing charges on that account.

622. Then do those troops that are sent home in that way, and paid for by India, form part of the troops voted every year in the Estimates?—I cannot speak positively, but I think it will be found that they do. I do not examine very minutely the Army Estimates, but from what I have seen I think they are included.

623. With regard to recruiting, will you shortly state your opinion as to the advantage or disadvantage of the system which is now pursued by the War Office, with regard to sending recruits to India and the charges made for them?—Well, the advantage, for which, of course, due credit may be given, is that their system tends, professes at least, to supply men fully trained and of mature age, thoroughly fit for service in India or any foreign country; but the disadvantage is that the depôts are so widely distributed and so multiplied that we have to pay for a much larger number of officers in proportion to

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the men that we receive than we ought to pay for, or that is at all necessary. I think, in the case of the infantry branch of the service, it will be found that we have to pay the full pay at home of about 200 officers for training 3,000 men; I speak from recollection as to the exact number, but I think it is something of that kind.

624. I think we had it in evidence the other day that the charge against India for recruits had been reduced, that it had fallen from 205*l.* to 136*l.* and 63*l.*; could you give any opinion on that point?—I think that that charge of 205*l.* should be looked upon as an imaginary thing altogether. It is a delusion. It is no doubt the case that, for a certain series of years, the average charge for recruits, taking the whole cost of the depôts, was very high; 205*l.* was derived from an erroneous mode, in my opinion, of taking the average; it should have been about 170*l.*, I think; but, at the same time, it was due to the very large number of men that they retained in the depôts quite unnecessarily, and which they charged on the recruit; but it must be remembered that we did not pay that, and, if we had had to pay the charge of the depôts, long before those seven years had elapsed we should have made some inquiry into it; but that was under the capitation rate, so that the loss fell entirely on the War Office, and we knew nothing of it.

625. Have you formed any opinion as to the effect that the system of short service will have upon recruiting?—Well, the system of short service is rather an anxious question for us. We are afraid that it may lead to the necessity of relieving the men in far greater numbers than we do now; but I was in hopes that, as a set-off against that, we might save, and we shall save no doubt, something by fewer invalids coming home, and by fewer married men having to be supported out in India and fewer casualties; and we hoped that a considerable number of these men would be induced to re-engage for a longer service in India; but some late orders from the War Office, about which we are now in communication with them, have rather startled us because they seem actually to place a bar upon men re-engaging after the first six years at all, and to enable some of them, if they please, to come home after three years. That is a thing that I am afraid would lay an intolerable burden upon us; but that is now the subject of correspondence.

626. Will you state what was that order of the War Office to which you refer?—It seems to prohibit any men but those who bore a certain grade, the non-commissioned officers, or those who are likely, as they say, to make good non-commissioned officers, re-engaging; those alone as we understand are to have the privilege of extending their service beyond six years. And, again, there is another clause which enables them after three years' service, if recommended by their commanding officer, to leave the colours and be transferred to the reserve. We do not profess clearly to understand how the War Office means to work that, but it was sufficient to alarm us at the India Office; we thought if a man went out after a year's service to India, and came home after three years, it was a serious question.

627. Was it a Royal Warrant?—No; a Circular from the War Office, I believe.

628. The

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628. The Army Circular of the 1st of May is what you are alluding to?—I do not remember the date of it. We have had no reply from the War Office, but I hope that we shall get a satisfactory reply, and find that we are not right in that construction of it.

Chairman.

629. I think that your special duty, when a requisition is made by the Government of India for troops or stores, is to consider the requisition and to make application to the War Office, is it not?—My duty is to lay the requisition before the Secretary of State. If it is for men, we apply to the War Office; if it is for material, we instruct the store department to see that that material is procured generally from the War Office; the trade is open to us, but we find that it is better on the whole, more especially better for British troops, that they should be armed as uniformly as possible, and therefore we go to the War Office to procure those stores.

630. You have no complaint to make of the system of obtaining stores through the War Office, because it is a voluntary act on your part to do so or not; is not that the case?—Well, it is hardly voluntary; there are many cases in which we should be greatly hampered if we were dependent on the trade, and therefore in many cases I may say that we have no other resource.

631. Have you any complaint to make of the price which you pay to the War Office for those stores which you purchase or obtain from them?—I have myself nothing to do generally with the prices; I hear a good deal about them, and I do not think that we have anything to complain of as comparing those prices with the trade; but I must speak under correction, because it is not my business; but we have now, and have had for some time past, an inquiry going on by an intra-departmental committee as to the mode in which those prices are framed; the question as we call it of per-centages. They are in the habit of charging us (the Admiralty do the same thing) very high per-centages as representing our share in the general charges, we may call them, of the various establishments; that is to say, in addition to the material and the labour actually expended on any article, they charge a per-centage upon the whole of the establishment, and I believe even interest on capital expended at such a place as Woolwich and other places; and that makes up a very large item in the aggregate cost; and that question is now under consideration between the two departments, as to what the principle should be.

632. It is being considered by a competent committee composed of officers of both departments?—Yes.

633. Is there any other information which you would wish to give to the Committee, or any opinion, confining yourself strictly to the question of the expenses paid in England?—The only other question that we have had does not involve expenses paid in England; we have questions very often of dispute between ourselves and the War Office which do not involve very large amounts, but, as I said before, they illustrate the want of some principle as our guide. I may instance that of passages of officers proceeding to and from India; questions constantly arise, and the question itself, as a general one, is in rather an unsatisfactory state. They maintain, or have

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maintained several times, that we should pay all passages of officers who are entitled to free passage under Royal Warrant to and from India, for whatever purpose they go or come; we say (and we are following the traditions of the Court of Directors), "If you send an officer to India for your purposes as a matter of discipline and organisation, or for his own convenience, or if you bring an officer home from India for your own purposes here, you must pay and not we." That is one of the questions.

634. Is not that question reduced very much by the employment of transports?—No; because the troop ships are ours, and we do not give one of the men if he has not a claim upon us, but only one upon them, a passage on board our troop ship, unless they will pay us the full cost, which they are unwilling to do; we do not give any person a passage on the troop ship who is not entitled thereto from us on public grounds. Then there are questions of organisation which sometimes arise, and they are very embarrassing and troublesome ones; I may instance that of the promotion of all captains of artillery and engineers some time ago to be majors; we are almost helpless in a case of that kind. The Secretary of State for India, I presume, would not venture to offer his opinion upon questions of that nature as purely questions of military discipline and organisation, but all he can do is to bring to the notice of the Secretary of State for War that any measure of that kind, though it may cost him in the Imperial Exchequer very little, may cost us in India a very great deal. That was the case on that occasion of the captains being all made majors, and also in the recent reorganisation of the Medical Department; our scale of paying in India being so much higher than the scale here, the difference to us from any such measure is very much larger than to England.

635. In those cases India had to give the increased pay of the rank to all the officers that happened to be in India at that time?—Yes, it is expected that we shall; we have not done it yet with the artillery majors, but I think it likely that after a time we shall do so. We had a reason for not doing it at first.

636. Is there any other point that you wish to bring before the Committee?—Nothing else that occurs to me at this moment.

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637. Your contention, as far as I understand it, is that the present arrangements proposed by the War Office are likely to result in very greatly increased cost to India, as compared with the former ones?—If you mean in regard to recruits, yes, in comparison with the cost under the Court of Directors.

638. With more special reference to what is called the Warley system?—Yes.

639. Then it is entirely a question compounded of the considerations of cost and efficiency; they are the two elements that enter into the question?—Yes.

640. It is not a question that can be determined from the point of view of the cost alone, can it?—Certainly not.

641. You have given the very greatest attention to those matters, and I understand that the opinions expressed on the part of the India Office in these letters are such as you mainly concur in;

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in; in fact, you drafted most of these letters, did you not?—I drafted one of them.

642. Are you prepared to define the degree of military efficiency which comparatively results from the present depôt system, as compared with that of the recruits who went out to India under the Warley system?—I am not; but I believe that there have seldom been better or more serviceable soldiers than the soldiers of the old East India Company proved to be, and I speak from my own observation. I think that it does not follow necessarily that the men are better ultimately as soldiers from being drilled here than they would be if they were drilled at a favourable station in India; although they may be more efficient, and are so, perhaps, when they go out, they are not necessarily more efficient soldiers in the end.

Mr. *Fawcett.*

643. After the end of the first year you mean, I suppose?—Or the first six months after they have been trained.

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644. But does it not arise from the present system, and will it not more particularly arise from it when it is fully developed, that India will be the gainer, because, instead of drawing small numbers of under-aged and very partially trained men, by now having the whole of the battalion in England to draw from, she will be certain of receiving perfectly trained soldiers, of full age and thorough efficiency?—They were not, as a general rule, under-aged in the time of the East India Company; very few men, I think, will be found to have been under 19.

645. At this moment I am not speaking of the Warley recruits, but of the comparative efficiency of recruits that have been sent out by the system in force between 1861 and 1871 say, and those who will be sent out to India when the present organisation, which is I believe now on its trial and not fully developed, comes into full play, say next year?—It remains to be seen how they will work that, because there will be an extreme difficulty in their sending out men if they are only to be enlisted for six years in a manner profitable to us; if they do not send them out till they are matured soldiers, they will have served half their time in the army.

646. You speak under correction in that I presume, because 18 months would be the limit?—No; I thought you were speaking of getting men out of the battalion as made soldiers; if you confine it to 18 months, it will be so far a disadvantage to us that we shall have less service to get out of them before they come home.

647. At the same time you will get a man of considerably more formed constitution, and therefore taking that into consideration with the limit of age of 20 years now fixed, you will get a man much less liable to break down in the first few years of his service, and to be brought home as an invalid?—I think so; but under the present system we shall get so much less work out of him if he is enlisted at 17, which, I believe, many of them are, and we do not get him till 20, or if he is enlisted at 18, and we do not get him till 20. We want to get them, provided they are physically able men, as soon as we can.

648. But equally under the Warley system, you had no guarantee that a man who represented himself as being 18 was not 16 or 17?—I can only trust to the official reports which I have looked at, and very few indeed will be found under 18.

649. At all events, with the increased trouble given now to ascertaining that point, it is more likely that the full age will be obtained, is it not?—I believe the secret of that is that the Indian service is, and I hope always will be, very popular with the men. The Warley depôt got men more easily than the English army did.

650. Is it not the case that there was one particular feature in the Indian service, with respect to the local soldiers of the East India Company, which then existed and does not now exist, and which fully accounts for the comparative popularity of the service then; you, as having been many years in India, are aware that there were a great many, amounting to several hundred civil appointments, in the Department of Public Works and others, which were open for the soldiers of the East India Company, and not open for their comrades of the Queen's service serving with them; that was so, was it not?—I think not; I think there were not so many then as now, and now they are open to the whole of the British service, and to so great an extent that to my great surprise the Inspector General of Recruiting here mentioned that as an objection rather, whereas it seems to me to be one of the strongest inducements for men to recruit in the army, that they have these prizes in India.

651. At the same time, is it not the case that in former days, when these appointments existed in about the same number as now, they were open solely to the soldiers of the East India Company, and not to those in the Queen's service?—I am not certain; but even if it were the case the civil departments were nothing like what they are now.

652. Such as they were, the whole of those appointments were open to the East India Company, and not to the soldiers of the Queen's army?—I believe they were; I think it is very likely, but I am not sure of it.

653. You were speaking on the point of the relation of India to England, as being by some considered in the nature of a joint partnership, and that is the view taken of it in the correspondence before us in one or two of the letters by Lord Cardwell; but I was somewhat surprised to hear you say that officers connected with India, yourself amongst the number, would be inclined to repudiate that?—Yes.

654. Are you of opinion that the relations existing between India and England are not in the nature of those of a joint partnership in which the interests of both are intimately concerned?—I do not say that the interests of both are not intimately concerned, but the meaning of a partnership is that they should share alike, or rateably in all the expenses of the empire, and I say there is no instance of such a partnership as that where one partner has the whole of the power, and the other has to pay his full share of the expenses; I do not call that a partnership.

655. We have evidence in your letters that India is very actively and energetically represented by your office, so that you cannot say that one party has the power of making the other pay whatever it chooses?—Is it not so in the army?

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656. If the whole of the policy of the War Office is liable to be modified, on a consideration of your arguments, I do not think that holds good?—But I am speaking of the organisation of the army, more particularly of the organisation of the War Office and the organisation of the Horse Guards; and it has often been said that India should bear her share of those, the fact being that she has no voice in those.

657. Lord Cardwell says, does he not, that although those charges, he thinks, might be made against India, he expressly refrains from suggesting any of those being made against India, and has no intention of making them?—It is quite clear that the Duke of Argyll did not read it in that way, that there was no intention of doing so. It is not the first time that those charges have been suggested; they are rather dangerous, even as suggestions.

658. Do not you, then, think that our maintenance of our position in India, that is, through the agency of such an efficient military force as shall give no hope at all of disputing our rule there, therefore most strongly conducing to the tranquillity of the country from rebellion and to its consequent prosperity, is one which has the strongest financial importance and bearing on its welfare?—That it is of importance that we should maintain our dominion there and prevent what is called rebellion, I admit; but it does not necessarily follow that India is to pay all the expense of doing that.

659. You are probably aware that, especially within the last few months, a great deal of attention has been directed in India to the nature of this inquiry, and that it has very much been debated in all the Indian papers and discussed; you read the Indian papers, perhaps?—Not very closely; I see, of course, that they notice it and take an interest in it.

660. Do you think that while these questions as to the apportionment of charges between England and India are really under discussion, it is desirable that statements should get into the native papers which are likely to lead to the belief that there is difference of opinion here, and that there are a certain section, including, as I understand you to infer, the whole of the War Office and the Horse Guards, who are inclined to press upon India charges to which she is not fairly open, and for which there is not any proper excuse; is not this whole question at present under discussion, and is it not rather premature that statements having that tendency should be published to all the natives of India and commented upon in the native Press without the replies, as it were, on the other side being published at the same time?—Really I am not competent to form an opinion upon that; that is a matter of policy that I know nothing about.

661. In point of fact, there is a letter in this correspondence which has been published without any opportunity having been given for the answer to it on the part of the War Office to have been published?—That has been laid before Parliament I think you mean; I have nothing to do with that.

662. You state that you look with a certain amount of apprehension at some new regulations which have been issued from the War Office with regard to recruiting the army in general, which seemed to imply that soldiers may be brought away from India, after three years' or six years' service. Now, of course, when you speak of a measure in that way you have made yourself acquainted with all the provisions of that circular?—I have read the Circular.

663. But do you find anything in that Circular which prevents any soldier in India from continuing his service in India indefinitely, if you offer him proper inducements, just the same as in former days?—Yes, I do, as I read the Circular; and that is the reason that we have addressed the War Office on the subject; if they satisfactorily show that it is not so, I shall be very much pleased, but I could not read it otherwise.

664. Does not this question come under the same category as those which I have spoken of already, you giving an opinion here formed on one side of the case, when we have not had an opportunity of hearing the other side?—I do not know that it is an opinion; it is a fact; I stated that there was a clause in a certain circular which contained certain provisions, as I read it; I made no comment on them except that it may be very inconvenient to us.

665. Have you seen the statement made by Lord Sandhurst in the House of Lords on Monday last, stating that he, who you are aware has very great experience in the question, is of opinion that under the short service regulation the average length of a soldier's service in India will probably be very much about what it was in former days?—I have not seen it.

666. The point that he specially referred to was this: that now, by giving India men of more mature age, although they may have passed some of their service in England, the probabilities are that they will serve effectively a longer time than they did formerly; and also he drew attention to the fact that in former days, though the principle of service in India was long service, still from men going out young, and a variety of other causes, a very large per-centage of soldiers, immensely more than at the present time, broke down, and came home; and the conclusion which he drew from that was, that the probabilities were that under the new regulations the average length of service of the soldier would be about the same; I thought you might also have formed an opinion on that point?—I have not seen the statement you refer to.

667. Then as regards the recruits who formerly went out from Warley, their average of service in this country was about three months before they went, I think?—I presume it was about that.

668. But then that does not at all represent the full period of their training, because they underwent a long subsequent training in India when they joined their regiments?—Yes, whatever they required.

669. Whereas under the present system a soldier's whole training will be complete in England before he sets foot in India?—It is not the practice here, as far as I understand, to give all the soldiers the longer period of training; many of them we find have been embarked when they have been a month recruited.

670. You are referring to three or four years past, I suppose?—No; to the last troopship season, the last we have had returns for at all events; there are men frequently found who have enlisted one month, two months, or three months, and it must necessarily happen so; if they allow an average of seven months they can only

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only get that by sending some of the long service men and some of the much shorter service men, but we never contemplated their sending men under three months; but they have sent them under the present system many men.

671. You say the present system, but the present system is not in full operation yet?—I mean by the present system the one existing at the present day; we send 3,000 or 4,000 recruits every year.

672. You are stating, in fact, that that is partially the case with the troops embarked in January 1874?—I did not say January 1874, but I said for the last season.

673. But a paragraph in the correspondence, to which Lord George Hamilton has kindly drawn my attention, bears out what I am saying, that even so recently as January 1874 the present system had not yet come into operation, because the men embarked were about half of them young men whom you were obliged to take, because they were the only men that could be found at the depôt, and the other men were men who had served longer periods, who were taken because they were of the prescribed age; therefore, you cannot speak of the present system?—I do not know what the present system is, if it is not the system that has been in force since the Army Organisation Bill, that is to say, 1871.

674. The question before us is one of the efficiency and the cost of the system now coming into operation; all your arguments are addressed to a system long past?—But these Returns are for 1874.

Mr. *Campbell-Bannerman.*

675. Probably there is no real difference between you and the honourable baronet; the new system is in operation in one sense; but, of course, it has not begun to tell yet upon the recruits; a sufficient number of recruits have not yet been enlisted for brigade service to enable us to work the home battalion as a sort of reservoir for India; so that, although the system is in operation, it has not yet begun to tell?—I see what you mean; but, of course, we know nothing of the progress you are making with your system; it is your system not ours.

Mr. *Dunbar.*

676. Have you considered what term of service would be most advantageous to India; I mean, suppose a man went out having five, or six, or seven years to serve; have you formed any opinion as to what number of years would be the best, considering the interests of India, both as to the man's cost and efficiency?—Well, I cannot say that I have; but I am inclined to think that a short service, with a power of continuing at his own discretion, and that of the authorities in India, would be most favourable.

677. What do you mean by a short period?—I think seven or eight years, considering the time that has to be passed in this country before he goes out; and I myself, at the time the Army Bill was under consideration, proposed seven years instead of six.

Sir *Henry Havelock.*

678. And the periods proposed by the War Office Circular are, in point of fact, periods of three years, six years, and 12 years; so that the average of them is just what you say, namely, seven?—But, as I understand it, no man who is

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enlisted for six years' service is at liberty to extend it to 12, except under narrow conditions.

679. If you knew how it was worked you would know that a man is never excluded unless he is an inefficient soldier, or is likely to become medically unfit; it is obviously for the interests of the service, if he desires to keep on in the service, that he should do so?—I know nothing of how it has been worked, but in the terms of the Circular he seemed to be precluded from it, unless the commanding officer reported him as a man likely to make a good non-commissioned officer. Now, some of your most efficient soldiers may be men not likely to make good non-commissioned officers.

Lord *Edmond Fitzmaurice.*

680. I do not suppose that you would object to the description of the relations between India and England if anybody were to describe them as an unequal partnership, though you object to "partnership" alone?—No, I should not object, excepting that it would be so extremely vague that I do not think it would lead to any satisfactory conclusion.

681. By an unequal partnership, I should mean a partnership in which, although the parties to the partnership were looked upon generally as jointly and equally responsible, the real power lay with one of the parties; that, I suppose, would fairly describe what, in your opinion, is the relation between the India Office and the War Office?—That I take to be the sort of partnership that Lord Cardwell admits.

682. You were alluding just now to a passage in a letter from the War Office, in which you said that, in your opinion, the War Office reserved its right to make other charges which you would yourself consider to be of an unjust character. I presume the passage you alluded to is the one in the letter dated the 24th April 1872; it is a long passage, and I need not trouble the Committee by reading it, but I presume that is the passage at page 12?—That is the passage to which I referred.

683. And you consider that in that passage the War Office implied that they did consider that they might, under certain circumstances, attempt to charge India with other charges besides those for recruits?—Well, I should not say that they considered that they might attempt that, because they evidently did not consider that; but that we were fairly liable if they chose to urge it to those charges; that I understand to have been the meaning of the War Office.

684. In the letter in reply from the India Office I observe the following passage: "Mr. Campbell's letter further intimates that the same principle on which this charge is defended would equally justify many other charges which are not now actually made, but which it is distinctly said Mr. Cardwell reserves his right to bring forward at any future time. Of these other charges Mr. Campbell's letter furnishes a list." Does not that read as if in the opinion of the India Office it was considered quite possible that those charges might be advanced?—Yes.

685. The charge for a Warley recruit, I think, in the old times was put at 26 *l.*?—£. 27.

686. That, I suppose, you would consider on the whole rather delusive; I mean it did not include what you practically would yourself admit had

Lord *Edmond Fitzmaurice*—continued.

had been the real cost of the Warley recruit?—No; it did not include everything.

687. I hardly suppose that there is any wish now at the India Office to return to a separate system of recruiting; it is rather that it is considered that the present system may be considered on the whole good in its general idea and outline; but that the working out of the details is very unsatisfactory?—If we considered our own interests, and the efficiency of the force in India and no other points, we should certainly desire, I think, at the India Office to have separate depôts for the Indian service at a cheaper and a more advantageous mode of proceeding, as far as we are concerned.

688. Then would you, in fact, wish to return practically to something approaching the old state of things?—Yes.

Sir *Thomas Bazley.*

689. Is it your opinion that, with perfect safety to India, the charges relating to India could be reduced, I mean the whole charge in connection with the Government of India. You mentioned sometime ago, for instance, that some regiments charged to India were unnecessary, and therefore were a burden to it?—I said that if regiments were unnecessary in India there was a difficulty in these days in returning them to England and throwing them again on the hands of the Imperial Government. I did not say that there were at the present moment any surplus troops in India.

690. But is it your opinion that the general charges falling on India might be reduced by economical arrangements?—I think, as regards recruits, decidedly.

691. And in any other respect that you are aware of?—No; I cannot think of any at this moment; there is no doubt that a separate force might have been maintained in India for Indian purposes, at a cheaper rate than the present British force; but there is no prospect of that, and I, for one, do not think it desirable to revert to that.

692. Do you think that the charges incurred in this country for the government of India are equitable, from the Secretary of State down to the lowest officers that are paid, and also including the general cost of our palatial establishments?—I do not think that there is anything strikingly large or objectionable in what are called the home charges, as regards the actual government of India in this country. I have never been led to think, or to believe, that compared to the magnitude of the empire, and the revenues of that empire, the home charges for its administrations are high; but we have to speak of the charges brought against us, for certain purposes, by the Imperial Government here; and it has always been a grave question in my mind whether the British Government and the British people ought to demand the uttermost farthing from the people of India, as the cost of maintaining their dominion in India; that is the question, I think, and always have thought, which underlies the whole of these inquiries; they did not do it, as I understand, with any of the colonies; and I think we might come nearer home and find countries in which the people of those countries did not bear the whole charge of keeping them in order; that is a question for wiser and more experienced men to decide, but I think it never has been fairly faced.

Mr. *Balfour.*

693. It is universally acknowledged that the new system of recruiting is much more expensive than the old one; but, on the other hand, by sending out men of more mature years some saving is effected; I should like to know if any pecuniary estimate has been made of that saving?—I am not aware that there is any pecuniary saving effected.

694. I thought there was, because they had not to be sent home to be invalided so much?—I do not think that has been proved; it is not their being sent out of mature age which causes that, though it may in a minute degree; but it is the shorter service of the men that is supposed to lead to fewer men being invalided home. I have no doubt that is true; men who would have been invalided now come home at the expiration of their service probably.

Mr. *Dalrymple.*

695. I suppose you would admit that it is very difficult to say at what point the interest of India begins to be involved in any expenditure, because it might be said that India is indirectly benefited by anything that beneficially affects the Empire?—No doubt that might be said.

696. Apart from any recommendation that this Committee may make, is the question under consideration anywhere at present as to how far India should be relieved from the expense at present falling on her?—I am not aware that it is.

Mr. *Sampson Lloyd.*

697. Can you tell the Committee a little more in detail what charges India bears which are Imperial in your opinion; in the first part of your evidence I understood you to say that India bears charges which are, or ought to be, Imperial in their nature; will you specify them?—I do not profess myself to be in a position to define those charges; I do not think that it would be easy to do it; but what I meant to say was this, that where a charge of a recruit sent to India is obviously raised by a certain measure of organisation, which organisation is adopted with a view to European policy, to our position as a leading power in Europe, then we may take a great proportion of that charge to be due, not to Indian policy or Indian demands, but to European policy; but it is obviously impossible for me to define what that proportion is. I might say that the charge for the present organisation of the army into brigade depots, which adds so very largely to the expense of a recruit as compared with a more centralised system, seems to me to be an arrangement made with regard to the requirements of a comprehensive European policy, and not with regard to the demands of India, and that I do not think India should be charged for it.

698. From what you have said, I understand you to be of opinion that that system increases the expense to India?—Yes.

699. I understood you to say that a separate system, in your opinion, if you had it, and if you had only to look to Indian interests, would be cheaper, and, from a consideration of Indian interests alone, would be more desirable; could you at all point out to the Committee how the charges actually incurred may be more equitably apportioned?—No; I think that is a matter that must be settled by people who go into the details of those charges.

700. In fact, that there is not more to be added than

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Mr. *Samuel Lloyd*—continued.

than already exists in the correspondence before us?—No, I think not.

Mr. *Campbell-Bannerman.*

701. You said in answer to the Chairman that India, if left to itself, could carry out its arrangement for military service more cheaply?—Yes.

702. What do you mean by "if left to itself"?—I meant if they were to make their own arrangements for supplying British troops to India.

703. Where would they get the British troops?—In England and Ireland.

704. So that they would recruit in competition, or, at all events, concurrently, with the British service?—Yes, as they did before.

705. The number of recruits sent out from Warley under the East India Company's *régime* was comparatively small, was it not?—Yes, comparatively small, compared to what it would be if we had the whole force now in India to supply; about a third part, perhaps.

706. So that when such an expression is used as "recurring to the old state of things," there really is no old state of things to recur to?—There is an old system.

707. But applicable only to a very small portion of the force?—The old system might be made applicable to the whole.

708. But in that case of course the difficulty would be very much greater of raising 4,000 or 5,000 recruits than of raising 1,500, and the competition with this country's Imperial recruiting would be proportionably enhanced?—The competition would be somewhat greater, but I do not think that would be of material importance, because, as regards the recruit market, it would be merely the Indian Government recruiting a certain number of men for India, instead of the British Government, who do it now; you would not increase the number of men in the aggregate required for the army.

709. I understand you to say that it is sometimes maintained, on the part of the War Office, that it is not sufficient that the actual cost of a recruit should be paid, but that you go even further in the other direction, and maintain that even the actual cost should not be paid?—No; I do not think I have said that.

710. I think you said that was the second question which you thought deserved consideration. The first was, whether India should pay for the whole expenses of our dominion, and the second was whether she should pay the actual cost?—I put that as a question which I would leave to wiser and more experienced heads than my own. I did not say that I held the opinion you have mentioned.

711. You did not mean to lead us to infer on which side your judgment lay?—No; I am quite prepared to say what my judgment is, but I think it a very difficult question, and one to be settled by very experienced and impartial men.

712. I am not going into the theory of partnership, because it is well known that there are two strong views on that point, and I do not know that any good could be got by going into it; but you spoke of Imperial charges, and said that India was charged for expenses really Imperial; you therefore bring forward as due to India claims of an indirect nature, similar to those which the War Office put forward as due to this country, and to which you objected?—I do not understand what claims you allude to.

Mr. *Campbell-Bannerman*—continued.

713. In the War Office Letter, which has been quoted from, it is maintained that there are certain indirect charges which might possibly be considered as properly chargeable to India; and I understood you to say that you had great objections to a vague assertion of that sort being made?—Yes.

714. But do not you yourself make a similarly vague assertion with regard to these Imperial charges?—No, I do not think so. All these charges to which I object, and which I say are distributable between Indian requirements and Imperial requirements, serve in my mind to illustrate the necessity of one general rule being laid down as to whether we should be considered partners, and whether we should pay the whole of the cost of anything which is provided for us, including the expense of the organisation through which that is provided, or whether we should merely be charged what the article would cost India if it were prepared to meet India's demands alone. I instanced, therefore, the cost of the recruit. I say that if any body of men were told to raise 20,000 men for service in India here, they would set about it and do it in a far cheaper way, and get quite as efficient men as you do by a system of organisation which is adopted to sustain the position of England as a great European Power, and, with reference to the organisation of foreign armies in Europe, and which enhances the cost of a recruit generally, the cost so enhanced being thrown upon India.

715. That is merely a conjectural opinion, is it not?—It is an opinion that I think will be pretty generally admitted.

716. You are aware that the War Office has generally consulted the India Office before making any change of organisation?—Not always.

716.* As a rule, is it not the fact that, either by official communication or by personal interviews, the India Office is made aware of any change that is contemplated, and they are consulted as to how that change will affect them?—Well, there are some very important cases in which, as far as I know, there has been no consultation at all; and the fact is, I believe, that they overlook very often the mode in which it will bear upon India. Now, I may instance a case where the War Office added 2 *d.* a day to the soldier's pay, which costs us about 250,000 *l.* a year in India; but we were not asked whether we were prepared to bear that, nor were we consulted in the matter at all, so far as I know; and during the late reform in the pay of the army, brought forward in the early part of last year by Mr. Cardwell in the House of Commons, it took us all by surprise; we knew nohting about it; but we saw that it would bear upon us very heavily in India, and it did so.

717. The removal of stoppages you allude to?—The increase of the net pay by 1½ *d.* to the soldier.

718. There were no stoppages to the pay of a soldier before in India?—No stoppages for rations.

719. So that there was no necessity of consulting the India Office in order to do that?—The addition of 1½ *d.* a day to the pay in England was calculated to create a great difficulty, unless some such increase were given in India.

720. And the additional pay which was given will ultimately be met, roughly speaking, by the abolition of the re-engagement penny; are you aware

Mr. *Campbell-Bannerman*—continued.

aware of that fact?—No; nor do I think that it will be wholly met.

721. The re-engagement penny was stopped in 1870, was it not?—Yes.

722. That was a great advantage to India, was it not?—Well, I do not know; there will be very little re-engagement under the new system I am afraid. It is to our advantage in India that men should re-engage as much as possible, even if we pay them an additional penny a day; I think in your own estimates the saving of a penny a day fell far short of the cost of the measure.

723. For the moment it did, because the men who are at present in receipt of the re-engagement penny will obtain the advantages also of the increased pay, but as those men die out, the one will balance the other; the saving from the abolition of this re-engagement penny will, roughly speaking, cover the addition to the pay, will it not?—The fact is, by the very same measure I think you were doing all you could do to discourage re-engagement, so that you can hardly look upon the saving effected by the abolition of the penny a day as an advantage to India.

724. You have referred to the proposals of Lord Mayo in the Blue Book which is before us, for reducing military expenditure in India; those proposals were met by the War Office by proposals almost equally advantageous to India, were they not?—No; they were not so advantageous by any means; as a mere matter of pay it was shown that we should save at the time about the same; but there were other contingent expenses connected with the employment of regiments in India that would have effected a larger saving in the end to us; we should have dispensed with barracks and effected a variety of savings of that kind.

725. India proposed to dispense with a certain number of cadres?—Yes.

726. And that was objected to at home?—Yes.

726.* But was it not the fact that a few years previously the second battalion of the first 25 regiments had been raised expressly for Indian purposes?—I do not know; very likely.

727. After the mutiny India required an additional supply of troops, and those second battalions were raised expressly for Indian purposes, were they not?—Very likely.

728. And then the India Office asked the Home Government to reduce a certain number of those battalions, having a few years previously insisted on their being increased?—Yes.

729. Does not that bear out the statement that the Home Government is subjected to a great many difficulties and expenses on account of India, which, if the connection with India was not so close as it is, it would be relieved from?—I have not seen that the Home Government has been subject to any serious expenses; there are difficulties, and in the India Office we have fully appreciated those difficulties; but I presume that the War Office increased the army materially for the Crimean campaign, but when they fell back upon their home establishment, I imagine (I speak under correction) that they made much shorter work of their spare battalions than they would be prepared to do if we sent regiments home from India; we knew if we insisted upon bringing five or seven regiments home it could only be done by all the officers being placed on half-pay, and there was no desire to do

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so serious an injury to the service if it could be avoided; and, therefore, the scheme which the War Office proposed to produce as great, or nearly as great, a financial saving was readily accepted by us, recognising, as we did, the difficulty the War Office would be placed in.

730. The War Office scheme gave a battalion of 820 bayonets, costing 34,400 *l.* each battalion, instead of one of 790 bayonets, costing 36,600 *l.*?—Yes; but that does not give the relative saving that would have been effected by the adoption either of the proposal of the Government of India or the proposal of the War Office.

Mr. *Fawcett.*

731. But can it be proved that any regiment with 820 bayonets only costs India 34,000 *l.*?—The cost can be shown to a shilling of course, as far as regards the mere pay, but we have other expenses that are not included in the War Office estimate in India, and which they did not take into consideration; there are very large expenses connected with barrack accommodation, and family allowances and establishments.

732. That question, then, would lead to an error if it caused people to think that India gets a regiment for 34,000 *l.*; there are collateral charges?—I think I may say, that certainly that will not comprise all the cost; there is the passage out and home, and barracks, and barrack allowances, and establishments.

Mr. *Campbell-Bannerman.*

733. But referring to this correspondence in the letter signed by yourself, of the 9th of April 1870, you expressed generally the concurrence of the India Office in the proposals of the War Office?—Yes.

734. And did you find on that occasion any disposition on the part of the War Office to neglect or set aside the interests of India?—No; I cannot say that there was any disposition to set aside the interests of India, but there was an indisposition very naturally to put themselves to the great inconvenience of adopting the views of the Government of India on the subject; and we did not press it.

735. Adopting them entirely, that is to say?—Yes.

736. But there was a readiness to meet those views as far as it was possible?—I think that was inevitable; if some such scheme as that had not been put forward by the War Office to meet the views of the Government of India financially, we must have insisted, as I understand it, upon the regiments coming home, whatever it might cost; and we should then, I presume, have had to bear the half pay of the officers; and it must be remembered that we are bearing now, I believe up to the present day, some of the cost of officers who have been unprovided for.

737. You represent (and no one can do it better) the interests of India in negotiations with the War Office, and you point out to them, no doubt, as you point out here, the many respects in which you think that India suffers financially by the subsisting arrangement; but you are well aware that on the other side of the question, if this country was free from India, we could enormously reduce our military expenditure?—Yes; but you would not have nearly so efficient an army, and you would not be so great a military power; nothing will persuade me that the pos-

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session of India is not of great importance to this country, both politically and in a military point of view, as well as commercially; in a military point of view your best training ground has been India; you have 60,000 men there.

738. If we had to keep up 120,000 men instead of 180,000, surely it could be done very much more cheaply than it is at present?—I do not know that, because, as far as you are concerned, we pay the uttermost farthing, I believe, for the maintenance of the troops in India.

739. Taking the very question of recruiting, if, instead of requiring 20,000 recruits a year we required 15,000, they would be very much more easily got, would they not?—Of course.

740. It is the last 5,000 recruits who are the most difficult to find?—You know that subject better than I do.

741. If you were raising a subscription, for instance, the last 100 *l.* is the most difficult to get?—No doubt; but I may be allowed to add, in reply to that, that I think the great advantage offered by the Indian service to a certain class, both of officers and men, is a great inducement to men to enter the army; I have often used the expression that I think India is, for the British army and War Office, a sort of rich grazing-ground, turned to very good purpose very often by men who wish to get to a country where they are exceedingly well paid, and where service is very popular; it is very popular, I believe, with the rank and file; and I think there are obvious reasons; and I think it is a great advantage to the whole army that they should have such a service.

742. On the other hand, you are aware that there are many considerations per contra; that if we had only to consider our position in Europe we should adopt an organisation very much simpler and less costly; and that the difficulty in the way of all army organisation in this country is India?—I suppose not only is India so, because as long as you are a colonial power you must be prepared to employ troops in any one of the colonies where they may be required.

743. But you are aware that we do not now keep troops in the distant colonies?—Yes; but we must be prepared to send troops there in case of an emergency.

744. With reference to short service, I think you stated (from my point of view, very fairly) that it by no means follows that short service will be expensive to India?—I am in hopes that there will be some serious sets-off against it; but, as I said, no doubt we shall have to bring more men home, and to take more men out, which will be a considerable cost to us; but there are items in our expenditure which I hope will be avoided or reduced.

745–746. As a rule, under the old system, men did not stay longer than five years in India, on the average, did they?—I should doubt that very much, but I cannot speak with certainty.

747. Before short service was introduced the head-quarters stayed out 10 years, did they not?—Never so short a time as 10 years; it was nominally 10, but until very recently no regiments have been so short a time as 10 years in India, as far as I know.

Mr. *Onslow*.

748. Except cavalry?—Cavalry might, but even they have been hitherto 10 years in India.

Mr. *Campbell-Bannerman*.

749. Then there will be a saving under the new system, in not having men who have returned from India hanging at the depôts chargeable to India and useless to England, will there not?—Well, I do not see that there ought to be any great saving. These men ought never to have been allowed to hang at the depôts at our expense. I do not know whether they will be, but I believe for some time past the understanding has been that we should bear their cost for six months, and then they must either be discharged or drafted to a regiment at home.

750. In future, if they are enlisted for a brigade of two battalions, one battalion being at home, it will always be possible to post them at once to the other battalion, and India will be therefore immediately relieved?—I suppose that will depend upon whether the home battalion is full or not up to its strength. I do not know whether the War Office could take them if they were surplus; that is for them to consider.

751. You stated that brigade depôts would increase the expense in enumerating what were called Imperial charges; in what sense do you think they would increase it?—I mean as compared with more centralised depôts. You have too many officers for the purpose of providing the number of recruits that we want in India.

752. How many officers will there be at the brigade depôt chargeable upon India?—Four, I understand, and all the non-commissioned officers of the two companies, and a certain number of the rank and file.

753. The whole of those officers will not be chargeable to India, will they?—They are now.

754. The charges under the new brigade depôt system of which we are speaking have not yet been fixed?—That has been fixed according to the new brigade depôt system by that committee, under a sort of protest from the various members of it.

755. But Mr. Seccombe's Committee has not had the new brigade depôt system under consideration, has it?—They have had precisely the same system, though it may not be what you now call the brigade depôt system. The proceedings of the committee, if I remember right, were subsequent to the organisation of the brigades in England into a battalion of 12 companies at home and a battalion of eight companies abroad; and it was arranged by those committees, under something like a protest, that the officers and non-commissioned officers, and a certain number of the privates of two of those companies at home, should be thrown upon the charge for the recruits going to India. Those recruits in an infantry regiment are estimated to amount to about 60 per annum. The consequence is, as they are to be trained on an average for seven months, we have four officers for the whole year for an average number of 35 men.

756. That is not the brigade depôt system; that is the affiliated depôt system?—Well, it may be, but the charge is the same to us, unfortunately, whatever it is called.

757. That is a system which is now obsolete?—That is what we want to know; as regards the charge, we are still paying that. I do not mean to say but that the War Office may be prepared to reduce that charge considerably, but we have had no alteration yet.

758. But you speak of the system, according to which two companies of a battalion serving in India

Mr. *Campbell-Bannerman*—continued.

India were attached to another battalion serving at home?—It was more than that; they were called one regiment of two battalions; and it was distinctly explained that there were 12 companies at home (not 10 of one regiment and two of another) and eight abroad; that was the way it was organised; and then, having so organised it, they said of the 12 companies at home two shall be considered as the depôt for the battalion abroad.

759. But under the new system there will be a brigade depôt, separate from the home battalion and from the Indian battalion; which two battalions will be linked, and recruiting will take place for the two as a brigade?—Yes.

760. And it will remain, will it not, for Mr. Seccombe's Committee to determine what portion of the expense of the brigade depôt so constituted shall be chargeable to India, and what portion to the home battalion, for whose recruits it exists equally with the Indian battalion?—If the Secretaries of State determine to bring the question again under the consideration of the Committee, that will be the point to be considered.

761. It has never been under the consideration of Mr. Seccombe's Committee?—When I say the question, I mean the question of the charge for a recruit; then they will have to consider the two questions which will arise again: are we to bear a share of this depôt organisation which you allude to, or are we to consider that that organisation is adopted, as I have said before, for purposes which lead to an expense that you have no right to charge rateably to India?

762. So that when you talk of the large number of officers and non-commissioned officers for the small number of recruits for which India pays, you refer to the system which has gone on hitherto, but it cannot be predicated with certainty of the system now introduced, can it?—I can only speak of the charges which have been brought against us, which are determined, and which we are still supposed to be liable to at this moment.

763. A system which is now exploded?—You have the same system of having the two battalions linked, and the four depôt companies; I speak of what is actually in force now.

764. These are considerations which are fairly treated by Mr. Seccombe's Committee, which come under their review?—Certainly; but I do not believe that they have any authority at the present moment to re-open the question of the charge for the recruit.

765. They have only fixed it for two years, have they not?—They have fixed it for two or three years, and since then they have received no instructions, as I understand, to meet to reconsider the question.

766. But do you doubt that they will be called together again?—I have no knowledge on the subject.

Mr. *Eustace Smith.*

767. No principle of charge has been approved for the last two years?—The principle of charge was approved to last for a certain time, and since that time no re-consideration has been made, and therefore the accounts are unadjusted.

Mr. *Campbell-Bannerman.*

768. And no system of charge can be adopted without the consent of both offices?—No.

Mr. *Campbell-Bannerman*—continued.

769. And therefore, the natural thing would be to refer the matter again to Mr Seccombe's Committee or some similar committee?—I suppose so.

770. With regard to the recruiting Circular, which came out the other day, and of which you speak apprehensively, you are aware that it is a permissive Circular, that is to say, that if men are passed into the reserve after three years' service only, it is done with the consent and on the recommendation of the commanding officer?—Yes.

771. No man can claim it as a right?—No, I believe not; it is with the consent and on the recommendation of the commanding officer.

772. And have you any reason to apprehend that the War Office would work that Circular to the disadvantage of India if you pointed out how it would injuriously affect you?—No; I should think not, if it were pointed out; but unfortunately we were not consulted when it was written, and there it is, left to the commanding officer.

773. But you appear to have presumed at once that it would be worked to the disadvantage of India?—Certainly, if left as it is, because the commanding officer is not bound to think of the interests of India; it rests with him. A man comes to him and says, "I wish, having served three years, to go home," and he may say yes.

774. But the Adjutant General would have something to say that, would he not?—Not under that Circular; I should think it would rather dissatisfy the soldier if the War Office issued a Circular of that kind, and it was found to be a dead letter in India, made so at the instance of the Indian Government.

775. But the commanding officer would have to act in concert with his superior authority, the Adjutant General, before he determined what he was to do with his men, whether he passed them into the reserve or not?—I do not think it would be so, according to the terms of that Circular.

776. At all events, you have brought it to the notice of the War Office?—I have no doubt that they will look into it and prevent its acting injuriously to India.

777. You do not suppose, for a moment, that the Adjutant General at the War Office would do anything so very unjust to India as to allow wholesale transfers to the reserve to be made in regiments, creating an unreasonable charge upon India?—I should think that, if the wording of the Circular is such as I believe it to be, he would find it very difficult to interfere; and I have no reason to believe that he would of himself, viewing it as a question of military discipline, take such a lively interest in the financial affairs of India as to do for a soldier in India less than he would do, under the same circular, for a soldier in England. I presume, under that Circular, any soldier in England recommended by his commanding officer to pass after three years' service into the reserve will be, as a rule, allowed to pass into it; and, as it is a mere question of military arrangement, I presume the same thing would happen in India under the rule as it now stands, unless they were to insert a clause saying "with the sanction of the higher military authorities," or something of that kind. Then the Government of India might step in and tell the Com-

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mander in Chief that it must not be done in India.

778. I have no doubt the War Office would prevent its being done injuriously to India; but if the case were as you say, that this rule, being introduced for this country, must be made applicable to India, and would not work well there, is not that a proof of what I was saying before, that our connection with India prevented us in many cases from adopting what would be the cheapest and best organisation at home?—Very likely, if you only think of the organisation at home; but I did not say that, if the rule were introduced here, it must necessarily be introduced in India. I said, if the clause stands as now, then you must apply it to a soldier in India as well as in England; but you might have a different regulation, as you very often have for a man on foreign service.

779. Then there is only one other point which I wish to question you about; you say that a great many recruits have gone out lately with less than seven months' training?—So I am told.

780. Can you state that as a fact?—Yes; it is in that correspondence, I think, stated by Mr. Seccombe.

781. One or two instances are given?—I think there are a great many more. It has been his business more than mine to look at the numbers, but I have seen the rolls.

782. You are aware that the rule laid down by the House of Commons as to the ages of recruits going out to India caused great inconvenience for some time, and made it necessary sometimes to send out a recruit of over 20 who had had insufficient training, rather than a recruit of under 20 who had had sufficient training?—It may be so, very likely.

783. That may have been the cause to some extent of this occurrence?—Yes.

Mr. *Onslow*.

784. Could you in a few words state to the Committee how your mode of recruiting for India would be cheaper than the present mode of recruiting for India; you have merely said that you think it would be; would you give us your reasons for thinking so?—Simply because I think if you had a central depôt, one or more, as might be considered sufficient, you might recruit with a very much smaller staff the same number of men that you want. The general expenses of the depôts would be very much less. The old East India Company at Warley had about six officers generally for the whole of their recruits.

785. In fact you would revert to the old system?—Something of the same kind, centralising your recruiting authorities.

786. I put this question to Mr. Milton, and I should like to put it to you; considering that India now pays for the whole training of the recruit in England, including the transport from England to India, and considering that under the short service system a man may leave in three or in six years, coming home to England and being put on the reserve, that is on the effective strength of the English army, India pays the whole expense of the training of that man?—Certainly.

787. Therefore a great portion of the army reserve in England would be paid for wholly by India, and not a fraction of the training of that man would be paid by the English revenues?—The whole of the cost involved in making that

Mr. *Onslow*—continued.

man a soldier would be borne by India; you cannot say that the cost of the reserve would be borne by India; that would be borne by the British Government.

788. Still he would be on the effective strength of the British army, having been paid for wholly by India?—Yes.

789. I should like to know how you would propose to get stores for India in a cheaper way than they are got at the present time; I know from experience that that has been a very sore point with the Indian Government, the enormous expense of the stores sent out to India; how would you propose to get them cheaper?—I think I said, in reply to a former question, that I was not aware that there was any fault to be found with the War Office for the charges made for the stores, or that we could get warlike stores equally good at a cheaper rate.

790. I am talking of general stores?—I am afraid I could not speak on that subject.

791. I think you stated, in answer to a question by the Chairman, that the cost of sending certain officers out to India should be, in your opinion, borne by the Imperial revenue, and not by the Indian revenue; what class of officers do you mean by that?—Well, there are officers who go out under the authority of the War Office, for instance, in exchange from one regiment to another.

792. I do not know whether you are aware of this case; do you recollect Colonel Sennant going out to India in connection with scientific purposes?—Yes; he is an Indian officer.

793. But he took out a staff from England with him?—I dare say he did; it was all done at Indian expense; I think it was fair enough; he is an Indian officer, always employed in India, and India was ready to bear its share, which would not be very great, for observations of that kind.

794. It was for English purposes, was it not?—But for scientific observations of that kind the Indian Government are ready to bear their share of the expense.

795. I think they bore the whole of that?—Of the expense in India they probably might, but I cannot say for certain.

796. Since you have been in the office, has it been the practice that organic changes should be made in the army without consulting the India Office?—No, as a general rule, as far as my recollection serves me, they were sometimes discussed; but in some cases I think they would not have been unless we had heard of them, and raised some objections. There was the remarkable case of the promotion of captains of artillery to be majors, which led us into considerable cost, or will do so; and I think it will be found that we were never consulted on that at all, until it was suggested to the War Office that we heard it was going to be done, and then we had several conversations, but there was no official reference to us whatever; very likely they did not see at the time that we had anything to do with it; I do not mean to say but that the moment they find that our interests are concerned they are quite ready to discuss it.

Mr. *Campbell-Bannerman*.

797. You are constantly in communication with the Indian Military Secretary at the War Office?—You mean the Assistant Military Secretary. Constantly.

Mr. *Campbell-Bannerman*—continued.

798. So that you have every opportunity of hearing of things of this nature?—Yes, and then I take notice of them.

Mr. *Onslow.*

799. If the War Office gives you notice of these charges, is it the rule for you always to ask the opinion of the Viceroy and the Government of India as regards these charges?—Generally, if we find there is time; but in some cases there really is not time, and therefore we take it upon ourselves, and when they are going to propose a measure which we think for the interest of India we do not think it necessary to do so.

800. Without consultation with the Viceroy and the Government of India extra charges are imposed on India, even though India may not consider, *quoad* India, that these charges are beneficial?—I should be sorry to answer that affirmatively, because in all these cases they are charges that have arisen out of what the War Office and the Horse Guards consider to be necessary charges, and we are not in a position to dispute the necessity of such charges in the British military system. In the case I refer to the War Office and the Horse Guards said, after deliberation, "We will convert all our first captains of artillery and engineers into majors." We cannot say, "That is a very imprudent arrangement;" all we can say is, "It will cost us so many thousand pounds, and we hope that you will avoid it if you can."

801. Do you, or do you not, think that India should have been consulted as regards the present system of getting recruits, so that she should have given her opinion whether the present mode was beneficial to India or not in comparison with the former mode?—I do not think we could expect to be consulted on the purely military part of the question; but we may fairly be warned that a measure is under consideration, and that it will probably cost us so much more money; and then the two Secretaries of State, or the two departments, might consider the matter, and try to find out some mode of saving the Government of India from this large additional cost.

802. I think you have been in the office since the termination of the Indian Mutiny?—I have been in it since 1861.

803. Just after the amalgamation?—Yes.

804. Is it your opinion that during the time you have been in the office since India has been under the Crown, India has paid charges to which she has not been justly liable?—That depends entirely upon the point of view from which the question is seen.

805. I mean, is it your opinion and that of the India Office that she has?—There are no charges but charges of a very trifling kind, made or admitted, that could not be very fairly supported from Mr. Cardwell's point of view, of our being partners; but it leaves the great question open, whether we are partners, and ought to be charged the full cost of these things, no matter how that cost is occasioned.

806. In one of your answers to Sir Thomas Bazley you say that the home charges of the Government of India in England are not excessive. Do you mean by that to bind yourself to the opinion that the present mode of governing India in England is the best and cheapest possible?—No; I should be sorry to offer an opinion on such a subject.

Mr. *Fawcett.*

807. You have given several instances of changes being carried out by the War Office and the Horse Guards which produce an important effect to the finances of India without the Indian authorities being consulted, have you not?—I gave one or two instances.

808. You mentioned the case of the pay of the soldier being raised, which would throw an additional charge on India of about 250,000 *l.*—Yes.

809. As a set-off against that, Mr. Campbell-Bannerman mentioned the abolition of the re-engagement penny, did he not?—No; he was alluding to a subsequent change in the pay which took place last year. It was not a set-off against the 250,000 *l.*.

810. Against another change, however?—Yes. But this abolition of the re-engagement penny affords another instance, does it not, of what you were saying, that changes are carried out affecting the finances of India by the War Office and the Horse Guards, without consulting India; because the abolition of the re-engagement penny might discourage men re-engaging in India, and in that way throw an additional financial burden on India, might it not?—It might do so.

811. Is there any evidence that when the authorities at the Horse Guards and the War Office contemplated adopting, and did adopt, the short service system, they considered the financial effect on India of that change?—I think they were not altogether unmindful of it.

812. But has there ever been any document brought to light which shows that they ever even took the trouble to consider what the financial effect would be upon India; is there any official record showing that?—I am not aware of any such.

813. I have asked for any official record; I have not been able to obtain any, and you say that you are not aware of any such?—I am not aware of any such.

814. Then, after what you state, that changes may be carried out by the War Office and Horse Guards, which affect the finances of India without consulting India at all, the question of partnership may be exhibited in this light, may it not, that two people enter into partnership, A. and B.; A. takes the control of the expenses into his own hands, and says, "I will conduct the establishment on certain principles;" those principles would involve a certain expense; "you, B., shall not be consulted, but whatever the aggregate expenditure is, you, B., in the end must contribute your quota:" that is the kind of partnership between India and England, is it not?—I think, so far as regards the expenses due to the organisation of the British army, it is so.

815. Therefore, it is very different from the ordinary notion of a commercial partnership, in which it is supposed that each of the partners should have a voice as to the expenditure?—Certainly; but I do not mean for a moment that it would be convenient or possible for a department like that of the Secretary of State for India to interfere, or be consulted even, on questions of military organization.

816. I am not saying that now; but if the idea of a partnership is presented it is well, is it not, that the exact nature of the partnership should be exhibited and described; and with regard to your own opinion you think that I have not described the exact nature of the partnership incorrectly?—I think you have not.

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Mr. *Fawcett*—continued.

817. Now, you have mentioned an instance of the uncertain effect produced upon the finances of India by the present system of recruiting which Mr. Campbell-Bannerman has described, as far as I can understand, as the new brigade system; you do not know, and no one else knows, what effect that will have upon the finances of India, or what principles will be adopted to regulate the charge for India; that has not been determined, has it?—It has not.

818. Therefore it comes to this, that a change is carried out in the Indian army without actually taking the trouble to ascertain on what principle; when that change is carried out, the charge associated with it shall be borne by India?—It is a change, not in the Indian army, but in the British army.

819. Still that change will affect the finances of India; but no trouble was taken before the change was carried out to determine in what particular way the future charges of India should be appropriated?—No; and I do not think it was necessary that that should be determined before the change was carried out. When the military authorities in this country determine that such a system is desirable I think it reasonable that they should then, in communication with the Indian Government, settle a fair and proper apportionment of the charges between the two countries.

820. But suppose a certain change in the army is going to be carried out, or is contemplated, that change produces an important financial effect upon India; considering the critical nature of Indian finance (for the condition of Indian finance has been so critical, that in order to raise 500,000 *l.* it was necessaryto impose a tax, which produced a most serious amount of discontent from one end of India to the other), and considering that India is an integral part of the British empire, ought it not to be am important element in determining whether that change ought or ought not to be carried out, to decide beforehand what the financial effect will be upon India?—Certainly; I think, as far as possible.

821. Because this is quite possible, that you may conceive of some change to be carried out in regard to which there is a difference of opinion, whether, so far as England alone is concerned, it would be advisable to carry it out; but when you consider the financial effect of that change on India, it may make it very undesirable, even looking upon it as an Imperial question?—No doubt.

822. And, as I understand you, changes have been repeatedly carried out without ascertaining, or endeavouring to ascertain, the financial effect on India?—Yes; but the changes to which I allude may be divided into two classes; the one class comprises those changes which necessarily and inevitably lead to a certain charge on Indian finances, such as increase of pay and variations in the grades of officers serving in this country; but a change in the organisation of the depôts at home does not necessarily lead, and ought not necessarily to lead, to an enhancement of the charges to India.

823. But, as I understand you, it is possible that it may lead to that?—It is only possible, if the two Secretaries of State at the head of the Departments and the Treasury cannot agree upon some equitable arrangement by which a fair and

Mr. *Fawcett*—continued.

equitable portion of the charge shall be made against India.

824. But for 12 or 15 years you know, with reference to recruits, they have not succeeded in arriving at an equitable plan?—The present system has only lasted about four years; they had the capitation rate before that, and it was investigated with great care and attention, and fixed upon, what was generally considered the basis then adopted in India of paying for all its expenses, an equitable arrangement.

825. Still you did not think the principle was an equitable one?—I said that it was open to question the principle of the Indian Government paying everything that it cost us to keep India in subjection.

826. There are changes relating to the pay of the soldier of which you could at once calculate the financial effect on India; there are other changes, such, for instance, as the introduction of the short service system, of which it is more difficult to calculate, that they require a much more careful investigation to ascertain the financial effect on India; as I understand you, you are not aware that that element of the subject was even considered by the military authorities in England when it was introduced?—I think it was considered, but not officially discussed; we had a great many conversations on the subject with Mr. Cardwell, and I can safely say this, that in the conversations the probable cost to India of a shortened service was fully and frequently discussed, but it was never gone into or placed in an official shape, nor was it ever gone into very closely.

827. Was the India Office, before this short time service was carried out, or the Government of India, ever officially asked to state their opinions as to the financial effect of it; are there any despatches on the subject in existence?—I think not.

828. There may be of course conversations, but still there is this important change carried out, and the officials are never asked in an official way to state their opinion as to the financial effect on India?—I think that is so.

829. Now, coming to another very important branch of the subject to which you have alluded, you say these questions of charges may or may not be referred to Mr. Seccombe's Committee, I mean the charges under the new system "of brigade depôts?"—Yes.

830. Now, suppose they are referred to Mr. Seccombe's Committee; there are two representatives on Mr. Seccombe's Committee from the India Office, and two from the War Office?—Yes.

831. And suppose they cannot agree; they have not agreed, have they, or come to any settlement as to the principle of charging recruits during the last year?—They have not been called upon to consider that since they made their Report two or three years ago.

832. Then, according to the present plan, you are going on on a kind of happy-go-lucky principle?—No, according to the present plan, until some other charge is determined upon, that which was fixed by their Report holds good.

833. Not for the last year, does it?—Unless they determine on some other.

834. And you do not know whether they will or not?—No.

835. Therefore at the present time the affair is in an absolute state of suspense?—It is so.

836. Now,

Mr. *Fawcett*—continued.

836. Now, suppose you referred it to this Committee (this seems to me to indicate the essential principle of the Government of India), and the representatives of the India Office and the War Office cannot agree, then it becomes a question between the two Secretaries of State, and ultimately a question for the Cabinet, does it not?—I presume so; but the Secretaries of State, I believe, sometimes refer things of that sort to arbitration if they cannot agree.

837. Still it does after all come to a question for the Cabinet, does it not?—Not necessarily; I have known a case in which it was referred to arbitration, and they have agreed to accept the decision of the arbitrator, some impartial man of experience, on whose judgment they can rely.

838. Can you give me any instances of such arbitration, and state who was appointed as arbitrator?—Yes; we had a long and rather tiresome controversy with the Admiralty last year, I think, regarding the adjustment of some expenses arising out of the troop service, and we could not agree, and the First Lord of the Admiralty and the Secretary of State for India agreed to refer it to the arbitration of Mr. Stansfeld, and then his decision was immediately accepted and the matter was closed.

839. Could you mention any other instances?—No, not at this moment. There is an arbitration at present going on on some question between the India Office and the War Office.

840. You have mentioned certain charges, in reply to Sir Thomas Bazley, borne by India; I will ask you this question, but do not answer it unless you like: can you explain to me on what principle it is that the salary of the Secretary of State of State for the Colonies, and the whole of the expense of the building of the Colonial Office, and the salaries of all the clerks of the Colonial Office, are paid for by England, whereas the salary of the Secretary of State for India, and all the expenses of the India Office, the new building, and everything else, are paid for by India?—I cannot explain it by anything else than the fact, which I believe to be the fact, that the British Government paid for the troops employed in the colonies generally

841. Not now?—For all the troops that they have; India and Ceylon seem, according to the last accounts, to be the only two foreign settlements that paid anything at all approaching to their military expenses.

842. But you cannot suggest any other reason for the fact which I have put before you, except that the principle is carried out with regard to the army?—No, I can suggest no reason.

Sir *George Balfour*.

843. You have been asked certain questions with reference to recruits raised for India; was it not the fact that India could always obtain recruits when the other branches of the home army could not obtain them?—I believe so.

844. In the course of a year after those 10,000 were discharged from India, is it not the fact that there was a force of upwards of 16,000 men found in India by recruits raised in this country?—I cannot speak to the figures.

845. Still, in 1861, you are aware that upwards of 17,000 men were transferred to the service of the Imperial army?—Yes, I am aware that a large number were transferred.

846. But the exact number you leave in doubt?—Yes.

Sir *George Balfour*—continued.

847. There never was any complaint with reference to the class of men obtained for India for Indian service in former years, was there?—I think not. The only complaint I ever heard was that there were too many gentlemen among them.

848. But still they were intelligent and good soldiers in every respect?—Very much so, as far as I can remember them.

849. You are also aware that both the Recruiting Commissions, after careful inquiry, distinctly reported that, in respect to recruits, India was always well supplied?—I do not remember the Report, but I have no doubt they would say so.

850. Then, again, with reference to men re-engaging for service in India, it has always been the practice and always been easy to obtain any number of men to volunteer for further service from regiments going home to regiments remaining in India, has it not?—Yes.

851. And by payment of a small bounty India was able thereby to save a large expense on account of passage?—Yes.

852. A question was asked by the honourable Member for Stirling as to the fact of 25 battalions having been raised when the Mutiny in India broke out; do you think it just to say that India ought to be charged with that large increase, seeing that during the whole war in the Crimea England only had 105 battalions, with an established strength of 170,000 infantry, whereas, in the Indian Mutiny the force never came up to 140,000 men and officers, and yet 25 battalions were forthwith formed?—I do not quite understand the object of the question.

853. The object of the question is to see whether India ought to be charged now for the large augmentation to the army which took place in 1857, namely by adding to its infantry 25 extra battalions?—But India never has been charged for anything but the troops, as I understand, that were serving in India.

854. I did not mean charges in the way of expenses; but the statement was, that in consequence of the Indian Mutiny, England was obliged to add to her army to the extent of 25 battalions?—No doubt the addition of a large number of troops, whether for a rebellion in India or a war in the Crimea, would lead, when their services ceased in this country, to considerable embarrassment in disposing of them.

855. But if the war was carried out in the Crimea with only 105 battalions, with a larger force of infantry than was maintained during the Mutiny, it does not seem right to say, does it, that the Indian Mutiny was the cause of that number of infantry battalions being increased?—I assume from what Mr. Campbell-Bannerman said that they were raised at the time, and for service in India. As I understand, he merely stated the fact, to show that the breaking up of regiments after the Mutiny was quelled led to considerable embarrassment to the War Department here.

856. With regard to the depôts; can you remember how many changes in the depôt establishment have taken place since the Crimean war, in connection with Indian service?—No, I cannot say.

857. You remember the depôt strength of 15 officers and men maintained at home before the mutiny for every infantry regiment in India, for supplying recruits to the battalion in India?—I do not remember that.

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Sir *George Balfour*—continued.

858. You remember that when the mutiny broke out they forthwith raised the depôts to 221 men and officers?—I remember that they were augmented.

859. Do you remember that in 1861, at the urgent request of the India Office, the War Office and the Horse Guards diminished the depôts to 121 men and officers?—I remember there was some correspondence on the subject, but I could not speak at this moment as to the actual figures.

860. Still you remember, at the time you entered the India Office, there had been a great reduction?—Yes.

861. Then in 1870 another reduction took place in the establishment of the depôts, did it not?—I think that was during the existence of the capitation rate.

802. It was at the close of the capitation rate?—Then almost immediately after the close of the capitation rate came the new organisation of having with every allied battalion two companies to form the depôt of the battalion in India.

863. And the strength of those companies was somewhat reduced then, was it not?—We did not trouble ourselves about the strength of the companies; we merely considered and determined how much of that strength should be charged to India, and, as I said before, the strength that was to be charged to India was the whole of the officers, the non-commissioned officers, and, I think, nine privates.

864. In the course of your evidence you referred to the former idea about India bearing certain charges of a general nature, the Commander in Chief's pay and other general charges?—Yes.

865. Is this the letter to which you referred, a letter dated 24th January 1861, and addressed by Sir Alexander Tulloch to the War Office, containing this passage: "That Indian revenues should be made, in respect of depôts and recruits, to bear a portion of the general, commissariat, medical, and ecclesiastical staff of the army of the United Kingdom; also of the expense of military prisons, of the offices of the Secretary of State for War, of the Commander in Chief, and of other military departments, and of Chelsea and other military hospitals"?—I was alluding, I believe, to that correspondence, not to that particular letter; but I remember only that Lord Herbert, who was, I think, Secretary of State for War at the time, said he would waive those charges in consideration of the value to England of the services of the men at the depôts."

866. Still that is the instance to which you referred, at all events; the charges are of that character?—Yes.

867. And are these the charges to which you referred in that letter to the War Office as excessive charges?—They are not precisely the same as those mentioned in the correspondence recently laid before Parliament; some may be the same, but they are equally of a general character.

868. And it is these charges that there is so strong an objection to India being in any way made liable for?—Yes.

869. You have mentioned that you think that those charges which are Imperial, in connection with the raising of recruits, should not be borne by India. You are aware that the Governor General of India has also made that same suggestion?—I am aware that in a recent letter Lord Northbrook has made a suggestion of the same kind.

Sir *George Balfour*—continued.

870. Do you think it is possible to divide the charges in such a manner as to enable the War Office and the India Office to come to a satisfactory settlement; I refer to the division which the Governor General of India in Paragraph 30 of his Despatch suggests?—I do not think it would be possible or reasonable to attempt to divide the charges upon any arithmetical principles; but I think a few experienced and impartial men might take the question, with all these details before them, and might, considering the relative position of the two countries, then fairly be expected to arrive at a sound and equitable conclusion as to what ought in fairness to be charged to India, and what ought not.

871. But you have no data at the present moment to suggest to the Committee by which this settlement could in future be effected?—No.

872. There was some confusion in reference to the charge for recruits which at present exists. Is it not the case that the demand which has been sent in for two years is based upon calculations made during the time that the capitation rate was in existence?—I am not aware that it is; as I am not a member of the Committee, I cannot speak with certainty, but I believe that most of the calculations contained in their Report are made on the actual facts at the time; they took the various charges involved in the soldier's pay and maintenance, and recruiting expenses at the time at which they were considering that; but as I am not a member of the Committee, I cannot speak with any certainty on the subject.

873. Still those charges have been calculated out in regard to the number maintained in these depôts from year to year?—I do not think that the charges which the committee arrived at, and which are the last charges that have been determined, had any reference to the number of men from year to year retained at the depôts, because the Committee will find, if they look at the Report of that Committee, that instead of taking any particular number of men as actually retained at the depôts, they took an arbitrary number for whom the charge should be made, and no more; they took the pay of four officers, all the non-commissioned officers, and nine men; that was to constitute the whole of the establishment of the depôt for which India was to be liable; therefore it had no reference to the number of men that may have been retained at any former time in the depôt.

874. Will you kindly glance at page 5 of the Report of Mr. Seccombe's Committee, and see whether you have answered consistently with the fact?—I do not think the statement on that page was taken into consideration at all; it was merely a Return for information; but I do not think it will be found to have affected the charge they thought should be made prospectively for a recruit. This was to show them what had actually been expended on the depôts before; but I do not think it formed a basis of calculation for the future.

875. Is not that average of 205 *l.* which you see in the Return there the average to which you referred in the evidence, and objected to?—I referred to this with reference to that statement, and I think I said at the time that this state of things existed whilst the capitation rate was in force, that we had nothing to do with the depôts ourselves; that they may have cost the War Office 205 *l.*, but did not cost us that; we were

paying

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paying so much as a capitation rate for every man in India; but when Mr. Seccombe's Committee came to consider afterwards what should be the prospective charge for the recruit, they took no cognizance whatever of that cost of 205 *l.* during that time; that has not served, as far as I see at all, as a basis for their calculation.

876. But is it not the fact that the Committee from these calculations distinctly stated that India, so far from being overcharged by being charged 63 *l.*, ought to have been charged much more if the actual expenses of the depôts had been taken as the basis?—I do not remember the Committee saying so. It is some time since I have read their Report, but it is very possible they may have said so, and it would be quite true that if the actual expense which the depôts have cost the War Office were charged to us, it would be much more than is now charged; but that was apparently owing to some mismanagement in retaining a large number of men at the depôts; but the estimates now made of 63 *l.* for the infantry, and 136 *l.* for the cavalry, are based on the calculation of the actual cost of the recruit, and the actual cost of the two depôt companies at the time being, and here is the estimate given.

877. But seeing that they must have had data before them to arrive at that cost of 63 *l.* for an infantry recruit, and 136 *l.* for a cavalry recruit, and that those data were based upon the mismanagement connected with the retention of large numbers at the depôts, the expense to India has thereby been swelled to an unusual degree?—I do not think any of the items in this estimate of the present cost of an infantry recruit would be found to have been drawn from that statement, which showed that each recruit cost 205 *l.* They are all personal, individual charges, which can be known. They are quite irrespective of any management or mismanagement. There is the pay, there is the beer money, marching money, and all that sort of thing which attaches to the individual soldier; and therefore I do not think it depended at all upon the result of the management of the depôts by the War Office between 1861 and 1867, which is given at page 5.

878. What was the agreement, with reference to the capitation rate, at which infantry and cavalry soldiers should be paid for; how many months were they to be under training?—I do not remember; I think it was six. That was in General Tulloch's Committee, I presume.

879. But the capitation rate was fixed in reference to the period of detention in the depôts at home for the purpose of the men being perfectly trained?—No doubt.

880. Have you ever been able to ascertain whether that training was given to the soldier during that time?—No; we have no means of knowing, inasmuch as we were living under a capitation rate, which relieved us from all responsibility connected with the detailed working of the home establishment. We had no right to look into those details. We said, "We will pay you 10 *l.* a man for every soldier in India, and for that you must give us the number of recruits that we want from year to year."

881. They were to be perfectly trained recruits, were they not?—Yes, no doubt.

882. And do you happen to remember the

Sir *George Balfour*—continued.

number of months' training for an infantry or cavalry soldier?—I do not.

883. Perhaps you could ascertain it?—Yes, I could from the War Office, but we have not got it at our office.

884. Since the capitation rate has ceased, India is now charged for the recruits according to fixed rates, which charges must be paid for two years or longer, until such time as a new rate is agreed upon?—I believe the agreement was that it should last for three years, and I do not think it is said that if no new agreement is come to that should hold good, it would have to be settled between the two Secretaries of State. It was to be open to revision, and has not been revised yet.

885. Has the War Office sent in any demand for claims on account of the recruits since the capitation rate ceased?—They have, I believe, for the first year or two.

886. Have you been able to ascertain what charges they made for these recruits, and what number?—Yes; they charge us this lump charge of 63 *l.* for an infantry man; but they are subjected now to a close scrutiny in the India Office on the part of the auditor and others; they found that they had reason to object to a certain class of men sent out as recruits who were so much older soldiers that they had no right to charge for them. These things occupy a considerable time in scrutiny, so that I do not think any of the claims actually passed.

887. Are you aware whether recruits sent out for which the charge has been made by the War Office have gone through the regular course of drill which will make them efficient soldiers on arriving in India?—We know that some of them, in the case of the infantry, have not gone through the complete course. With regard to the cavalry, the number is fewer, and I cannot speak with certainty. With regard to artillery, all of them seem to have done so, because they make a separate charge for men who have gone through the whole riding course, and those who have not.

888. Perhaps you will ascertain, before next time, the period which men have been at drill and exercise before going out to India, both in the cavalry and infantry?—In regard to the infantry there is a statement in Mr. Seccombe's letter in that correspondence. I think the War Office would give that evidence better. I should, of course, be very glad to get it if it is wanted, but as they manage the depôts and send the men out, they could, of course, give it at once.

889. If you should have it at the India Office, perhaps you would place before the Committee some statements showing the period of service, the period of drilling which the recruits have undergone of late years before going to India?—We have very complete rolls, which I called for some time ago from the Horse Guards, which show us all that; but in that letter of Mr. Seccombe's I think there is an analysis given.

Mr. *Stanley*.

890. I suppose you could only give us at second-hand any return as to the amount of time of drill for the recruits; you would get it from the Horse Guards?—We could only get it from the Horse Guards; but as regards the infantry, and the cavalry, too, in fact, we do get returns for financial purposes, showing when a man enlisted, and

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when he embarked; but we do not know, out of six or eight, how many of those the man was riding.

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891. Still, if they have not been more than three or four months enlisted, they could not have had more than that amount of drill?—Certainly not.

892. You mentioned that Lord Mayo's proposal was for the purpose of reducing five regiments, and that only two regiments were reduced?—Yes, of infantry.

893. Still there was a reduction of two regiments of cavalry?—Yes.

894. You are also aware that the War Office on that occasion also effected a very considerable economy in reducing the regiments of cavalry from seven to six troops, and the infantry from 10 companies to eight companies?—Yes.

895. And thereby India was spared no less than two complete regiments of cavalry, making total troops reduced, 23 troops in all?—I do not remember in the cavalry, but in the infantry, although they threw the 10 companies into eight, the number of fighting men remained nearly the same; the officers were reduced, and that constituted the essence of the financial measure.

896. Were not the infantry also reduced from 500 companies to 420?—The officers were reduced, but the men were merely thrown into the other companies.

897. That was the essence of Lord Mayo's plan, not to reduce the number of men, but to reduce the number of regiments by making them larger?—Yes; he wanted to reduce regiments.

898. The modification of that by the War Office plan was to reduce the number of companies and troops in each regiment throughout the extent of the service?—Yes.

899. And India was thereby supposed to have been benefited to the extent of half-a-million?—It was a considerable saving, not quite so much as Lord Mayo anticipated, but nearly; and we have to bear the cost, and are still bearing it, of the reduction and absorption of the officers.

900. You do not think you are yet free from that charge of the officers brought home?—No.

901. You made no objection at that time to that charge being borne by India for the officers who were reduced, did you?—We said that if the regiments were brought home we would bear the charge until the officers and men were absorbed into the home establishments; it was a clear saving, and we had every reason to hope that the War Office would dispose of the officers as soon as possible.

902. We have had many changes connected with the organisation of regiments in India, from eight companies to nine, and 10 and 12 companies, have we not?—Yes; there have been many changes.

903. Do you recollect any instance in which India was consulted, of late years, especially with reference to these changes in the regiments; I mean have the authorities here been consulted?—I cannot say whether in changes of that nature the authorities of the India Office have been always consulted; in fact, since I have been in office this change is the only one of the kind that I remember; previously to that there were changes occasionally made in the strength of regiments and their organisation; but we were only consulted on this occasion in so far that it

Sir *George Balfour*—continued.

was put before us as an alternative scheme to the proposal of the Government of India; therefore we were consulted in it.

904. But you remember the instance wherein the War Office reduced the strength of regiments by 261 non-commissioned officers and men, and the officers only by one?—I do not remember that.

905. Perhaps you will kindly refer to the correspondence that took place in 1861 connected with the question?—It will have been before my time probably; I will look at it.

906. Having few regiments in India of a considerable strength, instead of many regiments of a small strength, was one of the modes by which military expenditure in India could be kept down?—Certainly; the most economical organisation is that of having few regiments at a high strength; but that has always been objected to by the military authorities in India beyond certain limits, as rendering the regiments unwieldy, and they greatly object to the practice of dividing regiments for outposts, and so on.

907. But it is with reference to those that the mere pay of the non-commissioned officers and men forms but a small fraction of the total cost of a regiment?—Well, it is not so large a portion as might be supposed. I do not know that we should call it small at this moment; I cannot say; but I think the pay of the commissioned officers of a regiment alone is about one-third of the whole cost; but I am speaking from recollection.

908. But you are aware that the cost of the officers themselves is a much larger charge than the cost of the men?—In the infantry the pay is about the same.

909. And therefore with fewer regiments in India, but of a higher strength with a diminished number of officers, the charge for officers will be less?—Yes.

910. Therefore, seeing the great importance of diminishing the number of officers, the change in 1870, whereby officers were considerably reduced, was one mode by which the War Office succeeded in effecting economy in India?—No doubt.

911. Now with regard to the stores, you mention that the expense of stores is considerable; but it depends mainly, does it not, upon the demands of India?—Entirely.

912. And although the cost of stores has increased of late years, it is entirely owing to the quantity that has been demanded, and the new description of stores that has been required?—Yes.

913. Now, with regard to the War Office expenditure, you thought there were some charges in the manufacturing establishments of the War Office which need not be charged against India?—I do not think I said so. I said that it was one of those questions which would arise out of what I consider to be one of the fundamental questions, whether we should bear a share in the maintenance of the large Imperial establishments, thrown upon each article as it is turned out from those establishments and manufactories; and it may be a fair question to put before experienced and impartial men whether that should be done. Their principle now is, as I have no doubt most of the Committee know, to charge upon every article, such as a gun, a per-centage upon the whole of the establishments; superintendence, interest

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interest on capital, maintenance of buildings, and everything of that kind; and in itself, as a matter of business, it is a fair enough way of apportioning the charge to any purchaser. But there is now a committee sitting to investigate the whole question of these per-centages, and it remains to be seen what the result of their deliberations may be.

914. In another committee which I am sitting on the per-centages were different altogether from what the War Office is charging?—They are different per-centages, but the principle is the same, in my opinion. Some people think that between two branches of the same empire the only charge should be the actual cost incurred by the manufacture of the article, which would not have been incurred if that article had not been supplied. Others think that India should be dealt with by the War Office and Admiralty as any purchaser would be dealt with by a manufacturer, and pay the full cost of the article, including per-centages, upon the whole of the superintendence and the capital.

915. If you could come before the Committee another day perhaps you would look over the Reports upon the manufacturing establishments of the War Office, and see what items there are there which you think might be omitted from the charges against India?—I am not prepared to say that there are any. I think, upon the assumption that we ought to be dealt with as ordinary purchasers going to an independent firm, all their charges are fair and usual. The charges will be found very clearly stated in the Report of the committee over which Sir James Fergusson was the chairman, on the supply of stores to India, and there we see what was the War Office charge.

916. You do not object to the three and a half per cent. being charged upon the capital employed in manufacturing stores for India, do you?—I say that it is a question to be considered as a part of the larger question as to the relation which exists between the two Governments; I see no objection to that, if we are to be treated as ordinary purchasers.

917. But still, looking at the comparative charges of the War Department for guns, for instance, and those charges made by Messrs. Armstrong, and seeing the difference in favour of the War Office charges, you would not think India unfairly dealt with, if India is benefited by having the advantage of the manufacturing department of the War Office, would you?—No.

918. Therefore the charges to which you refer of the Admiralty may probably appear to you to be of a different character from those included in the War Office charges?—It may be that, making an allowance for the difference of the article which they have to supply, they are very much of the same kind. The question is, when the Admiralty execute some works for us in connection with our troop ships, what they shall add and charge as adding to the actual material and labour; and that constitutes what they call the per-centage, and I believe that it mounts up as high as 25 to 30 per cent. on the actual cost for material and labour. It amounts to the same sort of thing as you find charged by the War Office for interest on building, share of administration, and all that sort of thing.

919. Still, if you compare the two per-centages,

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I hope you will find that those of the War Office are not open to the same objection?—I am not aware that the Admiralty charges are open to objection. It seems to me that they are not more, or much more so, than the War Office charges. That has not come under my observation, but it comes within the province of a committee which is now sitting. Whatever may be decided on this Committee on the Admiralty charges will, I think, as a matter of course, be brought to bear upon our transactions with the War Office and their transactions with us. That leads to the very large question whether we shall be considered as two friendly departments which merely charge each other the actual cost.

920. There is one charge connected with the War Office, and that is the pay of regimental colonels of regiments in India; do you think that the whole of that charge should fall upon India, seeing that these officers never perform any service for India?—I think that if the officers are to be maintained at all as a part of the regimental organisation it must fall upon India. If it is an admitted necessity that each regiment must have a colonel, wherever he is we must pay for him; we do not want him in India.

921. Is it not given in the form of a reward for good service rendered in former years?—It no doubt is so in fact, but at the present moment he is maintained as a portion of the British regimental establishment, and if we were to give up India altogether, and those 50 regiments were dispensed with, we should dispense with the colonels; not otherwise.

922. With regard to that sum of 250,000 *l.*, which you mentioned as the cost of increase of pay in 1866, you are aware that that was not altogether the charge for the pay; it was for re-engaging men at the same time?—It was; it was the whole cost of the measure, as I understand it, nearly.

923. But inasmuch as the re-engagement in 1867 was merely an anticipated re-engagement for 10 years, and that the cost did not go on year by year, the amount of 250,000 *l.* must be diminished by the sum due to the engagement of men in the subsequent year?—That I was not aware of.

924. You are aware that the seven years' men were allowed to anticipate their engagement at the end of the 10 years?—Yes; but I thought that was only for the special occasion.

925. But inasmuch as the cost of one year was swelled up very considerably by the liability which ought to have been spread over a series of years, the sum of 250,000 *l.* can hardly be said to be the actual charge from the twopence a day?—I have often seen it stated by Indian authorities; I thought that the whole of the arrangements involved in the charges of that year had cost us, not the pay alone, the sum of 250,000 *l.*, but it may have been a little below that figure.

926. The late increase of a penny halfpenny to the soldier was carried out for the purpose of making a very important change in the system of paying the army?—It was carried out in connection with that important change.

927. It was done for the purpose of doing away with stoppages, and preventing the soldier from supposing that he had his pay diminished?—Yes.

928. That system had been in force in India for many years; and the rations were entirely different from the pay of the soldier?—Yes.

929. Therefore

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929. Therefore the change was not necessary to assimilate the system in India to that at home?—I am afraid it was necessary for this reason, that the soldiers at home got a clear increase of pay in their hands, more than they had before, and if the soldiers in India saw that was the case, and did not get some tangible benefit, there was a general concurrence of opinion that it might lead to dissatisfaction.

930. Still the assimilation was made, not because India needed it, but because England needed it?—Yes.

931. Do you happen to remember the sum calculated for increase of pay from that measure?—They made an arrangement in India by which, without giving exactly the same amount of pay in addition, they have increased the soldier's pay all round, and, in fact, remodelled the pay tables to his advantage; and it has cost the Government about 60,000 *l.* a year.

932. And what do you calculate the majors' pay will be?—Between 30,000 *l.* and 40,000 *l.*, majors of artillery and engineers; and that is after withdrawing the battery contracts from them.

933. But if you withdraw the contracts from them you will have to provide extra charges?—Yes; but that is the estimate of the Government of India, after having made as near an estimate as they can of what it will cost them to perform the work now done by contract.

Sir *George Balfour*—continued.

934. There is, therefore, 400,000 *l.* altogether of increase to the pay and allowances of the Indian army in consequence of orders from home?—I am not aware of its being so much as that.

935. How much do you calculate it?—It will be nearly 350,000 *l.* at all events, and with a certain increase of pay for the medical service; I dare say it may not be far short of 400,000 *l.*

936. It has been remarked that India benefits by England supplying soldiers for India; is it not the case that England has benefited very considerably by India supplying soldiers for her service?—Very frequently.

937. You were commanding engineer in China in the first war?—Yes.

938. And India supplied a very large force for China?—Nearly the whole.

939. England did not furnish any portion of the pay of the troops on that occasion, did she?—Well, I believe not; but that is a financial matter that I am afraid I cannot speak of, but I think I have been told that she did not pay anything.

940. And likewise in the Persian war, India furnished a very considerable force?—Yes.

941. And no portion of the pay was paid by England?—I believe that is so.

942 India again furnished troops for Abyssinia, and no portion of the pay was borne by England?—Quite so.

Tuesday, 9th June 1874.

MEMBERS PRESENT:

Mr. Stephen Cave.	Mr. Fawcett.
Sir George Balfour.	Lord Edmond Fitzmaurice.
Mr. Balfour.	Lord George Hamilton.
Sir Thomas Bazley.	Sir Henry Havelock.
Mr. Birley.	Mr. Sampson Lloyd.
Mr. Campbell-Bannerman.	Mr. Onslow.
Mr. Dalrymple.	Mr. Eustace Smith.
Mr. Dunbar.	Mr. Stanley.

THE RIGHT HON. STEPHEN CAVE, IN THE CHAIR.

The Right Hon. WILLIAM ROSE MANSFIELD, Baron SANDHURST, G.C.B., G.C.S.I. (attending by special permission of the House of Lords); Examined.

Chairman.

943. YOU were Commander in Chief in India for a considerable number of years?—Yes, for five years.

944. And you were previously, I think, Chief of the Staff?—Previously to that I was Commander in Chief in Bombay for five years, and before that again I was rather more than two years Chief of the Staff.

945. Have you had experience of recruits sent from Warley and elsewhere during your command in India?—Yes.

946. Both of those sent from Warley and of those sent from the depôts of the British army?—Yes.

947. You have, perhaps, heard that it has been stated before this Committee that the Warley system was very much more economical; what is your opinion upon that point?—That must depend upon the point of view from which the recruits are considered; the Warley recruit was simply a lad put on board ship and sent to India, where he was transformed into a soldier.

948. You do not consider that the training which he received either at Warley or during the long voyage was sufficient to make him a soldier when he landed in India?—No; I consider that his education as a soldier commenced after he arrived in India; on the other hand, in the present day, the man arriving in India is already a trained soldier, and fit to take his place in the ranks.

949. What is the ordinary age of the recruits in the Imperial army?—The ordinary age of the recruit in the Imperial army is, on an average, about 18 years, when he is first enlisted; that is the regulation minimum age at which he can be taken; but we are aware that it often happens that young men force themselves into the service before they have attained that age; on the other hand, a certain proportion are older, probably touch 19; therefore I think you may say that, on the whole, you may take an average of about 18 years of age.

950. What time, then, are they retained in the depôt before they embark for India?—According to a rule ordered by Parliament three years ago, recruits are not now allowed to embark for India, on the grounds of health, till they are 20 years of age; I understand that this has been to a certain extent modified in practice, and that well-grown lads who have been thoroughly approved by the constituted medical authorities are allowed to embark a few months before they have attained the age of 20; but they must be considered as exceptions to the rule passed under the orders of Parliament.

Chairman—continued.

951. Then it follows that they are nearly two years in the depôt before they go to India?—It follows that they ought to be on the average certainly for a year and a half at the depôt before they embark for India. It may be as well to say here that it is no matter of option on the part of the authorities whether older men than these lads of 18 should be taken as recruits; it is simply a necessity to which we are unwillingly bound; that is to say, we cannot get men who are older than that to enter the ranks on account of the rates of wages in England.

952. If, when a regiment embarks, there are not enough of such men at the depôt, what is done with those who are under 20 years of age?—They remain at the depôt.

953. And how are the vacancies so caused filled up?—They are filled up by drafts from other regiments, of men at the proper time of life.

954. If the regiment suffers much in India, from campaigns or climate, how are the gaps filled up?—In the first place, they would be filled up from the depôt, provided the depôt had a sufficiency of men to fill such vacancies; if, on the other hand, the regiment had become non-effective, and the depôt had not a sufficiency of numbers, in such case it may be presumed that the regiment would be filled up by drafts from other corps at home, very much as a regiment embarked from England would be.

955. With volunteers from the rest of the service, you mean?—Yes.

956. And

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Chairman—continued.

956. And is India charged anything for those men?—I believe not.

957. Merely for the recruits that come straight from the depôts?—Yes. There I must correct myself; I imagine that any man going to a regiment in England, from whatever source, for service in India would be taken as a recruit.

958. He would be charged in India as a recruit, you think?—I should imagine so.

959. On what principle, then, would the charge be made?—That is a question to which I cannot reply; it seems to me that a regiment being in India, and receiving men from England, from whatever source, all such men would come under the head of recruits.

960. Under the new system of short service, will it not be the case that soldiers will return more frequently, and that consequently India will have to pay the same as for soldiers who formerly were supposed to remain for 12 years?—It would appear so on the surface, but I am not quite sure that it turns out to be the case in practice; in point of fact, there is a very large amount of what goes by the name of re-engagement in India, and under the rules of re-engagement all men who are strong in health, and of a fairly decent character, would be invited to remain with their regiments in India after their first term of short service had been completed, and a great number of them do re-engage; as to what the proportion of the re-engagements may be, that I cannot say; that might be easily ascertained by a Return, I should think.

961. In such cases India would have to pay a bounty for each of those men who remained?—The bounty, I believe, is a very trifling affair indeed.

962. Do you think that under the old system a regiment was composed of many of the soldiers that landed, at the end of the 12 years?—I should say that there were none at all in it; they would be so few in number that you might positively say that the entire regiment which landed had disappeared at the end of the 12 years.

963. What were the causes of so many vacancies?—The causes of vacancies are death, in the first instance; secondly, invaliding; thirdly, discharge according to the terms of enlistment; fourthly, discharge by purchase; and fifthly, discharge on account of bad character.

964. Do many of the soldiers in the ranks obtain civil employments in India now?—A great many; I believe there is no more fertile source of vacancies in the ranks in India than the offer of employment in industrial and commercial establishments in that country, including the great railways, which are growing every year.

965. In such cases I suppose the discharge is purchased?—The discharge is purchased either by the man himself or, very frequently, by the employer. Although it does not come out before us in any official document, no doubt it happens that the discharge is purchased by the would-be employer.

966. Do you consider it an advantage to India that there should be that system?—Yes; I think, on the whole, it is a great advantage to India, and as Commander in Chief I never made the slightest opposition to it.

967. Would such a body of men be useful in a military point of view, in the case of disturbance of any kind?—Not only in a military point of view, but they would be of the greatest importance as the means of organisation for the Government in case of widespread disturbance, and maintaining order on railways, and so forth, wherever they might be employed.

Chairman—continued.

968. All these causes of vacancies would apply equally to a local European army, I presume?—Yes; they would apply in the same manner.

969. Then, at the end of a few years, even in the case of local troops, there would be very few of the original soldiers existing in the ranks?—I believe there would be no difference whatever; the same rules of discharge would have to prevail on account of so-called local troops as on account of troops depending on the War Office, and the conditions of service would certainly have to be the same; you could not have a condition of short service for an Imperial army which you denied to a local army.

970. Then do you think that under the short service system the actual shortness of the time spent by the men in the ranks, compared with the former system, is more apparent than real?—I think, on the whole, it is more apparent than real.

971. Have you any opinion on the advantage of the system of local troops in point of economy?—I do not think, myself, that there is any difference between the two systems in that respect. The rates of pay are sure to be precisely the same, whether they are local or whether they are Imperial; there was never any difference in former times in the rates of pay between the troops enlisted by the Honourable East India Company and those enlisted under the authority of the Horse Guards.

972. With regard to the cost of the depôts, have you formed any opinion as to how that cost should be divided?—It seems to me that the depôts themselves are matters rather belonging to the War Office and to British consideration, than to those affecting India. My own belief is that the fairer plan would be to charge on account of the Indian recruit the cost of his maintenance and daily pay for the average time that he may be present at a depôt, and I should be inclined to stop there.

972. But is it not the fact that the officers in those depôts belong to regiments in India?—The officers belong to regiments in India, but they are actually performing service in England; it may be said that they are reserve officers for India, but it is also true that they are reserve officers for England. These very depôts are in the performance of active military duty in England and Ireland for the garrisoning of the country and the preservation of peace.

973. At the same time without them the recruits for India could not be trained, could they?—The recruits for India, of course, get their training from them.

974. Would the new localisation scheme affect your argument or opinion upon this point?—The localisation scheme, as it is called, is still in embryo; we cannot exactly tell, as yet, what will be the final form taken by that scheme; but I think we see enough of it to be able to say, that as that scheme is more developed and becomes more complete, these depôts will have much greater duties to do, on account of the auxiliary forces, than is yet seen. At present the commanding officers of the depôts are the inspectors of militia in their several districts, and the colonels

Chairman—continued.

nels of militia regiments refer to them for instructions and orders on all points which, till the late scheme was introduced, used to be referred to the lord lieutenants of counties and the other authorities under whom the militia were organised. Now, however, the militia is put on a far more military footing than obtained in former days, and the relations between the militia and the line are accordingly drawn much closer. The tendency is to go further in this direction, and I think at no very distant date we shall see that the most important part of the duty of the officers and staff of the brigade depôts will lie with the militia rather than with the mere training of recruits for India.

975. You think that the depôts and the militia will become more closely connected, and that the commanding officers of depôts will be a sort of brigadier generals of militia?—That is very much what their position is now.

976. And with regard to the barracks and other appliances, do you consider that they will be adapted to the Imperial purposes without reference to India?—Yes; according to the localisation scheme, we must have those barracks, and we must have those depôts, it being understood that the depôts on account of regiments in India form but a part of the entire system of depôts as organised under this scheme.

977. And your conclusion is that we should only charge India for the actual maintenance of the recruit during the time that he is in the depôt?—That is the conclusion at which I have arrived. There is something to be said against that, but, on the whole, I think that is the better way of arranging it. The fact is the point is very small indeed; the difference of expense is not much; but the really important point to consider is, I think, the spirit between the India Office and the War Office, and what line of policy is indicated; but the financial result, either one way or the other, may be considered really a small point.

978. Do you see any reason for the different charge in the different arms of the service for training at the depôts?—According to the principles which have guided my views in this matter, I do not see any reason for drawing any distinction between the different arms of the service beyond that which may be indicated by the respective rates of pay. Thus, the rates of pay of the cavalry soldier and the artillery soldier are higher than the infantry rates; and, again, I rather think the Royal Engineer is paid higher than the other two, but I am not quite sure on that.

979. It seems that the rate agreed to is 136 *l.* 13 *s.* 11 *d.* for cavalry, and 63 *l.* 8 *s.* 5 *d.* for infantry?—That seems to me to be a difference which is too high; I do not see why that difference should exist.

980. What are the artillery arrangements for reliefs and supply of men which make that arm more expensive than the others?—The artillery arrangements are very different now as compared with former days, and there is, I think, an expense incurred which might be saved; thus the head-quarters of brigades, as they are called now, proceed to India. Several years ago I pointed out, when I was Commander in Chief, that this was an expensive and, as I thought, inconvenient manner of administering artillery in India, and that the head-quarters of brigades should remain in England, the batteries belonging to those brigades proceeding to India with a sufficient number of field officers for duty. That opinion I advocated very strongly when I was Commander in Chief, and I adhere to it still, as I think that both economy and convenience would result from it.

Chairman—continued.

981. I think I have gone through the points which your Lordship suggested to me; is there any other point upon which you would wish to favour the Committee with your opinion, keeping in view that the inquiry is a financial inquiry?—There are several other points, but the only thing is that that would spread the inquiry over a much larger surface; but I do not think that the points which have been alluded to are those which really affect finance very largely; I think that they are small points; they indicate rather the spirit existing between offices, but they really do not touch the essential points of military financial economy.

982. There is one other point which has just been suggested to me with regard to the transport of troops; could you give any opinion from an economical point of view with regard to the present method of transport of troops from England to India and back?—I have no opinion to express upon that; I believe that the present system is the best that can be adopted, and I am not in possession of sufficiently exact information to be able to have any judgment upon the relations between the India Office and the War Office, with regard to the expense incurred for the transport of troops to India.

983. We should like your opinion upon this: assuming that India requires an army of say 70,000 men, or whatever it may be, whether that army is, under the direction of the departments at home, rendered for Imperial purposes unnecessarily expensive to India?—I should have a difficulty in saying that, unless I had all the details of the expenditure before me.

984. Would you not be able to express an opinion as to the question of whether the army as maintained in India would be maintained on the same footing for Indian purpose if Imperial purposes were put on one side?—I do not exactly follow the question.

985 It has been stated that we maintain in India an army unnecessarily expensive, because it is an Imperial army, and we want it at home as well as in India, and therefore that there are certain expenses and certain matters of organisation which apply to an Imperial army, and which are unnecessarily expensive for India, though necessarily so, looking upon it as an Imperial army solely?—Such as what are the features of organisation referred to?

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Sir *George Balfour.*

986. Your Artillery Minute, for example, would be an interesting point on which you could speak?—I have already adverted to the question of artillery. With regard to the question of artillery, of course my Minute stands upon its merits, and I have nothing to say contrary to what is expressed in that Minute. That was written just before I laid down the command in India, I think. I do not know exactly how the Indian establishment stands now; it is four years since I left India, and I have not had an opportunity of following any changes which may have occurred in that interval of time.

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Mr. *Campbell-Bannerman.*

987. I think the object of the Committee is to ascertain from you whether, in your experience, the home authorities have thwarted the Indian authorities in effecting economy of organisation in European troops in India. It is to ascertain that that they wish to have your opinion?—I should say to that that really these matters do not come before Indian authorities, that is to say, the people who are administering in India. As far as my recollection carries me, we get arguments and decisions from the Secretary of State for India; but the argument that may have previously been carried on between the Secretary of State for India and the Secretary of State for War would very probably not come before us at all. I think the India Office would be very chary indeed of sending out a hostile argument from the War Office.

Sir *George Balfour.*

988. Still it is the fact, is it not, that the hostile arguments were sent out in reply to your own recommendations connected with the organisation of artillery, infantry, and cavalry?—I rather think those must have reached after I gave up the command. I know I thought myself rather ill-used; I was there for six months, and I do not think I got an answer to that communication. I do not recollect even having seen an answer to it.

989. The object of the question was to ascertain from you whether, with regard to the changes which you recommended of reducing the regiments from 52 in number to 45, in modification of other proposals made in India, you adhered to that organisation as being the most economical for India as well as equally efficient for the military purposes of India?—I do not now know what number of regiments there are in India; I do not know what the establishment in India is.

Sir *Henry Havelock.*

990. Your Lordship is aware that representations have been made on the part of the India Office, instituting a comparison between the cost of what is called the Warley system and the present one. Has your Lordship formed any opinion with regard to the respective efficiency of those systems, with regard to the rapid supply of large bodies of trained men to India in case of war?—According to my appreciation of what you mention as the Warley system, the men who were sent out were not soldiers in any sense. I recollect in 1858, when we were grievously in want of troops, the India Office sent us out some thousands of young soldiers, probably from 4,000 to 5,000. Well, these men were absolutely untrained; they had just been taken from the tail of the plough, and we could make no use of them; we had to teach them from the very beginning, and yet these lads came out to be gunners and to be drivers of artillery. Everyone with a little military experience is aware that it takes a long time to make an artillery driver, and we did not know what to do with these men, and it ended by our turning them into cavalry, because we could not use them as artillery.

991. Then your Lordship would not be disposed to recommend any return at all to the Warley system, or anything approaching to it?—It seems to me impossible to do so, now that that very salutary regulation has been passed by Parliament, that a recruit is not to go to India till he is 20 years of age. The Warley recruit I take to have been 18 years of age, just as our own recruits were, but now that we have insisted upon older men being sent to India, I do not think that we could possibly revert to such a system as that.

Sir *Henry Havelock*—continued.

992. As regards one feature of difference between the present system and the past one, that is, that the men are entirely drilled and trained here before they go out, do not you think that there is a great advantage to the individual soldier in going through his training in this country instead of in India, and consequently an advantage to the country at large?—There is no doubt that the individual man gains in two ways as well as the country. In the first place, he learns his business in a climate which is propitious to him, instead of in a climate which does not admit of active military instruction for at least six months out of 12; but, secondly, there is the consideration of health to the man, which is of infinitely more importance than one of mere military instruction and drill. Now it occurred to me in 1867 and 1868 to write the most earnest representation home with regard to the extreme youth of the recruits sent to India.

Mr. *Fawcett.*

993. That was not under the Warley system?—It was not under the Warley system; but these were the young men who were sent out before the change of 1871; with regard to the age of the recruits was operated by the order of Parliament; and not only was it a most grievous thing to see these lads suffering in health, but my own personal responsibility as the Commander in Chief was directly involved, because the chief medical authorities brought it prominently to my notice that these young men were not fit for the duties thrown upon them in the plains of India, and we brought them up to the hills, and were put to all sorts of shifts accordingly; that being so, we got the reform passed by Parliament in 1871.

Sir *Henry Havelock.*

994. Then, it has been alleged that the present system of depôts, especially as regards their being organised in two companies instead of one, is unnecessarily expensive to India; but then again is not this a part of the same system which eventually gives very large reserves to this country which are also immediately available for need in India as well as in England?—Perhaps the better way of answering that question would be, to say that the whole army of England must be looked upon as much as a reserve for India as for the other necessities of the British Empire; and we have seen that in a very practical manner when great difficulties have occurred in the East. Thus the forces of England which were actually *en route* to active campaign in other parts of the world were turned off from the Imperial purposes at a moment's notice, to meet the wants of the province. That we saw on the occasion of the Chinese expedition in 1857, when the troops were turned off from their destination, which was a Chinese campaign, for the purpose of assisting our countrymen in India. At the same time the Cape colony was denuded of troops in order to reinforce the army in India which was in danger; and I believe it is also true that troops came from other colonies on the same account; and we also know every available regiment was sent from England at the same time.

995. Then, in point of fact, the reserve maintaned

Sir *Henry Havelock*—continued.

tained in England of 39,000 men, or whatever the figure is, is in so far a reinforcement immediately available for the needs of India?—That is one of the objects of the reserve which is kept at home, I take it.

996. And at the same time it is the case that India makes no direct payment for the training or maintenance of that reserve?—I apprehend not.

997. Then to that extent this matter ought to be considered as an item *per contrâ* against the expense which the present depôt organisation causes to be incurred to India, ought it not?—Yes, I think that might be generally so considered.

998. I think your Lordship expressed an opinion the other day in the House of Lords that the probable average length of service of men in India under the present system, when it should be fully developed, would be about the same as it was in former days in India?—I think so.

999. Then to that extent there is an undoubted gain to India from the extra health and efficiency of the men in the reserve, who are able at any time to be made applicable for her needs?—I do not know whether one could put that down in exact terms.

Mr. *Eustace Smith.*

1000. I think you said that you found that a quantity of men were sent out who were totally unfit for service, and who were totally unfit for soldiers, and who had to begin their military education entirely in India; I mean unfit for active duty at the moment?—Yes.

1001. That was at a special time, was it not?—No; I believe it was always the case, so far as I am aware, that the recruits in former days were shipped immediately after enlistment, provided that they could be got about that time.

1002. Did you find that they were deficient in any other respect, except in the want of military training?—No, I am not aware that they were.

1003. They were an equally good class of men?—I imagine that they were precisely the same class of men.

1004. Therefore, you would equally object to a soldier being sent out from the Imperial depôts with one or two months' training, as you objected to that former system?—Just the same.

1005. Do not you think that there is a considerable expense thrown upon India in consequence of the way that the recruits who are being trained for the Indian service are scattered about at different depôts, instead of being at some central depôt?—I hold an opinion that it is not particularly good for recruits to be kept in very large bodies; I think it is a very much wholesomer thing to keep the recruits at depôts of restricted numbers.

1006. You think there is a practical advantage in it?—I have not the slightest doubt of it; and as to its being a matter of greater economy, I do not think it tells one way or the other. We must have a certain number of men and a certain number of officers and non-commissioned officers to train these recruits, and it makes very little difference whether they all get together in large bodies or are in separate ones. I have already, in my former evidence, explained that these depôts are for many other purposes besides the mere training of the Indian recruits, and that those purposes are likely to increase upon them instead of to be diminished.

1007. Can you give any idea as to why the ex-

Mr. *Eustace Smith*—continued.

penses of the recruits at Warley were so very much smaller than the expenses of the recruits under the present depôt system, taking into consideration that the theory of the Warley system was that the recruits should be trained for three months, and that the theory of the present depôt system is that the recruits should be trained for seven months before they are sent to India?—But that theory is exactly contrary to the fact, is it not? The fact is, with regard to the ages that we have been considering, that they are on an average about 18 months at the depôt, from 18 months to two years.

1008. But it was accepted as a principle. I understood that seven months was to be regarded as the idea of the training that a normal recruit should receive on the average?—I have not seen these papers to which you refer, but that may be, and probably is, with regard to the time that it is thought necessary to turn out an accomplished soldier, that is to say, a man fit to take his duty in every possible manner; but this question of age is a different one; it is not with regard to his soldiership, but whether he is able as a man to stand the fatigues of India; and, therefore, now it has been determined by Parliament that he is not to embark till he reaches a certain age; and with reference to the age at which we can obtain recruits in the open market, it is found that we have to keep them practically for a long time at the depôts, because they are too young to embark according to the present regulations.

1009. You think it is the regulation that they cannot go out to India so young which has increased the cost of them so enormously?—It follows that it must do so.

1010. That is the principal cause, in your Lordship's opinion, of the increase of the cost?—It appears to me that that is the only cause of the increase of cost, so far as I am aware.

Mr. *Dunbar.*

1011. Your Lordship said that under the present system the men who went out as recruits were perfectly trained men; I do not know whether you have looked at the evidence given by Mr. Milton; I would like to direct your attention to his answer to Question 108?—I can only suppose, with regard to the cases referred to in that question, that these men had reached the proper age; that they were older than the generality of men as they are enlisted.

1012. In point of fact, then, the present system does not produce that advantage of having all trained men?—Generally speaking it does; that must have been an exceptional case.

1013. I think under the present arrangement the average is taken at seven months, and that no matter what time a man has been under training, he is paid for seven months; every man shipped now is paid for as being trained for seven months, irrespective of the fact of its being seven or ten; do you think it should be taken that way as the average, or actually for the time that he has been under instruction?—I should be inclined, as a matter of convenience, to take the average; I do not think seven months is nearly enough.

1014. I think seven months was adopted under the instructions of the Duke of Cambridge?—This I do know, that I never embarked a regiment to India (and I have to send four or five every year) from which I have not to deduct a very

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considerable number who are sent to the depôt, because they have not reached the age ordered for embarkation.

Sir *Thomas Bazley.*

1015. May I ask you if there be any expenditure in this country which could safely be reduced to the advantage of India?—Well, I am not sufficiently acquainted with the details of expenditure to give an answer to that question; I have already stated that I thought it better to take the time of the maintenance of a man destined for service in India by an average, and not to put other charges upon him; it seemed to me more equitable that the other charges should be Imperial charges; but as to how that would work out I cannot say, because I have not got the details before me.

Mr. *Birley.*

1016. I understood you to say that, under the Warley system, recruits went out as raw recruits from England and were trained in India, whereas now they go from the depôts as trained soldiers; have you any experience with regard to the training of recruits in India, either adverse or favourable to the Warley system?—Simply that I think it is very much better that men should be trained in England instead of in the hot climate of India.

1017. And so much better as to be worth the extra expense so incurred?—I think it better altogether that a young man should remain as long as he can in this country; as long as he is not efficient I think that he should remain in this country; and it is only when he is an efficient soldier that he should go to India, which is a much greater drain upon his constitution.

1018. If he went out at the age of 19 or 20 to India, could he not be trained in depôts there as efficiently as here?—I think it would be a very mischievous practice; and certainly a depôt in India would be a much more expensive thing than a depôt in England; for this reason, that the pay and allowances of officers serving in India are very much higher than the pay and allowances of officers serving in England.

Mr. *Campbell-Bannerman.*

1019. Almost the same object as is attained by sending out a recruit of 20 years of age is attained very often by keeping him well fed, disciplined, and set up, for perhaps a year, although he may be under the age of 20; although he may not have attained the age of 20, a young man who has been for 12 months under training, and well fed, well clothed, and living carefully, may be quite able physically to undergo the change to the climate of India, may he not?—He may be; but on the whole I think it is very much better that they should not go till they are 20 years of age; I should very much prefer that we should have a hard and fast line about it.

1020. I think your Lordship said that you thought this country should only charge India for the maintenance and daily pay of recruits?—Yes; that is what occurred to me.

1021. Then do you think it fair that this country should bear the expense of training the recruits?—Well, as the officers must remain here for other purposes, it seems to me that there is really no reason why there should be any particular charge on that account.

1022. But are the officers required for other

Mr. *Campbell-Bannerman*—continued.

purposes?—Well, as I explained, the tendency is very much to employ them for other purposes; I explained, with regard to the commanding officer of the brigade depôt, that he is quite as much for the purpose of the organisation of the auxiliary forces as for the training of these recruits; that is only a part of his duty.

1023. You are aware of course that the establishment of the brigade depôt has been increased in order that it may undertake those duties towards the auxiliary forces?—Well, I do not know how that is.

1024. A certain number of the officers at the brigade depôts act as adjutants of the militia regiments, do they not?—No, I think not; at all events, that is in a very experimental form indeed.

1025. But you are aware that that is the establishment fixed; the plan resolved upon is that there should be six captains altogether, two of whom should be adjutants of the militia regiments?—I was not aware of that, but it is merely giving them another title, because these are men who existed in the militia regiment before; it would be merely attaching them rather more closely to the depôt, but their duties would lie entirely with the militia regiment.

1026. But the brigade depôt, consisting of one lieutenant colonel, one major, six captains, four subalterns, and the non-commissioned officers, will undertake the duties connected with the auxiliary forces, the training of recruits for the home service battalion, and the training of recruits for the foreign service battalion, and it will come to be considered afterwards what proportion of their expense is properly due to the training of recruits for India?—It appears to me that you get into an infinitesimal calculation which is not of the slightest consequence to either country; that is the result which my mind arrives at with reference to such nice divisions. I do not think it is of the slightest consequence which country pays, it is so small. It is merely an indication of the relations between two great Government offices.

1027. But perhaps your Lordship is not aware of the proportion of what we consider the cost of a recruit which is due to the officers instructing; that the mere maintenance and pay, beer money, accoutrements, and so forth, of the recruit for seven months comes to (I am speaking of the infantry recruit), 30 *l.* 9 *s.* 4 *d.*; and the charge of the two depôt companies, of the two captains, the two subalterns, the non-commissioned officers, and so forth, who are maintained for the purpose of training him, comes to 17 *l.*; and in the case of a cavalry recruit to a very much larger proportion; so that it is not quite so infinitesimal as your Lordship supposed?—But these officers must exist somewhere; if they were not serving these depôts you must increase your establishments in India; and at the same time they are performing real duties in England.

1028. If we increased the establishments in India they would then, of course, be paid by India?—They would then, of course, be paid in India, but they would be doing nothing at home; now they are doing a great deal of necessary work in England itself; they are doing the work in England instead of doing it in India. If these depôts did not exist, if the army were precisely on the same footing as it was when I first went to India, some 30 years ago, then all these

officers

Mr. *Campbell-Bannerman*— continued.

officers who are now serving for the depôts would have to be in India, because we cannot do without them in India. As it is they are now available as a reserve for India, but instead of being on leave in England they are actually performing service in England and Ireland, and, as I believe, the service that they perform in England is really of a more important character to English interests than is shown in the mere training of recruits. For instance, we will take a depôt in Ireland; this depôt in Ireland, as it exists in the midst of a disturbed district, enables me to take military charge of that district, without sending a detachment from another regiment; I say that the duty performed by those officers in that district is a duty done in home defence; why should India pay for that?

1029. But does not your argument rather tend to show that they ought to be paid by India, because they are maintained here for Indian purposes; and it in any respect, as I have already explained, a brigade depôt is useful for other purposes, for training the auxiliary forces, or for our home purposes, that is a matter which may very well be taken into account in apportioning the charges; but I think your Lordship will admit that the great part of the duties which they perform are performed for Indian purposes in the work of training recruits for service in India?—I am not quite prepared to admit that; on the contrary, I say that the most important part of their duty is that which is done in the country where they are quartered and stationed. For instance, I take again the illustration which I just gave; the presence of a brigade depôt in a given Irish district enables me to keep that district in order; if a disturbance takes place I send the officers, and even these very recruits, before they are trained, perhaps, to maintain order, and so on. Surely that is a very important duty, and the presence of that depôt in that particular district enables me to dispense with another section of regular troops whom otherwise I should have to send from elsewhere. Now that is a thing of constant and daily practice.

1030. But surely, although they are found convenient and they may save the employment of other troops at certain places, yet they would only be employed in suppressing disorder or anything of that sort occasionally, and very rarely indeed; whereas they are daily and hourly engaged in doing work for Indian service, are they not?—Well, you know it is just the point of view that you take of it. I think the English service the more important of the two. The mere stationing of troops in given quarters keeps whole districts in order irrespectively of the mere putting down of occasional disturbance.

1031. With regard to the organisation of the artillery to which you alluded, you said that the head-quarters of brigades, you thought, should remain in England?—Yes.

1032. Did you mean that the whole charge of the head-quarters of the brigade should be paid by England?—When I wrote those opinions, some years ago, it was not on the economical ground as regards India and England, that I wrote the recommendation; it was a matter of organisation and general economy with respect to the application of artillery, but not as drawing any distinction between England and India. I should think that there would be a very proper demand, sup-

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posing these head-quarters were in England, that the expense of those head-quarters should be defrayed by India, because they would be maintained solely for India. But there are other economical reasons for the charge; those economical reasons are as follows: that the maintenance of troops in England, both of the officer and of the soldier, costs a great deal less, so far as I am informed, than the maintenance of the same officer and the same soldier in India; therefore as these head-quarters would, I believe, do their work quite as well, if not better, in England than in India, it seems to me more reasonable to have them in England, where they would be enjoying an English climate, and costing less and doing the same work without difficulty, than to have them in India; and there is no doubt that generally there would be a considerable economy. As to how that economy should be divided, how much should fall to the province, or how much to the mother country, that would be a question which I have not considered; still there would be a general economy upon such arrangements.

1033. I asked the question because your Lordship's previous answer or statement on the subject might lead Members of the Committee and the public to think that you thought England should bear the expense of the head-quarters?—Head-quarters of an artillery brigade consist solely of the colonel and his staff and a few non-commissioned officers, and those are not people who would be applied in the manner that the brigade depôts are applied as we have just been talking of them.

1034. But you would not think it fair, would you, that India should have the services of all the active junior officers without paying anything for the maintenance of the senior officers, whose maintenance was necessary in order to provide promotion and complete the service?—I think it would seem to me to be right and equitable.

1035. You said that you were not officially aware of the action taken by the Home Government with reference to the proposal by Lord Mayo's Government for the reduction of the regular army in India; I think you said that you had left India before the answer came from home?—My answer referred to the answer to my Artillery Minute, which I wrote very shortly before I left India, but not to those proposals, which were made, partly, I think, in Lord Lawrence's time, and partly in Lord Mayo's, but which I have not seen since then, so that my memory would require to be refreshed; I have not cast eyes on the Papers since those distant years.

1036. Do you remember whether the authorities at home declined to adopt the measures of economy proposed in India, without substituting anything better, or whether they suggested other alternative proposals, which were finally adopted, and which were also in an economical direction?—Some proposals did come out from home, but I really do not carry in my memory what they were.

1037. You mentioned as one of the reasons why so many casualties occurred in India that men are discharged with a view to employment on railways in India?—Yes.

1038. You are aware that the money which is paid for their discharge goes to the Indian Government?—I really do not know; I never inquired into that. I believe that all payments in India go to the Indian Government.

1039. Are

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Mr. *Onslow.*

1039. Are you aware whether, since the passing of the Act of 1871 (I know it is since you have left India) recruits have been sent out to India fully trained?—Well, it is my belief that they have.

1040. Perhaps there will be in your recollection the arrival of the 3rd Buffs in India; the regiment was stationed at Barrackpore, and went up to Meean-meer at the beginning of the hot weather; is it in your recollection that that regiment suffered so materially in death because they were sent out as raw youths from England; that they suffered severely from the last attack of cholera in 1867 or 1868, and the reason alleged was that they were very young recruits, and that when cholera broke out they became so frightened that it predisposed them to catch the disease?—I really do not recollect; and I am sorry to say that I had to deal with outbreaks of cholera every year in my life when I was in command in India.

1041. You think that now soldiers going out to India at the age of 20 will not suffer in regard to health so materially as they did in former years?—It was represented to me by the chief medical authorities in the strongest possible manner, and it was upon their representations that I wrote to England.

1042. Therefore, on the whole, the present system of sending men out at the age of 20 in a long course of years is the cheapest for India?—I should think so.

1043. You say that you never put a stop to the system of soldiers leaving the service for civil employment, and that in fact you tried to encourage it as much as possible?—I did not say that I tried to encourage it; I did not oppose it; I left it to work.

1044. That, of course, is expensive to India, in a military point of view, because you require fresh recruits to fill up their places?—I do not even agree to that; if it were not for the presence of this body of Englishmen scattered over the country, who are all accustomed to the use of arms and to act as an organised body, I think it is very likely you would have to add considerably to your European troops.

1045. During the time that you were Commander in Chief in India was the number of soldiers in the army kept up to the full estimate on paper?—I think generally; at particular seasons of the year the army is tolerably nearly up to strength; then a certain number of months elapse during which casualties from invaliding, and discharge, and death, and so on, accrue; and there is a particular month when the regiments are at the weakest, that is to say, just before the drafts have arrived and after the invalids have gone home; but I think on the whole the army is kept fairly up to strength.

1046. You have no recollection that in your time the numbers were seriously below the estimated number; the number for which the Financial Minister had to provide money?—Would you mention any particular year?

1047. I should say the years 1869 and 1870; this document before me is not an official document, but it has come from yourself, and it shows that there was a very large difference, indeed to the extent of 6,000, according to your own figures, that is in the years 1869 and 1870, between the actual strength and the number that was voted?

Mr. *Onslow*—continued.

—I think it must have been exceptional, because certainly the impression on my mind is that generally, subject to the conditions that I have stated, the army is fairly kept up to strength. It may happen from accidental causes that it may fall below, but generally it is fairly up to strength.

1048. Probably another reason why India will not require so many recruits is on account of the number of sanitaria that we have at the present time?—I do not think that is quite a correct view. Since the fortnightly service for sending men home by steam has come into operation, and has become a regular practice, the medical men send home a great number of invalids from India who formerly were sent to sanitaria, and they come home to these depôts and are there treated; some of them go back to India again, others are discharged; but one result, as far as I am informed, of the establishment of the fortnightly steam service is, that a great number of men who formerly were retained in India in the hopes of effecting a cure, now come to England.

1049. But the fact of the sanitaria being opened and regiments being sent up there, naturally prevents them from catching the usual Indian diseases, and therefore in that respect my observation would apply, would it not?—In that respect of course it is to be hoped that they would have a good effect.

1050. Are you aware that India bears the whole charge of the transport of troops from England to India and from India to England in the troop ships?—I was making inquiries about that the other day in a very unofficial manner, and, as far as I can understand, India bears the expense of the transport of the men, but the ships, when they are employed for other than Indian purposes, are charged to the Admiralty.

1051. Do the troops directly they leave England get Indian pay and allowances; do you know if they do?—I really do not know; I do not recollect that point; I think decidedly not; I do not think that either officers or soldiers draw Indian pay or allowances till they land in India.

1052. *Vice versâ;* they get Indian pay and allowances from the time they arrive in India, do they not?—Yes.

1053. During your period of office can you recall any instances in which organic changes were made in the army of India without any consultation with yourself or with the Viceroy?—Unless you were to indicate something I could not say.

1054. We have had specified the extra twopence given to the British soldier?—That was done without any consultation with us, I believe.

1055. And that of course amounted to a very heavy charge, being placed on the Indian revenues without India being in any way consulted?—Yes; I suppose it was considered that the pay of the soldier having been raised in England, and the recruiting depending upon the pay of the soldier, that simply must be taken as the natural consequence, and that it could not be otherwise, that it was not a thing in which India could ask to be consulted, although it might throw a greater charge upon her revenues. That would not be so, of course, if India could find her quota of recruits; but as she could not, and as we could not get her quota without

paying

Mr. *Onslow*—continued.

paying this extra pay, it follows that the charge would fall upon her in that manner.

1056. Do you think it just to India that this enormous expense should all of a sudden be put on the Indian revenues, without any consultation with her?—India asks for an army from England; we can only supply that army from England by giving certain rates of wages; if those wages were not given the army would not be there, you know.

1057. I think it was in your time that it was agreed that India should pay something for guarding the coast and watching the seas in India; at the present time India pays so much to the English Government for the navy employed in Indian waters; I think it was during your time that that was agreed to by the Indian Government, was it not?—There was a complete administrative revolution made in consequence of the resolution of Lord Canning's Government to abolish the Indian navy. The Indian navy having been abolished for a certain time, the Indian seas were left without protection; pirates were beginning to spring up, the business of survey was stopped, and we were left in the most forlorn condition; and at last, in Lord Mayo's time (there had been much consultation previously in Lord Lawrence's time), an arrangement was made by which the Admiralty should in some form or other replace the old Indian navy; I believe that is how it stands now. I do not know the details.

1058. Do you think it is a legitimate charge on the Indian revenues that they should pay something on that account?—It seems to me quite right and legitimate, as it is entirely on account of the Indian seas that these ships are maintained, and it was at the urgent instance of the Indian Government that an application was made to the Admiralty, some years after it was determined at home, and after we had found out the abject state in which we were left to supply the want.

1059. Is it, do you think, just or fair to India that when what I may call troops on the Indian establishment are employed for Imperial purposes, such as the Abyssinian war, India should pay the whole of the pay of those troops when she did not get the benefit of them in any way whatever, they being in Abyssinia?—You raise such a very large question of policy there; you have to determine whether or not your proposition is true, that India got no benefit from the employment of those troops in Abyssinia.

1060. It is the fact that India paid for them, is it not?—Well, we will come to that afterwards; but is the proposition quite true, that a campaign of that kind can take place in a country within hail of India, where probably the Indian commerce plays a much greater part than English commerce does, and that India is not in the least interested in that contest? I do not think it is. You might as well say that India has never been interested in the Persian contests, and so on.

1061. But was it not generally considered that the Abyssinian war was wholly an Imperial war?—That of course must be a matter of opinion.

Mr. *Fawcett*.

1062. I understand you to propose that India should pay for recruits simply by paying to England the money for their maintenance on this ground, that the depôts at which the recruits are trained, and the recruits themselves, form a portion of the effective strength of the English army?—Yes.

Mr. *Fawcett*—continued.

1063. Or, in other words, drawing an illustration from the position which you now hold, you would say, as Commander in Chief in Ireland, that if the depôts of the Indian regiments which happen to be in India at the present time were removed you would feel it your duty to apply to have their removal made up for by having more soldiers sent to the army in Ireland?—That, of course, would depend upon the strength of the troops in Ireland.

1064. Suppose at the present time your strength of the army in Ireland was not one soldier stronger than you think it ought to be, if an order came to-morrow that the depôts of the Indian regiments should be removed, you would then feel that the army was not as strong as it ought to be, and you would apply for an increase of the number of troops in Ireland?—Yes, in such case, certainly.

1065. Therefore it is from considerations such as those that you consider that England gets an equivalent, from the fact that these depôts and recruits are in England, such an equivalent that she ought not to charge India more for the recruits than their simple maintenance?—Yes, I think that is a very fair description of the reasoning by which I have arrived at my conclusion.

1066. In 1867 and 1868 I understand that you wrote a very strong remonstrance to the Home Government against the injury which was being done to India by the extremely young age at which the recruits were sent out?—Yes.

1067. Those recruits that were sent out were as young as the Warley recruits, were they not, at the time you made that remonstrance?—I think they were.

1068. Then this letter of yours was in 1867 and 1868, and this plan of sending out extremely young recruits, so far as I understand, had gone on for some time; it was not an accidental circumstance, or else if it had been simply an accidental circumstance you would not have thought it your duty to write so strong a complaint?—This system had always existed.

1069. Then from that I understand that it had existed for seven years, we will say from 1860 up to 1868, the system of sending out extremely young recruits to India, and India suffering an injury from the fact that they were so young?—Yes; I did not take it from the point of view of its being an injury to India, but I took it from the point of view of its being such an inhuman thing towards the young men themselves. That it would re-act, of course, upon the Indian interests, if the regiments to which the recruits went had been suddenly thrown upon active service, followed as a matter of course.

1070. You are probably aware that during these seven years to which I refer, namely, from 1860 to 1868, in which these extremely raw recruits were sent out to India, India was paying for these raw recruits no less a sum than about seven times what was paid for the Warley recruits?—Well, is that so? because I have just heard 63 *l.* said.

1071. That is the arrangement that was made afterwards; but during those years up to 1869, during the existence of the capitation rate, we have had it given in evidence by the Accountant General of the Army, that the amount which India was

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charged for recruits was, according to one calculation, 205 *l.*, and according to another calculation, 170 *l.*?—Well, that seems to me to be excessive.

1072. Still the point I want to bring out is this, that we have had it represented to us that the Warley system was cheap and inefficient. No one can doubt its cheapness, but it is said that it was inefficient; we have had it given to us in evidence, or it has been tried to be represented to us in evidence, that the system which was introduced was undoubtedly costly, but was very efficient; what your evidence comes to is this, that this very costly system in which, taking the lowest estimate, no less a sum than 170 *l.* was charged for a recruit, instead of 26 *l.* which was charged at Warley, far from being efficient, was so inefficient that you had such raw recruits sent out to you that you were obliged to write a strong and urgent remonstrance to the home authorities?—Yes.

1073. You did that as Commander in Chief?—Yes.

1074. You wrote a very elaborate and (if I may be allowed to say so) able Minute on certain artillery reforms not long before you left India?—Yes.

1075. That Minute was published in a Parliamentary Blue Book, and the reply of the Commander in Chief to that Minute was also published; he was strongly opposed to your proposals, was he not?—Yes; I think he was.

1076. You had discussed them, and I believe I am describing them correctly, when I say that you, as Commander in Chief, proved that if these changes were carried out they would effect a great saving for India, and would add to the efficiency of the artillery service there, did you not?—Yes, that was the impression on my mind.

1077. Did not the Commander in Chief reject these proposals of yours, which you thought would have saved the money of India, and would have increased the efficiency of the army, chiefly on grounds which affected the organisation of the army in England, and not so much because he differed from you, and thought that it would not save money to India, and would not improve the efficiency of her army; he did not deny your position on those points?—I am not quite clear that I ever saw the Memorandum of the Commander in Chief; it certainly must have reached India after I left.

1078. Do you think, if it were put into your hands, you could recall it if you saw it (*the Blue Book was put into Lord Sandhurst's hands*)?—I have heard that some of those reductions have been made since, but I do not know how far that is accurate.

1079. But I was simply going to question you on this point; that Despatch of the Commander in Chief in England did not deny your positions, that the changes, if carried out, would have saved money to India, and would have added to the efficiency of her army; but the reason why they were not carried out was because of considerations affecting the organisation of the army in general, was it not?—Partly that; and also, speaking from my hasty perusal of it, he argues the question of the policy of reducing the number of guns in India, and so on, which he considered impolitic for State reasons.

1080. But now, to state one proposal of yours which was not allowed to be carried out, I believe you pointed out that a great saving would result from employing native drivers in the artillery; I think you made out a saving of no less than 150,000 *l.* a year; you, on your responsibility as Commander in Chief, having recommended that, on what ground was it refused; I will not enter into the question of the number of guns, but on what ground was the refusal based?—It is only fair to those who hold the opposite opinion to say that since the mutiny of 1857 it is considered by a great many officers that we should never have another native gunner or driver in the artillery in India. I myself do not hold that opinion so strongly; I believe that we may with safety have a certain reasonable proportion of both classes; but I know, in fact, I am quite certain, that the majority of officers are against me in that they have never got over the impression left upon them by the mutiny of the army in India; and I think I should be left in a small minority.

1081. But were you aware of the fact that these opinions were against you at the time you made the recommendation?—Yes.

1082. You did it of course on your own responsibility?—Yes.

1083. You also stated very strongly, did you not, that the artillery in India was over-officered?—Yes; in certain classes.

1084. Was that recommendation attended to?—I do not think it was.

1085. Was not that another instance of what I have been saying; it was not intended to deny the truth of your position when you asserted that the artillery was over-officered; but the reason why your proposals were not carried out was because of questions of military organisation not affecting India; there were a certain number of officers to be employed, were there not?—That brings me back to the question of presidencies and rival armies. There were a great many conditions involved in that consideration which were quite irrespective of the War Office; they affected the military departments of Madras and Bombay quite as much as the War Office; and then the India Office was extremely desirous of protecting what went by the name of the old Indian officer; on the other hand, the War Office probably said (I just caught a sentence to this effect in the Duke's Memorandum), "If we are to have these reductions, it is only fair that they should be made in the body which belongs to India, and not in the body which was created for English purposes, and not for Indian purposes originally." Well, the consequence was that each authority, whether it was Bengal, Madras, or Bombay, or whether it was the Government of India, or the India Office, or the War Office, on the other hand, was most desirous of protecting the officers belonging to its own establishment from reduction; I think that is explained in that way, and that I believe was the reason of keeping up so many field officers who were redundant. For instance, we will take the Bombay Horse Artillery; I strongly recommended certain arrangements, which have passed out of my head now, by which there should be a reduction involving a diminution of the number of the field officers in those armies; because we had this fact, I believe, in the Bombay Horse Artillery, that there was a lieutenant-colonel for every troop of horse artillery; well, these officers were protected, first, by the Bombay Government, and then by the Government of India, you may say, and

Mr. *Fawcett*—continued.

and then by the India Office as against the War Office; well, it was a natural thing for the War Office to say, "it is very hard upon us that we are to reduce our men because you have too many in India belonging to the old Indian establishments," and so on, and the result was, I believe, that for a long time no reduction took place; I believe, since I left India, the Bombay and Madras Horse Artillery have been in some measure amalgamated, but I do not know.

1086. You were asked just now, by the honourable Member on my left, Mr. Onslow, with reference to the difference between the effective strength of the army in India and the number of men who ought to be on it; the number of men for whom money was taken by the finance minister; in the year 1869-70 he pointed out a difference of no less than 6,000; but I understood you to state that you considered that exceptional in that one month?—I think so.

1087. But I will put this to you: I believe, taking the eight years previously, and taking the average month by month, you will find that there was on the average in each month of those eight years a difference between the effective strength and the nominal strength of the army of no less than 4,500 continuously for those eight years previously?—That I was not aware of; but, as I think I mentioned before, to the best of my recollection there is a certain month of the year when regiments are at their fullest strength, and then casualties occur during the remainder of the year.

1088. But this is not selecting any particular month; if a particular month is selected the figures become much more striking; but all the months are taken; therefore if in any month the regiments are up to their full strength, of course it will reduce the average; but taking it month by month, there is for the eight years an average deficiency of 4,500; you were not aware of that?—No, I was not aware that it was so many as that.

1089. In reply to certain questions, you said that, take, for instance, the Abyssinian war, India was to a certain degree interested in that war, and therefore I rather understood from you you thought it was not unfair that she should contribute, as she did contribute, to a portion of the expenses of that war?—I should think that on the whole it would be equitable that she should contribute something.

1090. Then, adopting the rules of equity, you could say, for instance, that England is interested in the maintenance of our Indian empire; sometimes there has been a war in India, has there not, which has been a war declared more by England than by India; that was the case with the Affghan war, was it not?—Yes.

1091. Then, if because India was in some indirect way interested in the Abyssinian war, having never been consulted in the matter, it was equitable that she should contribute a share of the expenses of that war, is it not far more equitable that England should directly contribute a portion of the expenses of the Indian wars, wars which have often been raised more as a question of English policy than of Indian policy; that was certainly the case with the Affghan war, was it not?—I think, in answer to a question from Sir Henry Havelock, I pointed out that the whole army in England is, in point of fact, a reserve to meet demands that may be made in different parts of the British empire. This affects India, perhaps, more strongly than any other dependency of the British empire, because it is so very much the largest; and I think it very likely, in fact I have the strongest possible conviction, that if it were not for India we should not have the necessity of keeping so large a reserve in England as we do now.

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1092. But would not that same remark apply to our colonies?—It does to a certain extent.

1093. The remark does not apply simply to India, but to the English empire generally?—I think it applies to the English empire generally; but we do not charge India at all for this reserve, just as we do not charge our colonies for that reserve.

1094. But is there not this difference between the two; looking upon India and England as integral parts of one great empire, which I understand to be your position, that if India, one portion of that empire, is called upon to lend England any troops, India pays for them; if, on the contrary, England lends the other part of the empire, namely, India, any troops, India again pays for them?—But India does not pay England for the troops which are maintained really as much for the support of India as for any other purpose in England.

1095. But has not experience shown that again and again it has happened that England has drawn troops from India; she drew troops from India for the Crimean war, which was the war in which India was never consulted; she drew troops from India for the Abyssinian war, for both the Chinese wars, and for the Persian war?—She drew, I believe, two regiments of European cavalry from India to assist in the Crimea, but those troops were not paid for by India; I take it they were paid for by England during the time.

1096. Then I will withdraw the question as to them; but it certainly did pay for the troops in Abyssinia and China, did it not?—I really do not know; I am not conversant with the finanacial details, but I should apprehend that only the native troops were paid for by India; that in the case of the European troops that went from India to Abyssinia their cost fell upon the Treasury, and that the Indian troops only were a charge to India.

1097. If you should find that not simply the native troops were paid for by India, but also the European troops in Abyssinia and China, it would alter your opinion as to the justice of the arrangement, I mean simply as a financial one; I am not now discussing whether India ought to have lent these troops to England in the Chinese wars and the Abyssinia war, but simply asking your opinion upon that as one of the financial arrangements?—I do not think that they ought to have paid for those; in fact, I rather think we made a struggle in India upon the subject.

1098. Then, again, with the native army; it seems to me in that case the more unjust to India, because the native army is maintained absolutely by India; none of those considerations apply there about a portion of the army being maintained in England, which acts as a reserve for India; the native army is in India, entirely maintained by India; therefore, if England uses any portion of the native army for her wars, it is the more unfair that India should pay for them, is it not?—That depends upon the

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question, whether India is to pay at all. It seems to me that some moderate contribution might have been made on general grounds, and therefore that the Indian troops, who were the least expensive portion of the Indian force, might fairly have been taken.

1099. You have objected to the principle of all these payments?—I rather think we protested against it, but I really do not recollect.

1100. I remember, because I brought it forward in Parliament about the Abyssinian war; I raised the question about India having to pay; at that time I think a very strong protest came from India as to the injustice of that?—Yes.

1101. I thought, from a previous part of your evidence, that it might be supposed that you were in favour of what took place in Abyssinia, and I asked you these questions, because the Government of which you were a Member, I believe, strongly protested againt that, and I thought, possibly, you would express that opinion still; I am simply asking you this, whether you think it was fair that European troops should be taken from India to Abyssinia, and should be paid for while they were in Abyssinia by India?— No; I do not think it was.

Sir *George Balfour.*

1102. What I understand from your replies is this, that looking at it in a broad point of view, which you are in the habit of doing, as a matter of policy the two Governments are bound to assist each other?—Yes.

1103. And therefore that India has lent to the Imperial Government her troops for the conquest of Java, the Spice Islands, the Straits of Malacca, the Mauritius, the first Chinese war, the war in Persia, and the war in Abyssinia; all that was assistance rendered by India to England?—I think, amongst the numerous operations which you have alluded to there are very great distinctions to be drawn. Now, for instance, as to Malacca and Java, and so on; all that relates to a time when it may be said that India carried on wars upon her own account, almost without any reference to England. For instance, with regard to that very business of Java, that was a thing which was entirely undertaken, according to my recollection, by the Governor General of that day, Sir Gilbert Elliot, and probably the Home Government had very little indeed to say to that. On the other hand, the war in Abyssinia was a thing of modern days, which depended entirely on the fiat of the British Ministry; therefore I do not think it would do to lump together all these different expeditions, and so on, as if they rested all upon the same principle, because certainly a hundred years ago India, with regard to her policy in those seas, exercised a very much greater independence than she does now. Now she cannot move a yard in the way of aggression or of carrying on war without the orders of the Government at home. It was a very different thing in the last century.

1104. Still we must look at the fact that the commercial enterprise of England was vastly extended by the operation of the Indian army; for instance, taking Ceylon; great extension has taken place there, both with regard to produce and commerce; then take the war with China, considerable results took place then?—But I think it has to be borne in mind that the commerce of India and the relations following on the extension of commerce, have been, perhaps, much more largely developed in the course of the last 40 years in India than they have been at home. Even when I left India the commerce of India was worth a hundred millions a year of our money; and that being so, it is quite clear that the obligations of defence, both with regard to the navy and to the army, have become very much more important than they were before that commerce existed; and therefore it is very difficult indeed to draw the line as to where the liability of one country shall cease and that of the other begin.

Sir *George Balfour*—continued.

1105. The object of my question was simply this, that seeing the mutual relations that existed between the two countries, and which I hope will ever exist, whatever difference exists about an affair like charges for recruits, it is desirable for the two Governments to be forbearing towards each other, seeing that they can mutually assist each other; that was the object to which I was directing my inquiries?—Of course one would like to see a perfect reciprocity if you could only get such a thing.

1106. You have been asked a great many questions about the recruits; would you be surprised to learn that many recruits have been sent out to India, even in the last two or three years, after less than four months' service at the depôt?—That was what was shown to me in a Return which I saw for the first time just now, I think.

Lord *George Hamilton.*

1107. Your Lordship means the Return in the Report of Mr. Seccombe's Committee?—Yes.

Sir *George Balfour.*

1108. That does not mean that the troops could have been drilled and made perfect soldiers of, does it?—No; certainly not.

1109. Are you aware that so far from the medical reports bearing out the statement that the young men under 20 years of age are unhealthy, the reports from the Medical Department show that there are fewer deaths amongst recruits under that age than in the classes above that age?—You see we are always told that doctors differ. It has to be recollected with regard to that question that every year that a man passes in a tropical climate his bias towards tropical disease becomes more confirmed; a man who has been 10 years in India is much more likely to die of tropical disease than the man who has been one year in India. But there is this point which, I believe, is not contested by medical men, that that pre-disposition to disease is greatly increased in individuals who go to India at an early period of life as compared with those who go somewhat later; therefore, although you may not have more deaths amongst the men of 18 years of age than you have amongst men of 22, still, *cæteris paribus,* if the man who went at 18 years of age lives to be 25, he is much more likely to be badly affected by tropical disease than the man who went out two years later. These are things which it is very difficult to state in Returns; but that is a point which, I believe, always affected the medical advisers under whose authority my representations were made, and I believe that to be the true and proper way of looking at the subject.

1110. It is a matter of opinion which no Return has shown. I would draw your attention to a Return, from which you will see that so far from

Sir. *George Balfour*—continued.

from the statement being borne out, that youths under 20 die in greater numbers than men above that age; a Return of the Medical Department itself distinctly proves the contrary?—Then it appears to me that whatever may be the Returns they do not go to the point which I have stated, and which there is no doubt was at the very foundation of all the advice under which my representations were made.

1111. You are aware that the capitation rate of 10 *l.* per head was agreed upon to be paid in 1861 by the India Government to the War Office, in order to cover all charges at home?—Yes.

1112. And that it was then distinctly promised that recruits, thoroughly trained and fit for soldiers, able to take part with a regiment, should be sent out on condition of that payment being made?—I do not know; it is so long ago that I really do not carry these things in my head, but I have no doubt you are stating what is correct.

1113. Are you aware that the depôt of the Guards is at the present time very much similar to the depôt which was at Warley in the old times of the East India Company?—I do not know anything about the arrangements of the Guards.

1114. That all the recruits of that fine body of men are sent down there, and are drilled and trained until such time as they are fit to take their place in the ranks?—I do not know what the arrangements are; but with the head-quarters of the regiment close by there is no analogy between the two cases.

1115. You mentioned that you thought it was unavoidable that the 2 *d.* a day which was added to the soldier's pay in 1867 should be paid for by India, and that no consultation was necessary between the two Governments on that point?—I should think not.

1116. But if an arrangement could have been made by which that increase of pay need not have been given, but by which other changes might have been made in the English army, so as to have avoided the necessity of increase of pay in India, would not that have been desirable?—Those are questions that one cannot give an opinion upon, questions of negotiations between Ministers on which I am not competent to give an opinion.

1117. During the time that you were in India you called attention to the expensive nature of the Medical Department of the British service, did you not?—I rather think I did.

1118. You pointed out how largely it had increased during the last few years?—Yes.

1119. Are you aware that since that time that branch of the military expenditure of India has very largely increased?—No; I know nothing about it; I have not been able to follow these details since I left India.

Mr. *Stanley*.

1120. I think I understand you to say that, in counting the cost of the recruits to India, you would charge the maintenance and daily pay, and stop there?—Yes.

1121. In considering these as matters of account, would you not consider that a man should be charged, to some extent, that which he represents in a money value as a cost to this country?—Well, I took a broad view, you know. I considered that he was about a year and a half under

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training, assuming that our figures are right about the average date of enlistment, and the average date of his embarkation for India; and I took the broad view that equity was sufficiently met by charging for his pay and maintenance during the average period of his residence at the depôt.

1122. The maintenance and the daily pay would really represent, so to speak, the cost of the raw material, but that material would have to be brought into the shape necessary to be of service to India by instruction of various kinds; would you not consider that as part of the bargain for which India pays, that that instruction should be included?—Well, that was the subject of a very long examination; I thought that it might be waived as not being worth while to insist upon it, with regard to the other duties performed by the officers of the depôt, and so on, to which the recruit belonged.

1123. I do not wish to press you to enter into details, but do I rightly understand you to say that, taking the broad view of the question, to use your own words, you would set off the considerations of the cost which might be involved in those details by the general consideration of India becoming a reserve, to a certain extent, for any troops required for emergencies for Imperial purposes; or, to put my question in another way, against what would you balance the advantage which India would otherwise gain by being charged according to the principle which you maintain, only the cost of the raw material?—I pointed out that it appeared to me that the services rendered by the depôts to which the recruits belong are sufficient to make the cost of those depôts an Imperial charge, and therefore that equity would be sufficiently met by charging India merely for the maintenance and daily pay of the man himself.

1124. I think you stated that India makes no payment whatever for reserve; for instance, in addition to the reserve of men which England supplies to India in case of an emergency, there are militia reserves of a considerable strength; and also under the new system there will probably be a considerable number of reserve men; is it your opinion that India should contribute in no respect towards the cost of those?—I think not, because you know it would be introducing the principle of a direct tribute from India to England, which is a principle which has never been admitted at all by anybody.

1125. I think in more than one instance you stated that the Imperial army formed in many respects a reserve to the Indian one?—Yes.

1126. I would ask you, would not that which I have suggested be only an extension of the same principle which you yourself admit?—No, I think not, because I have said over and over again that India in that respect stands in the same relation to England as the other colonies; and as we do not charge the colonies or dependencies of Great Britain on account of the reserve power which lies in the army serving at home, so we should not charge India. I do not see why an exception should be made against India when we do not urge it against the other dependencies.

1127. At page 12 of a Return respecting recruits, which has been laid before the Committee, you will find, in a letter of the Financial Secretary of the War Office, a recital of certain indirect charges which, in the opinion of Lord Cardwell, relieve to a considerable amount the

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expenditure of Indian revenues at the expense of the army in this country, may I ask you, taking these seriatim, very briefly your opinion as to those charges, which should or should not be made fairly a matter of charge, within the limits of which you have spoken just now; for instance, "the cost of the military staff and head-quarter departments at home"?—Certainly not.

1128. "The regimental staff of the corps to which the Indian depôts are attached or affiliated"?—No.

1129. "The full assessed cost of raising and training the soldiers who proceed, not as drafts or recruits, but as relieving corps, allowing to India for such sufficient men as return with relieved corps"?—Well, I believe we never have charged for that, and I do not see why it should be charged for.

1130. Would you charge India with anything of the cost of the educational establishments for officers and for men?—No; it must be recollected that India maintains educational establishments herself; for instance, the young Royal Engineer, when he goes to India, completes his education at the cost of the Indian Government.

1131. Would you apply the same principle, extending that question to garrison instruction?—Garrison instructors exist in India, and are paid by the Indian Government.

1132. As to experiments in arms and ammunition, would you say that the whole cost should be borne by the Home Government?—Certainly, because similar experiments are constantly in course in India.

1133. And with regard to the next question, I need hardly ask you, because it probably follows the last answer, "The cost of rewards to inventors of military weapons or machines"; but would you tell the Committee briefly upon what you would base your reasons for saying that the cost of the military staff and head-quarter departments at home should not be paid any proportion by India?—I am not aware that the staff at head-quarters has been increased in any sensible manner in consequence of the nearer relation drawn between India and England subsequent to the Proclamation of 1858; I believe that the only difference that can be said to exist is that there is an Assistant Military Secretary at the Horse Guards, and perhaps a few clerks.

Mr. *Campbell-Bannerman.*

1134. He is paid by India?—Then that subsides altogether.

Mr. *Stanley.*

1135. I think you stated that the Commander in Chief rejected some of the artillery reductions which were proposed in your Minute, to which reference has been made?—I think he objected to the entire scheme.

1136. May I ask (I have not the papers before me) whether there was not involved in that Minute some reference to the question between taking the battery or the brigade as the unit?—In my Minute, though, as I said, it is such a very long time since I read it that I cannot carry all the details in my head, I believe I argued that point very fully, as I have always had the conviction in my mind that the present system is not the best that could be arranged; and any change that I might have recommended probably started from that point.

Mr. *Stanley*—continued.

1137. That is a point about which, as a matter of fact, there is some division of opinion, is there not?—Very considerable division of opinion.

1138. As regards reliefs to the charges upon India when the late increase of artillery was made, were not a considerable number of Indian officers absorbed into that establishment who would otherwise have been charged on the non-effective charges upon the Indian establishment?—When the change was made, the four regiments of artillery were all amalgamated into one, and one of the difficulties that arose, and which led to the redundancy of the field officers, was, as I said before, the difficulty of disposing of these gentlemen, each establishment protecting its own. I am not aware that that made any difference to the non-effective list in India; I do not see why it should.

1139. Were they not brought in from the Indian list when the augmentation of the artillery took place?—It is hardly right to call it an augmentation, is it? it is the amalgamation of the several regiments.

1140. I am speaking of that which occurred in the last few years, when a considerable increase was made in the artillery?—Then of that I have no personal knowledge.

Lord *George Hamilton.*

1141. I think you have given the weight of your great authority to the opinion that short service in India will not increase the number of recruits which may be required; that is to say, more recruits will not have to be sent out annually in consequence of the new system of short service?—I think in the long run we shall arrive pretty nearly at that result.

1142. And in arriving at that opinion I suppose you calculated upon a considerable number of men re-engaging in India, and also volunteering to the regiments which remain in India when their own regiments are under orders to come home?—Yes, from those different classes.

1143. And I suppose the result of your experience is that the service in India is generally very popular with the men?—I think it is, on the whole; that they prefer it to serving at home.

1144. Should you say that if there was a separate European army in India it would be easier to get recruits for India?—No, I do not think so. The men who want to go to India know perfectly well the regiments that are in India, and those that are not.

1145. Under the present system India is charged for seven months' training of recruits in England; of that training, as no doubt you are aware, three months has to be passed at the depôts and four months with the home battalion. Would you charge India for the four months' service which the recruits do with the home battalions?—It seems to me that she ought to be charged for the entire time that the recruit is maintained at home; that is my view of it. My view is that she should be charged for the maintenance of the man for what I conceive to be a much longer period than seven months, and then that that should cover all the charges.

1146. But still England has the entire benefit of his services during those four months?—Then that goes to strengthen my position, that it is quite sufficient to charge on account of his maintenance and daily pay, and not to charge on any other account whatever.

1147. I do

Lord *George Hamilton*—continued.

1147. I do not think that you have had time to look at length into these Returns before us, have you?—No; I have not seen them.

1148. Might I ask you if you agree with the opinion expressed by the Secretary of State for India; in these two sentences he says, "The Secretary of State for India does not contest the necessity of India paying for its recruits, under whatever system is determined upon at home, as necessary for the efficiency of military training." He then goes on to say, "But if the cost of recruiting be swollen by an artificial system of charge, so as to include outlays which have really nothing to do with the cost of training, but are connected entirely with the organisation of the home garrison of England, he must record, as he now does, his protest against the principle involved, namely, that of charging India with any outlay which cannot fairly be said to be occasioned by the service of India"?—That is very much the conclusion to which my answers have all tended.

1149. And, in fact, if you could lay down a principle for the payment of recruits by India, it would be something to the effect of the words which I have quoted?—Yes.

Sir *Henry Havelock.*

1150. Your Lordship said that one of the economical recommendations you made, which was subsequently rejected by the Commander in Chief, was, that a certain proportion of native drivers should be employed in the artillery in India?—I think so; but I am speaking under great disadvantages, because I have not seen these Papers for a great many years, but I believe I did make some recommendations of that kind

1151. Is it within your Lordship's recollection that our defeat at Chunhut, on the 30th of June 1857, when Sir Henry Lawrence's force was overpowered and driven back into Lucknow, was mainly attributed by those who were present there to the fact that the native drivers, either from panic or from treachery, overturned their guns into the ditches by the roadside, or else cut their traces and galloped off the horses, so that nine out of his 13 guns were captured and remained in the hands of the enemy?—Yes, I am perfectly aware of that. At the same time a very exceptional state of things, which occurs once in a hundred years, is not, perhaps, a reason for entirely departing from a system which has worked well during those hundred years; and my view was, that when once the excitement of that civil war had passed away we could revert to a very modified system, which would reduce our expenditure, and which at the same time would not be fraught with the dangers existing under the old system, when the whole of the drivers of the field artillery were natives, instead of having a very small proportion of them natives.

1152. My only object in asking the question was, that I did not know whether that incident was in your Lordship's recollectiou?—I remember it perfectly.

Sir *George Balfour.*

1153. The last time you gave an opinion on the subject of the European forces in India was on the 2nd of April 1870, in your speech before the Legislative Council in India, in the following words: "But I am convinced that we should not go further, and that to attempt a diminution of the existing British force in India is an expedient fraught with so much danger as not to be thought of"?—Yes.

Sir *George Balfour*—continued.

1154. That was the opinion which you then expressed?—Yes.

1155. Therefore, in all the recommendations which you made then connected with that force you would desire to maintain the full strength of the force, but at the same time to maintain it as economically as possible?—Yes.

1156. Therefore, all your recommendations, with reference to artillery, cavalry, and infantry, were with that view?—Yes.

1157. Now it has been mentioned to you, and in your own speech here you quoted a Return which you specially called upon the Secretary to the Government to prepare, and by that Return it is shown that upwards of 6,000 men were then deficient in the force; and another question has been asked, by which you had been made aware that for a series of years the force has been considerably below its established number; therefore the system at home, which prevents your having the whole strength maintained in India, cannot but be defective?—It is extremely difficult, as everyone connected with the administration knows, to keep a force up exactly to the established normal strength; I do not think it is possible; you are never allowed to have a man over your establishment; thus the establishment is, say, 70,000 men; you are never allowed, for a single day, by your system of estimates, to have a man beyond that establishment; but how is it possible, considering what the casualties of service are from different causes, for you to produce such an exact equilibrium from month to month as that there shall not be a permanent deficiency of from 2,000 to 3,000 men; 4,000, I think, is rather high, but that you would have to reckon on from 2,000 to 3,000 I think is an absolute certainty on such a gross total as 70,000 on an average.

1158. But looking back to your experience when you commanded a regiment in India, your regiment was then far more up to its establishment, was it not, than the regiments were during the time that the payment of this capitation money was in force?—Just after the draft arrived it was so, but six months afterwards, from some cause or another, I had lost 80 or 90 men; and then six months more had to elapse during which casualties were always going on before another draft came, and, therefore, as I said, during the first six months after the arrival of the spring drafts your regiment is tolerably complete, very likely almost complete, and then for every month there is a decrement, and that decrement goes on accruing till the drafts of the next year arrive; and, therefore, as I said before, in one month your regiment is at the strongest in the year, and 11 months afterwards, perhaps, or ten months afterwards, it is at its weakest point during the year, but every month there is a decrement. Regiments are not now so strong as they were in those days; the strength of regiments in those days was, I think, 1,100 altogether; now I think it is not much more than 900; and the smaller the number of regiments, according to an administrative law, which I have no doubt you are more conversant with than I am, the greater will be this decrement on the whole; that is to say, it is more difficult to keep

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Sir *George Balfour*—continued.

keep up a larger number of small bodies than it would be a smaller number of strong regiments.

1159. You remember the time when the depôt of your regiment was only 15, all ranks told, at home?—At the time to which you allude what has now been called the Warley system was, in point of fact, as nearly as possible the same system as prevailed for Imperial troops, the system which prevailed at Chatham on account of the troops for our regiments, that is to say, that they were merely depôts to receive recruits, and hardly entered into the question of training at all.

1160. Still, that system worked efficiently as regards the point of keeping the strength in India nearly up to its fixed establishment?—Yes; but it sent the raw material, and you must recollect it was then a time of long service, that is, of 21 years; the number of our men coming out every year omitted that demand which is now made upon us with regard to the shorter service; now we have to depend upon the good will of the men whether they will re-engage or not; formerly, at the time to which you allude, they all had to serve on till they could serve no longer, and then they died, a small number being invalided home.

1161. In 1861 the depôt strength of the regiment was 220 strong, was it not?—I do not remember.

1162. If you will accept that from me, when I mention to you that, by desire of the Viceroy, my reports made to him proved that the regiments were at that time 147 below their establishment; that shows, does it not, that however large the depôt is you cannot maintain the strength out in India to its full establishment?—That probably was from a difficulty in recruiting; it was owing probably to some cause of that kind.

Sir *George Balfour*—continued.

1163. If you examine the state of the Indian army during the time of the mutiny you will find that then, owing to the Crimean war, and from not sending out recruits, and from the withdrawal of four regiments from India, the force was reduced by upwards of 6,000 men?—I have no doubt you are right; I had nothing to say to India at that time.

1164. But your Lordship's experience and great knowledge of the state of India at that time would show you that if we had had that force in India, and if we had held Cawnpore in strength, those great disasters which befel us need not have happened if we had had our full establishment?—But to the best of my recollection (indeed I am sure I am right in that) Cawnpore was never held in strength after the second Punjaub war; after the second Punjaub war Lord Dalhousie alienated the greater part of the European forces to the north-west, and the whole of the line from Meerut downwards to Calcutta was held by native troops; it had nothing to do with the alienation of regiments to the Crimea.

1165. But you are aware that the regiment which was stationed at Lucknow was the regiment which was drawn from Cawnpore?—Yes, that was part of Lord Dalhousie's policy; after Oude was annexed he did transfer two-thirds of the regiment from Cawnpore to Lucknow; but that had nothing to do with the alienation of troops to the Crimea, or to Persia, or anywhere. I believe that those troops that went to the Crimea went entirely from the south of India; the 12th Lancers went from Madras.

Sir *Henry Havelock.*

1166. Cawnpore was left unoccupied, so to speak, was it not, because it was considered a comparatively unimportant place?—In those days the idea of a disturbance was not dreamt of.

Friday, 12th June 1874

MEMBERS PRESENT:

Mr. Stephen Cave.	Mr. Fawcett.
Sir George Balfour.	Lord Edmond Fitzmaurice.
Mr. Balfour.	Lord George Hamilton.
Sir Thomas Bazley.	Sir Henry Havelock.
Mr. Birley.	Mr. Sampson Lloyd.
Mr. Campbell-Bannerman.	Mr. Massey.
Mr. Dalrymple.	Mr. Onslow.
Mr. Beckett Denison.	Mr. Eustace Smith.
Mr. Dunbar.	Mr. Stanley.

THE RIGHT HONOURABLE STEPHEN CAVE, IN THE CHAIR.

Major General Sir THOMAS TOWNSEND PEARS, K.C.B., recalled; and further Examined.

Major Gen. Sir *T. T. Pears*, K.C.B.

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Lord *G. Hamilton.*

1167. You have had a great deal of experience in the India Office; what is the result of your experience of the system of referring controverted questions to inter-departmental committees; are the committees as a rule able to arrive at a definite conclusion, or do they as a rule merely suggest an expedient?—I think, speaking generally, they are not so constituted as to arrive at a satisfactory definite conclusion, because they are generally constituted by the appointment of two members from each department; and, as there is no president or casting vote, it is evident that they must very often arrive at inconclusive results.

1168. And I think you, in your previous evidence, pointed out that a principle was rather required to be laid down which should enable them to know on what they were to act?—I think so. I think that is what is wanted.

1169. You are acquainted with that letter that Lord Northbrook wrote, which is included in the correspondence which has been printed for the Committee; there are three suggestions which he makes; I suppose it would not be competent for a departmental committee, Mr. Seccombe's Committee, to consider those suggestions?—Certainly not, I should say. The general understanding with us at the India Office is, that these inter-departmental committees are formed solely with a view of settling details, never of determining principles, which would be the case if those proposals, as I understand them, of Lord Northbrook's were referred to them.

1170. Then your opinion is, that whilst an inter-departmental committee is valuable for the statements which it would make on behalf of the respective offices, yet, for want of a principle to guide its action, it does not as a rule arrive at any definite conclusion?—I think so.

1171. Under the present system, which has been agreed to by the two offices, India now pays for recruits under the form of actual charges; does that system, do you think, give rise to much controversy between the two departments?—It has given rise to a great deal of

Lord *G. Hamilton*—continued.

controversy I understand; but correspondence on that subject does not pass through my hands; it is a financial arrangement. But I can, perhaps, instance one or two directions in which it has given rise to controversy. The charge there proposed is for a recruit, and among other questions of detail the question has arisen, what is to be considered a recruit? because we found when we got nominal rolls of the men who were embarked sent in that there were men of advanced life, that is to say, viewing them as recruits; men who had been in the army 10 or 12 years, and had been re-engaged, were put down in these lists as recruits, to be paid for as recruits. That was obviously unjust, and gave rise to controversy; I am not sure that it is settled yet. These men had been re-engaged, sent back to the depôts until the time came for their embarkation, and then included in what are called the drafts, and so charged as if they were recruits, whereas they had already served in the army for a considerable number of years as soldiers.

1172. What is the system of pension now in force in India in regard to privates?—The system of pension is entirely that laid down in the War Office regulations; and I am not very well up in that, but I believe that men are only entitled now to pension, that is the short service men, if they lose their health on foreign service; if they are invalided home from abroad they get, as a rule, a temporary pension, and if their health is certified after a time to be thoroughly broken down, and that as the effect of foreign service, the pension is made permanent; if they should have served a portion of their time in India and a portion out of India, the amount of that pension is charged between the two Exchequers rateably, but if the whole time was served in India India bears it all.

1173. Then if the re-engaged men are sent out in place of young recruits their health would be more likely to break down than that of young men, and thus India might have to pay pensions in consequence of their being older, is not that so?—Well, I do not think there is so much risk

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of that in the re-engaged men being sent out as in very young boys being sent out; the re-engaged men are never what you would call old men, and hardly ever middle-aged men; and it may be supposed that they have been pretty well tried and tested as to their physical health and powers; therefore I should not object to the re-engaged men being sent out to India; I should only object to their being charged the same sum as is placed upon recruits, which includes the cost of original training.

1174. The charge falls on them just the same as on any other recruit?—That has been the case; it is proposed, but it is disputed at the India Office at the present time, I believe.

1175. The result of the actual charges has been, has it not, that you have not had accounts for two years?—I think it is even more than two; I do not think that any of the accounts (but I speak under correction, as it is a Finance Department matter) have been settled for years subsequent to the cessation of the capitation rate.

1176. Would you be in favour of India paying a lump sum for recruits, something like the old system under the capitation rate, in place of these actual charges?—I should, certainly.

1177. Do you think there would be much difficulty in arriving at a basis upon which a fair and equitable calculation could be made as to the amount to be paid annually?—Well, I think there would be no difficulty if it were brought before a competent and an impartial tribunal, but that is the difficulty if it is left to the departments; that we have already experienced.

1178. Such a system would leave the hands of the War Minister much freer than the present system of actual charges, because he would know exactly what money he was to receive from India, and he would be able thus to calculate exactly the cost of any alterations which he might desire to make?—Precisely so; and he could do what he liked with the organisation of the British army at home, without any reference to the Government of India.

1179. Then you would be in favour of some such proposal, based upon some equitable calculation, and to be enforced for a certain number of years?—I should, certainly.

1180. We have had some evidence as to the relations which exist between the War Office and the India Office. It is the custom, in theory, for the War Office to consult the India Office, is it not, upon all alterations which would involve increased expenditure?—I think I may say that it is in theory, but not always in practice.

1181. Can you give any instances where the India Office has not been consulted?—Well, I gave instances the other day, I think, of the increase of pay to the army, and that particular case of the substitution of the regimental rank of major for that of captain. In most of these cases there are two reasons probably why the India Office are not consulted. First of all, it is supposed, and indeed it has been argued, that whatever may be the orders issued by the War Department, the India Office, in matters of finance, can do what they like; that their hands are not bound by anything that the War Office do. That is one argument; and the other is, that many of these measures are absolutely necessary, whether the India Office like them or not.

Lord *G. Hamilton*—continued.

1182. As regards the first argument, do you consider that India is not bound, as regards her European army, by what alterations are suggested by the War Office?—It is quite true that, literally, the Indian Government have the power to do exactly what they like in regard to the pay of the officers and soldiers in India; but we know very well that certain measures may be taken which cause a pressure to be brought on the Government of India that could not be resisted; and it was from the apprehension of that that when an increase of pay to the soldier took place here the same increase was given in India.

1183. In fact, it would have been impossible almost for the Indian Government to refuse that?—In very many cases it is impossible; the only cases in which we can refuse an addition of pay, or other emoluments which are granted to members of the service here, is when we can show that they are still, without such addition, better off a good deal in India than they are here.

1184. Then, as regards the second argument, that the changes are necessary, there would be always a disposition on the part of the India Office, would there not, to yield to the wishes of the War Office, if it was pointed out that the changes were absolutely necessary?—I think so, certainly.

1185. Allowance would be made for the fact that after all the European army in India is but a portion of the whole of the British army, and that even although the alterations might not be absolutely necessary in India, yet that the smaller portion of the army must yield for the benefit of the larger?—Yes.

1186. Then you would merely suggest that the custom which is supposed to exist in theory should always be put in practice, namely, that of consulting the India Office upon any proposals which involved increased expenditure?—Yes; I think I observed that in the evidence given before the Committee it has been stated that these things are always known, because all matters of importance are discussed in the Cabinet; but if I may speak of things a little outside my province, I should say that it is not sufficient merely for the head of the department to hear of these things in the Cabinet; he cannot be supposed to know all their bearings in detail, unless they are brought before him in his own office and department; therefore I think that all measures of whatever kind that appear likely, directly or indirectly, to concern India, should, before being finally adopted by the War Office, be communicated, it might be in a demi-official form, to the India Office for any remark that they may have to make upon them.

1187. There are not any other questions, are there, upon which there have been serious disagreements between the India Office and the War Office, or rather there are not any at the present moment?—No, I am not aware of any.

1188. And you think that if some principle could be laid down regulating the payment which India has to make for recruits, it would not be difficult to apply that principle to other questions which might arise?—Well, we might have a principle which would apply to the recruits which might not be sufficiently comprehensive to apply to all other branches of the army; but what is to be desired is, that there should be some general principle which would apply to the whole of these military charges.

1189. Following

Mr. *Stanley*.

1189. Following up that last question, do I understand you rightly that in substance, by that answer, you refer to an answer which you gave in your earlier evidence, in which you said that most men interested in India would repudiate the principle of partnership, and that the very assertion of such a principle shows that the real principle remains to be considered and determined, and that it was very desirable that some principle should be arrived at; it was merely following that up, I suppose?—Yes.

1190. First of all, let me ask you with respect to some of your evidence to-day as regards the re-engaged men; I understood that you demurred to men of some considerable service being sent out with the drafts, and I think, to use your own expression, charged as recruits?—Yes.

1191. But those re-engaged men are in many respects of more value than mere recruits, are they not?—Very likely.

1192. I think we have heard, if not from you, at least in some of the evidence given before this Committee, that some exception has been taken to men being sent out with less service than the normal service than seven months, which is held to be necessary for recruits?—Yes.

1193. Is it not rather hard to be complaining of men being sent out with less service, and at the same time to demur to being supplied with an article which, so to speak, is rather in excess of the requirements?—No; I think I can satisfactorily explain that the sending of young men under two or three months' service is objected to because the very condition upon which the charge has been arrived at is that they should be fully trained on an average of seven months, and therefore it is assumed that that condition has not been fulfilled on the part of the War Office. But with regard to the older re-engaged men, it is obvious that many of these men may have been paid for as recruits on a former occasion by the Government of India, and many I have no doubt have come home, some of them invalided, been re-engaged, sent to the depôts, and then sent out among the drafts, and paid for a second time; and even if that is not the case, their training was originally on account of the War Office; they have served the War Department several years, and then it is not fair when they are sent out to India, having done that service to the War Department, that the India Office should pay for the original training of them.

1194. But taking it from another point of view, if you say that they have been trained on account of the War Office, to use your own expression, these men, having more training than the recruits, are really a better article which is supplied to you than the recruits with the mere seven months' training?—I am not sure of that; but assuming they were, they are in the position of the old soldiers who go out with the regiments. Now there is an admitted rule as regards old soldiers, in fact all soldiers going out with the regiments, that we pay a certain and a lower sum for them than for recruits, and then that sum is repaid to us for every man that lands in England again, provided that when he so lands he has got a certain period of service before him.

1195. Then you contend that the same principle should be applied to these men sent out with the drafts?—Precisely so.

1196. When a regiment goes out, at what rate are the men paid for; are they paid at the lower

Mr. *Stanley*—continued.

or at the higher rate, or some at the one and some at the other?—They are paid all of them at a uniform rate, which is lower considerably than that of a recruit; but at this moment I have not the means of saying what that is.

1197. In some cases recruits would go out with those regiments, and therefore you would be really paying for some of those men at the lower rate, would you not?—It may be so.

Sir *H. Havelock*.

1198. Seeing that of every regiment that embarks at least a fifth or sixth are recruits, you get the benefit of all those men at a reduced rate?—It is not my duty to look into those accounts. I presume that would be the principle on which they would be charged.

Mr. *Stanley*.

1199. So far as you are aware, I think you have stated that you have no reason to complain generally of any attempt being made by the War Office, of course allowing for difference of opinion, to force any charges upon the Indian Government which are believed or which can be proved to be unfair; I think that has been stated by you, if not now, in your former evidence?—Yes.

1200. If it is proved that the cost of the recruits represents a certain sum to the War Office, do you consider that the Indian Government would have reason to complain if the same sum is charged to them?—I think they might.

1201. Then, in other words, instead of requiring the article to be supplied for the cost price, do I rightly understand your contention to go so far as this, that you would actually have it supplied for less than the cost price?—There are two questions involved in that: the one question is, I take it, one of policy, whether India should be compelled to bear the whole cost of the whole force made use of to retain our dominion there; the other question is, whether, assuming that she is to bear the whole cost, she is to bear that cost whatever have been the arrangements, however imperfect, however extravagant the arrangements made for the manufacture of the article.

1202. But is not the first question, that on the policy, decided by the very fact of Mr. Seccombe's Committee sitting to investigate the actual charges?—I think so, at least so far as the two Secretaries of State are concerned.

1203. With regard to changes in organisation at home, which may cause greater expense to the Indian Government, I think I have understood you, in answer to Lord George Hamilton, to say that there would be a disposition to yield, if the changes at home were absolutely necessary?—I think so.

1204. But you would consider that in all those changes India should have a voice?—I think so.

1205. Would you carry that so far as to say that in all matters of organisation at home in which India would be affected in the slightest degree the Indian Government should have a voice, or would you limit that control by expediency?—I do not mean to go so far as that; I have said before, I think, that the question of army organisation must rest primarily with the War Department, but that I think, considering the large interests that India has at stake, it is obviously desirable that the head of the War Department should communicate freely with the Secretary of

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State for India on all proposals of re-organisation that are likely to affect the finances of India.

1206. I think I understood you to be rather in favour of a principle by which these claims might be adjusted for certain periods?—Yes.

1207. Supposing they were adjusted upon the existing basis, should you be prepared to say that if reductions were made at home, by which it was clear that the Home Government gained materially in the bargain with India, no claim would be made on the part of the India Office for a corresponding remission of the charge?—I do not think such a thing is likely to happen; and if the rate were fixed for a certain period the question of adjustment or re-adjustment on any great organic changes being made would be one for fair consideration between the two departments at the time.

1208. I will take an instance: supposing that four or five years ago a fixed rate had been arrived at to run for 10 years, and that the large organic changes which have since taken place in the administration of the army are attended with all the financial advantages which are claimed for them; supposing that owing to those changes the Home Government were really producing the article, say of recruits, for a less sum than originally had been agreed upon in the rate fixed with the India Office, should you in that case be disposed to say that India would make no claim for a reduction?—I do not know, but they might; but it would depend very much like any other contracts on the circumstances under which the agreement was originally entered into, and the circumstances that transpired to change the position of one of the contracting parties; perhaps I may illustrate what I mean by a case which took place between us and the Admiralty; some time ago we had an agreement with them regarding troop ships, which was to last for 21 years, and the opening of the Suez Canal rendered it necessary that that agreement should be cancelled, and if we had left the agreement on its original footing, which was made on the understanding that it would last for about 21 years, we should have had to pay the Admiralty much more than was really their due, on the supposition that it only existed for three or four years. The Admiralty insisted that we ought to pay as if the contract remained for the whole time; we thought there should be a re-adjustment, in consideration of its having been cancelled after the first three or four years; and it was submitted to arbitration, and it was given entirely in our favour.

1209. Then, in pursuance of that principle, if a rate had been agreed upon, and a large increase, owing to any unavoidable circumstances, arose at home, would you be prepared to admit that the rate should be revised for the benefit of the home Government?—I do not think it would be safe or prudent to lay down any general rule for a thing of that kind; the case should be decided, and would be decided no doubt, on its own merits at the time.

1210. But then I would ask you whether that last answer does not raise a rather formidable difficulty to the principle of any fixed rates for any period?—I do not think so; I do not think that any man contemplates any great radical changes in the organisation of the army here which would lead to serious economy in the expense of recruits, for instance, so that any arrangement come to now would appear to be unequal and unjust in a number of years hence. For instance, I observe Lord Sandhurst has proposed that all home expenses of the recruit, all the general expenses of the recruit, should be borne by the War Office, and only the detailed expenses of his maintenance, and clothing, and feeding for a certain time should be borne by India. If such a principle as that were admitted, it is not likely that any changes made in the organisation at home would seriously affect the charge that would be so made against India.

Mr. *Stanley*—continued.

Sir *G. Balfour*.

1211. The important questions now asked you with regard to agreeing to a rate for those recruits would be more easily settled if we excluded from that rate all charges which were susceptible of settlement as actual *bonâ fide* charges upon a clear and distinct voucher of a payment made for a specific purpose; for instance, the pay of officers at home from India was formerly covered by the capitation rate of 10*l.*; the pay actually of these officers is easily susceptible of audit, and therefore capable of being paid by India if India is considered liable upon an actual voucher for the pay of that particular officer who is at home?—But they are actually so paid now.

1212. I am now speaking with reference to the old capitation rate, which covered every charge of every kind, excepting stores and transports?—Yes.

1213. And that, therefore, the 10*l.* was a very large rate to pay, seeing that it covered many charges which are now paid for upon vouchers as an actual charge?—But I understand that the capitation rate was arrived at as a fair payment of all these charges at home of whatever kind, including the furlough pay of British officers and the depôts, and other such charges; and, therefore, the question I understood to have been asked me some time ago was, whether I thought it more convenient that we should revert to something like the capitation rate again, or that we should take in hand, as we are doing now, the detailed payments for all these things. I think the payment of a capitation rate or a lump sum would be more convenient, and save a good deal of trouble.

1214. I quite agree with you; but I am now raising the question that it is not desirable to include in that capitation rate any payment capable of being settled between the two departments upon the actual vouchers?—I think it is desirable to include them all. I think it will save a great deal of departmental work, of trouble, and, perhaps, of dispute occasionally.

1215. You mentioned, with regard to men going out, that there was a lower rate paid for those men than for recruits; as the Committee have not had that charge stated, do you happen to remember the particular rate?—I do not remember, but they are found in the proceedings of Mr. Seccombe's Committee.

1216. It is about 27*l.* for the infantry soldier, is it not?—More than that, I think; it is certainly in one of the Reports.

1217. Would you kindly look at that (*handing a report to the Witness*); that is Mr. Seccombe's Report; will you say what the rates are which they paid for men going up on passage to and from India, and coming home in the form of relief?

Major Gen. Sir *T. T. Pears*, K.C.B.

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Sir *G. Balfour*—continued.

relief?—This is previously; I doubt very much if this is the actual charge now, but it may be. "Estimating the charge for difference of men on passage to and from India, according to the minimum period of training prescribed by the letter from the Deputy Adjutant General to the Under Secretary of State for War, already referred to, the charges will be as follows: Cavalry, 45*l.* 16*s.* 10*d.*, add for forage, 10*l.* 0*s.* 5*d.*, total, 55*l.* 17*s.* 3*d.*; Infantry, 27*l.* 7*s.* 11*d.*; Royal Horse Artillery, 47*l.* 10*s.* 7*d.*; Royal Artillery, 40*l.* 11*s.* 5*d.*"

1218. Is it not the case that from the same report which you are reading India is precluded from receiving any payment for men on returning home from India who have not two years' more service?—Yes.

1219. But is it not the case that India pays for every man that embarks?—No; there is a certain limit as to the number of years he has to serve, and no man is to be embarked unless he has more than that period to serve.

1220. But all men who are embarked are charged for according to those rates?—Yes.

1221. Then the War Office are supposed to be paid fully for the men that they do send to India in the form of batteries and regiments?—I presume so.

Sir *G. Balfour*—continued.

1222. Then is it upon that footing you would propose that the capitation rate for recruits should be fixed, that an extra sum should be paid simply for the recruits embarked separately?—I propose that the charge for recruits should be fixed by an impartial committee, upon fair and equitable principles.

1223. Then, seeing that the old soldiers are paid for by that separate rate, would it not be convenient to add on such a sum as may be agreed upon, and to consider it the recruit payment?—It would be very convenient, but I do not know how the charge for the old soldier has been arrived at. I know how the charge for the recruit has been arrived at, and that involves certain principles which are open to question; but I think it might be quite possible, and that it would be much simpler, to arrive at one common charge for all classes of soldiers going to India, whether old soldiers or recruits.

1224. Does that apply to all arms, varying, of course, the rates for the different arms of the service?—Yes.

The Right Hon. EDWARD VISCOUNT CARDWELL (attending by special permission of the House of Lords), Examined.

Right Hon. Viscount *Cardwell.*

Chairman.

1225. YOU were Secretary of State for War for a considerable time?—Yes.

1226. Have you read the correspondence between the War Office and the India Office, and the letters from the India Office and the Government of India, laid before Parliament on the motion of Lord George Hamilton?—Yes.

1227. The chief point of that correspondence is, I think, the amount which ought to be charged by the United Kingdom to India for recruits?—So I understand.

1228. What is your opinion upon that point; on what principles should that charge be made?—My opinion is, that the amount charged to India should be as closely as possible the amount which is actually paid for the raising and training. The question, therefore, now, I consider, is, how that cost ought to be ascertained. I may say that I am of opinion that the controversy in this Parliamentary Paper has rather enlarged itself as it has gone on; and that, rightly understood, its dimensions may be expected to be rather narrowed.

1229. When the East India Company governed India their own army was a very small one?—Very small.

1230. And the principal army in India was a portion of the Imperial army?—It was so.

1231. Where were the depôts of the regiments of the Imperial army serving in India at that time?—They were in England; they were paid for by India; and I am informed that they were not less costly than those which have been now the subject of complaint; and at any rate the arrangement of 10*l.*, with which the Committee is familiar, was, I believe, based upon the actual expenditure upon the Imperial portion of the 45,000 men, or thereabouts, who were in India at the time of which you are speaking.

1232. When it was found necessary largely to increase the European force in India, and the two armies were amalgamated, and new arrangements were made, what fresh organisation of the depôts took place?—The depôts of all the regiments, including the depôts of those serving in India and the colonies, were organised into depôt battalions, which were at that time supposed to be a considerable addition to the defensive force of this kingdom; and it was at that time that the arrangement of 10*l.* for effective service, and 3*l.* 10*s.* for non-effective service, which was arranged under the direction of a committee, of which Sir Alexander Tulloch was the president, was arrived at.

Chairman—continued.

1233. Will you confine yourself first to the 10*l.* for effectives; what was the question raised by Sir Alexander Tulloch and that committee of which you speak?—When that arrangement of the 10*l.* was made, as the Committee are aware, Sir Alexander Tulloch raised the question whether the "expense of the general, medical, and commissariat staffs, essential for the command, medical superintendence, and subsistence of this largely increased force," ought to be taken in as an element in constituting the charge of the 10*l.*; and in the Capitation Rate Return of 1862, which is before the Committee, on page 15, it is said that "the increase in the general and medical staff since 1853 will show that this charge is founded, not on any hypothetical expenditure, but on a cost actually incurred by the increased duties and responsibilities thrown upon the general and medical officers at home since the mutiny." Then a correspondence took place with the War Office, and it was proposed by the War Office to the Treasury, that those items should be omitted from the calculation of the 10*l.*, and, on the 22nd of February 1861, the Treasury wrote, "Their Lordships concur with Lord Herbert in opinion that the advantages derived by this country from the presence here of the depôts of regiments serving in India, may be fairly taken into ac-

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Chairman—continued.

count as a set-off against charges which, apart from that consideration, ought to be borne by the Indian Government;" then upon that arrangement the 10 *l.* was fixed, and the calculation of those particular charges was omitted from the 10 *l.*, in consideration of the service which those depôts at the depôt battalions were supposed to render to the defence of this country. What was in operation, therefore, five years ago, was the system of depôt battalions, composed of the depôts of regiments serving in India and the colonies, and the system of 10 *l.*, with which you are familiar, and which might perhaps, for convenience, be called the Tulloch system of repayment.

1234. Then that 10 *l.* would have been a larger sum if the consideration of these charges had not been waived by the War Office?—Certainly.

1235. I think your Lordship found the accounts in arrear, and that in consequence the War Office was not in a position to send in an actual account?—What I found was, that the accounts were two years in arrear, because while the War Office was in a position to send in at once an actual account of expenses incurred on behalf of India, it had not been able to get the statistical table on which to found the account for the Tulloch repayment. I found that the Indian depôts had, until quite recently, an establishment of 100 rank and file, but that my predecessor had just increased them to 120 on the urgent representation of the Commander in Chief. The reason of this was that all the men who were invalided from India, or were reported unfit to go to India, or had not two years' service left, were at the depôt. Before this increase was made, and while the depôts were still only 100, the United Kingdom was paying on behalf of the Indian depôts much more than was repaid to the Treasury by the 10 *l.*; and if I had permitted the system to continue I must, of course, have raised a question with India on that subject.

1236. Then I would ask, was the system then in operation costly for India and for the United Kingdom as well?—I am informed by the Accountant General of the Army that the excess paid from the Imperial Treasury in 1867-68 on behalf of the Indian depôts of cavalry and infantry was 184,000 *l.*, and yet that if India had paid for those depôts from 1861 to 1868, not as as she actually did upon the Tulloch system, but upon the system which has been in force since, she would have saved in round numbers 100,000 *l.* a year.

1237. Is the system of which complaint is made a temporary or permanent system?—The course which was taken upon this state of affairs was to put an end to the depôt battalions altogether, to affiliate the Indian depôts to regiments serving in this country, and to appoint Mr. Seccombe's Committee for the purpose of ascertaining year by year what was the actual cost to the United Kingdom of that system so long as it should continue; but it was not intended to be a permanent system; and, as the Committee are aware another system is now partly in operation, and rapidly growing into complete operation, which will be much more economical on the whole, and therefore, of course, ought to be more economical, both to the United Kingdom and to India.

1238. Then your position is that the intermediate system of which you have just spoken was

Chairman—continued.

cheaper than the old one, but more expensive than the one which is now coming gradually into operation?—Certainly; I have seen in some of the statements which have been laid before the Committee that 170 *l.* has been the cost of a recruit under the old system; only 63 *l.* is stated to be charged to India under the Seccombe arrangement; and when the double battalion system comes into operation I have no doubt whatever that the sum charged to India on this account will be very considerably reduced.

1239. Under any circumstances, you consider that the position of the War Office is, that it only charges India what has been actually expended for her?—Under the present system (that is, the system of the Seccombe Committee), the instruction is only to charge that which can be shown to have been actually expended; but under the former system I think the staff charges of the depôt battalion were included in the calculation of the 10 *l.* As the Committee are aware, I thought it not right to charge anything to India for the staff charges of the battalion to which the depôt was affiliated, because, as that was not a new expenditure, but was already upon the estimate, and as it was only a temporary arrangement, I did not think it desirable to raise against India a question of that kind.

1240. How long, under the system now coming into operation, will the recruit be trained at the depôt?—Under the new system there will be in the brigade two battalions, and the recruiting at the depôt will be for the brigade, and not for the separate battalion. The recruit will be trained at the depôt in the ordinary course for three months; he will then join the home battalion, in which he will complete his training, because, although he learns a portion of his military duty at the brigade depôt in three months, you will not hear, I think, from any soldier who may be called before you that the training of the soldier is completed in the three months. But I shall not, with your permission, enter upon military topics, because I believe that His Royal Highness intends to offer some observations to the Committee; and you will of course learn everything of a military nature much more advantageously from those who are high authorities on the subject.

1241. Then from what source will the men be sent to India to furnish drafts for the battalion in India?—They will, as a rule, I presume, be sent rather from the home battalion than from the depôt at which they have only imperfectly been trained.

1242. I presume that the rule with regard to the 20 years of age would also bring about that result of itself?—The rule with reference to 20 years of age must be taken with the modification which the Committee, I suppose, are well acquainted with, and which goes rather upon length of service than upon age. That is founded upon medical opinions, and I believe you have the report before you, and I do not think that it is necessary for me to go at length into the subject.

1243. What will happen to men returning from India invalided?—They will be discharged from Netley if they are unfit for home service; but if, though invalided from India, they shall be fit for home service, they will serve out their time in the home battalion, and will not be chargeable to the revenues of India.

1244. What time will the charge cease upon the

Chairman—continued.

the revenues of India on a man invalided from India?—On his discharge from Netley.

1245. A comparison, as you know, has been made between the different systems of recruiting, and considerable preference has been shown by some for the Warley system; what is your opinion upon the Warley system, in comparison with the other systems?—The Warley system, as you know, has never come under my own observation, and I must be considered as speaking from general information in speaking about Warley. Warley was a place where about 1,000 recruits were obtained in the course of the year; the number varied sometimes from 1,000 to 1,500; but I believe if I were to take a number to describe it upon the average, I could not do better than say about; 1,000. It was for an army of about 12,000 men; it might rather be called a brigade than an army; it did not constitute, as I have already told you, the real recruiting for the army of India, which amounted to about 45,000 men, and the principal part of the recruiting was done at depôts, which were single company depôts, no doubt, but which had four officers attached to them though single company depôts, the difference being, I believe, that instead of two captains and two subalterns there was one captain and three subalterns, and the average number of men was rather more numerous than the depôts that are contemplated under the new arrangement. The drilling at Warley, I believe, was only for three months. In calculating, therefore, a pecuniary statement of the cost of drilling at Warley, a very small sum would appear; but those who are acquainted with the history of the Indian army will probably confirm my impression that the Warley system of training men for three months in this country, and sending them out to finish their training in India, was a very wasteful system as regarded human life; that you are not to take the number of recruits who joined a battalion in India, and became effective in it, by the number that were drilled at Warley; but that if 27 *l.* was the cost of a recruit drilled at Warley, you must add considerably to that 27 *l.* for the consideration that within the first year of their training in India a considerable number of them ceased to add to the strength of the Indian army. I consider also that Warley is inapplicable for another reason, and that is, that I believe (but this is not of great importance) that a number of men were attracted to Warley, perhaps, also at rather a later age, because those who went into the small Indian army from Warley had great facilities, which were well known, in obtaining civil employment in India. No doubt there are great facilities now for obtaining civil employment in India offered to soldiers; but they are too widely dispersed, and there is too little certainty of any recruit obtaining his share of them for it to be considered, I presume, any great inducement to recruiting in this country; at least, I have not observed that General Taylor in his recent Paper offering to the population of this country the advantages of the army, has included in those advantages the prospect of civil employment in India.

1246. Lord Sandhurst stated that almost as many men left the ranks now for civil employments as in former times; he stated that in his evidence the other day; were you aware of that fact?—I did not hear Lord Sandhurst examined; but my observation upon that is this: even if it be so the uncertainty with which it is now surrounded makes it, I think, a less inducement than it was in the days of Warley; but this is an unimportant observation either way, and I do not wish to be understood as attaching any particular importance to it.

Chairman—continue

1247. If the Seccombe systems of account had been applied to the arrangements in force between 1861 and 1868, would it have been more economical for India than the system then in force?—I have already stated that I am told by the Accountant General of the Army that if India had been charged for her recruits for the cavalry and infantry from 1861 to 1868 upon the principle now in force, instead of upon the system of the 10 *l.*, that is, upon the Seccombe system instead of upon the Tulloch system, she would have saved, in round numbers, 100,000 *l.* a year. Applied to the intermediate system, it is still more economical.

1248. And if you apply it to the new method, what is your opinion on that point?—I have already stated that inasmuch as under the linked or double-battalion system, a man who has been invalided from India, but is fit for home service, will be chargeable upon the home battalion and not upon the Indian depôt, the arrangement will, in my opinion, be much more economical for India.

1249. You stated, I think, that under the temporary system no charge was raised against India for the superior staff of the battalion?—I did so.

1250. In the case of the brigade depôt system, has that question been raised?—No, I think it has not yet been raised; it is premature, I think, to raise that yet.

1251. And under the new arrangement of brigade depôts and linked battalions, which you have stated will be still more economical for India, will that be so also (I need hardly ask) for the United Kingdom?—Certainly; that is to say, that the 184,000 *l.* which we paid in the year 1867-68, over and above what India repaid, would not have been paid from the War Office Votes, and the 100,000 *l.* a year which India appears to have paid would not have been paid.

1252. Then we come to this, that the system just coming into operation is, according to your Lordship's account, the most economical of the three; and what is your opinion as to the amount of that reduced charge that India should pay?—Since I came into the room I have heard a suggestion from Sir Thomas Pears that the whole expense of India ought not to be paid by India; and in the Parliamentary Paper of 1862 about the capitation rate, that principle has been very strongly put forward on the part of India, and comparisons are made with the expenditure, which at that time the United Kingdom incurred on behalf of the colonies, which it was urged was not incurred for India. I am of opinion that as far as possible the accounts ought to be kept perfectly clear between the colonies and between India on the one side, and the United Kingdom on the other; there are, of course, some colonies which are manifest exceptions, and with which I need not lengthen my answer; but speaking generally, I would say that the accounts should be kept perfectly clear, and that each should pay its own share.

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Chairman—continued.

1253. Then taking that as the principle to guide us, what amount of the army does India employ?—You must now, I think, bear this consideration in mind; it is an economical and a wise principle to have a small army in time of peace susceptible of expansion when necessity arises; but though that is both wise and economical, an army so constituted cannot be so cheap in time of peace as an army which in time of peace is working up to its full strength: 100,000 men upon a war footing will cost less than 100,000 men upon the peace footing, of which I have been speaking. Now India employs in round numbers always about one-third of the British army; I do not think that India would have reason to complain if she were charged upon that one-third according to the proportion of the additional expense which I have mentioned of an expansive army. I think if England paid that larger proportion upon her two-thirds and India upon her one-third, it would be a more strictly equitable arrangement than if the United Kingdom paid upon its two-thirds and paid also the whole or a portion of the excess upon the one-third which is permanently employed by India; but as matters stand at present, India does not pay for a number of cadres equivalent to her share of the army. I believe at the present moment the United Kingdom is maintaining 91 cadres for 52,620 men; while India, which employs 41,000 men, is only charged for 50 cadres; but the War Office has made as yet no proposal to alter the present arrangement, by which, while on the Army Estimates of the United Kingdom, the majority of cadres are 520 strong, and the cadres on foreign service are some 600, and only a very few 820; the whole force in India is at 820.

1254. Then India escapes payment for staff, and other general charges, on the cadres of regiments, and pays simply, or at least to a great extent, for the actual men whom she employs?—India pays for the infantry in the proportion which I have stated; and, for the reason I have given, it does not appear to me to be a proportion of which India has a right to complain as compared with the United Kingdom; and if India were relieved of a portion of it, it is quite manifest that that portion must be thrown upon the taxpayer of the United Kingdom.

1255. How is that with regard to the troops in the colonies; what strength are the cadres in the colonies?—I think there are seven regiments in the colonies at 820, and the remainder, I think, are at 600.

1256. Then, in a comparison between the colonies and India, India does not seem to suffer by the comparison?—I think not.

Mr. *Fawcett.*

1257. On what terms are the troops for the colonies paid for?—The general rule is that we do not employ troops in the self-governing colonies at all; they, if they maintain a force, maintain their own force at their own expense. In the colonies in which principally we do maintain troops, they are for purposes of our own, such as Malta, Gibraltar, Halifax, and so forth; and in some few exceptional colonies we maintain troops for which we make no charge, or only a small charge in some of them. The colony in which the question of repayment has been most strongly tested is Ceylon, and there the payment was

Mr. *Fawcett*—continued.

calculated to be a full payment for the service rendered.

Chairman.

1258. Taking out of consideration those colonies which are really military garrisons, India, as I understand you, has not been worse treated than the colonies which repay the War Office for the troops sent out?—I would rather say that in my understanding the principle applied is the same principle, than go into details with which I am not so familiar, to say how the precise figures may compare in one case or the other; but my belief is that Ceylon pays quite as largely as India pays.

Mr. *Fawcett.*

1259. This is a very important point, and we probably shall not finish your examination today; could you kindly furnish us with those details the next time we examine you; I should very much like to have them, so that we might compare the two systems?—I will take care that they are furnished to the Committee.

1260. Perhaps you would not object to be examined on them, because it seems to me to raise a very important point, the principle on which we charge Ceylon for troops and India; because your evidence has gone to show that India is as favourably treated as the colonies; and in one sense your evidence would seem to go to show that India was more favourably treated, because you quoted the colonies to show that India had a greater number of troops, in proportion to the cadres, than the colonies?—I am glad that you have put the question, because I think you misunderstood the purport of my answer. My own intention in giving the answer was entirely limited to the question between the United Kingdom and India. I said that the United Kingdom maintained about two-thirds of the army as against one-third in India; those two-thirds are employed part of them abroad and part of them at home. With respect to those that we employ abroad, seven battalions, I think, are at the Indian strength of 820; the greater number are at 600; and with respect to the battalions that we have at home, the greater number are at the strength of 520. Now these three classes, so far as my original answer was concerned, I intended to include as the troops employed by the United Kingdom, and to compare them with India; but at that point some one (I forget whether it was yourself) asked me a question about the colonies, and of course I gave the best answer that I could; but I wish it to be understood, as from myself, that I am comparing at the present moment the United Kingdom and India.

Chairman.

1261. Then on that ground, would you admit that the cadres are maintained chiefly for the benefit of the United Kingdom?—As a matter of fact, I believe that when the 25 second battalions were created, it was chiefly on account of a sudden emergency which had arisen in India.

1262. How is the Indian staff corps filled?—It is filled by young officers who are trained for the British army; they pass into the Indian service, leaving the United Kingdom to fill up the vacancies which are created.

1263. Is the cost of any part of their training defrayed by India?—No doubt there is a contribution

Chairman—continued.

bution from India to Woolwich, and so forth, but I have not the least doubt that the arrangement is in the main a most advantageous arrangement for India.

1264. Some opinion has been given as to the advantage economically of a separate army for India, if it were possible for India to maintain a separate army. What is your opinion as to the economical side of that question?—My belief is that it would be more costly for India to maintain an army of 60,000 men, and a great deal more costly, than it is for her to draw upon the British army in the way that she does now. But it was on reasons of more importance than financial reasons that the separate army was put an end to, and that the armies of the two countries were amalgamated.

1265. But supposing India had to pay for 10 companies to recruit, and maintain in the field eight companies of 820 men as the United Kingdom does?—What I have already stated is this; that I think under the present arrangement, where all the cadres in India are at 820, and the majority of ours are at 520, and a few only at 820 and 600, India has not upon the balance any reason to complain.

1266. What is your opinion as to the value of the risk that we run in defending India in the case of a European war?—I believe that under the present arrangement the Indian depôts are reduced at the time when the drafts have gone out to about 2,500 men. I do not undervalue the advantage of having a force of that kind in this country, nor do I think that it is necessary to exclude from a balanced account some consideration for India on that account; but if you ask me whether I think that as we are at all times subject to a risk of having to defend India, in the event of a European war, that consideration is of far greater importance than the presence of a force going down at one period of the year to a minimum of 2,500 men, I think there is no comparison between the two considerations.

1267. Then you think that if the question was revived at the request of the Chancellor of the Exchequer the balance would be found to be against England under the present system?—What I have already stated is this, that when the Tulloch system was created certain charges were mentioned, which, in the opinion of the War Department and of the Treasury ought to have been raised against India in forming that calculation, but that those charges were waived in consideration of the value of the Indian depôts to this country as a defensive force. I have now shown you that the number of men at those depôts is considerably reduced, and I understand that the present contention is that a consideration shall be allowed to India in account for the depôts as they remain. It appears to me to follow that the Chancellor of the Exchequer will say that the consideration upon which he waived certain charges in the year 1861 is now gone, and that it is open to him (and I think he would expect the War Department to call his attention to the subject) to revive the consideration of those charges, which at that time were waived.

1268. Is there anything that you would like to add on this particular subject?—No.

1269. You have seen a letter to the Duke of Argyll from the Government of India, dated the 15th of May 1873?—Yes.

Chairman—continued.

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1270. That letter is as follows: "Simla, 15th May 1873. My Lord Duke—We have had under consideration the three Reports, dated 11th March 1869, 24th November 1869, 28th February 1870, of the joint committees appointed by the India and War Offices to 'make arrangements for adjusting the charges for effective services of Her Majesty's regiments on the East Indian Establishment on the principle of actual charges,' the first two of which formed an enclosure to your Grace's Despatch, Financial, No. 14, of 20th January 1870. 2. The charges made by the Secretary of State for War against this country for recruits, viz., 136 *l.* 13 *s.* 11 *d.* for Cavalry; 63 *l.* 8 *s.* 5 *d.* for Infantry; 78 *l.* 14 *s.* 8 *d.* for Royal Horse Artillery; 59 *l.* 2 *s.* 10 *d.* for Royal Artillery, mounted; 58 *l.* 9 *s.* 3 *d.* for Royal Artillery; are so out of proportion to the expense incurred under the East India Company, (the average for 10 years ending 1859 for all arms being 19 *l.* 14 *s.* 10 *d.*), that the difference is clearly not mainly attributable to the enhanced pay and allowances of the soldier, to his more perfect training, or to the increased cost of his equipment, but to the altered system under which regiments are recruited, and to the manner in which the cost of troops stationed in the United Kingdom is apportioned to India. 3. Before reviewing in detail the charges which are enumerated in the reports quoted it is necessary to consider the principle on which the 'actual charges' are assessed, with a view to ascertain how far it is equitable to make the whole cost of the home depôts of regiments serving in India chargeable to India, on the ground that some portion of their service is given to raising and training recruits for their battalions in India, while they actually form a part of the home garrison and perform duties of a local and imperial character. It is assumed that the sums reclaimed by the War Office from this country should only comprise the expenditure entailed on imperial funds for raising and equipping troops for India, and that the contributions levied on this account should not be based on the cost entailed by the distribution of troops at home, when that distribution is made for Imperial purposes, and is not necessarily involved in the provision of troops for India. 4. The system under which recruits were formerly procured at Warley, and that, much resembling it, under which the Guards are at present recruited, illustrate the minimum establishment requisite for the provision of recruits. In both cases the establishment was framed solely for the purposes to be achieved, and in deciding what is the necessary actual cost of a recruit a somewhat similar establishment should alone be included. When establishments are maintained not only for recruiting, but also for the fulfilment of other duties, it is evident that, if the whole expense be charged to recruiting, the cost of the recruit is unduly enhanced, while the cost of the other services is unduly diminished, and when the former charges fall on one Government and the latter on another, it is clear that the incidence of the charge is unequally divided. 5. Under the system of depôt battalions, and subsequently of affiliated depôts, which existed until the establishment of the depôt centre system, the depôts, though nominally maintained solely for recruiting purposes, were available for, and actually performed, other general duties. It

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was the unanimous feeling of the committees, reiterated in each of their reports, that the expenditure incurred for recruiting, that is, for the depôts, was in excess of the amount which, if devoted solely to that one purpose, would have produced the same number of recruits. In para. 10 of the first report, after stating that the depôt and recruiting charges were then in excess of the capitation allowance of 10*l.*, it is added, 'but the committee have no hesitation in expressing their unanimous opinion that the charge for a recruit, as shown in the War Office Return, is susceptible of very great reduction, and that whatever loss has resulted to the Imperial Government must be attributed mainly to the excessive amount of the depôt charges.' Notwithstanding this expression of opinion the charge against Indian revenues was increased, thus throwing on this country, as the cost of a recruit, the expense of a system which the financial authorities of the War Office had declared to be unnecessarily expensive. In para. 29 of the second report the committee again refer to these excessive charges. They state, 'in concluding their report, the committee would again refer to the heavy expenses of the Indian depôts as at present constituted. They are unanimously of opinion that the present rate of expenditure is too large when compared with that incurred prior to the mutiny in India, and, as shown in their former report, excessive when compared with the charges incurred by the East India Company in the maintenance of the depôt at Warley. The committee are therefore of opinion that, without any sacrifice of efficiency, it is practicable to effect a very large reduction in these charges.' In the face of this reiterated opinion the charges against India were again increased. 6. Now that the whole depôt system of the army at home is undergoing revision, and the nature and extent of the various duties assigned to depôt centres have been clearly specified, it would seem a convenient time to reconsider the charges made against this country for the depôts retained in England of regiments serving in India, and to re-adjust charges which, in our opinion, are out of proportion to the service for which they are paid. 7. In order to arrive at the proportion of the total depôt charges which may be fairly ascribed to recruiting purposes, it is necessary to review the duties on which the officers and men of the various depôts are to be engaged. This is clearly laid down in the Report of the Committee, presided over by Major-General McDougall, on the 'Organisation of the various Military Land Forces of the Country,' and confirmed by the Secretary of State for War, in his speech on the introduction of the Army Estimates of 1873-74. 8. The duties to be performed at the depôt are thus stated,—(1.) Training of recruits both for the line and the militia; (2.) Training of infantry militia; (3.) Training of rifle volunteer corps; (4.) Registry, payment, and training of army reserve and enrolled pensioners; (5.) Recruiting; (6.) Care of arms and stores of regular and auxiliary forces; (7.) Military instruction to officers of auxiliary forces. 9. These duties, it will be observed, are of a very varied character, and chiefly for purposes foreign to Indian services, and we consider that only that portion of the establishment which is necessary for the raising and drilling of recruits for India should be charged to India. 10. It cannot now be maintained that the depôts of Indian regiments are retained exclusively for Indian purposes, or that the Imperial Government, deriving no advantage from their presence and duties at home, should bear no portion of their cost, and it seems very desirable that the question should be finally settled as to what portion of the expense of the depôt establishments under the new system may fairly be assigned to home service generally, and what portion to recruiting purposes alone. 11. It is impossible here, from the absence of detailed information as to the relative values of the different services assigned to the depôts, to state what amount should be apportioned to recruiting. This can be more easily determined at home in communication with the War Office, the calculation being based on the principle that the revenues of India can only be applied to services rendered to India, and that no portion of its revenues should be indirectly applied to the cost of the defences of Great Britain. 12. The details of the charges made for infantry recruits will now be considered and reported upon, as far as the information available in this country will permit. 13. Even assuming that the principle on which the depôt establishment charges have been assessed be correct, it appears to us that the details charged under that principle have been calculated adversely to the interests of India. The first item is for pay. It was determined, in a letter from the Deputy Adjutant General, Horse Guards, dated 2nd July 1869, published with the committee's second report, that the period of recruit training should be for cavalry, nine months; infantry, six months. But in fixing the schedule of prices in their third report, ten and seven months have been taken as the basis of calculation, on what authority is not stated. 14. It is true that a recruit is a better soldier after a long training, but on the same principle it might be argued that he is not a perfect soldier under one or two years' service, and the charges might on such grounds be indefinitely increased. In comparing the present with the former cost of recruits, it is admitted that 'those now sent to India are for the most part more perfectly trained, and consequently more valuable than the half-trained recruits formerly sent to this country, and that, other conditions remaining the same, India might justly be debited with an enhanced charge for their provision. 15. It must, however, be remembered, in dealing with this question, that the terms of enlistment have undergone an important change. Formerly, recruits were enlisted for long service, and India, when she incurred the expense of raising recruits, had the advantage of their services for many years. Now, while the cost of the recruit has been increased, the term of his service has been diminished. India, therefore, for a larger charge receives a less service; while Great Britain will receive from India, as recruits for the army reserve, young, thoroughly trained and seasoned soldiers, immediately available for service if required. It may be argued that the army reserve is equally valuable to the Indian and to the Imperial services, but we do not think that this argument will bear examination. The existence in Great Britain of the army reserve enables her to reduce the strength and cost of the battalions on the home establishment to a minimum, as she can at any moment recruit them from the reserve, while that reserve is too remote

to

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to have any such effect on the strength and cost of the Indian battalions. Again, if soldiers be re-recalled from the reserve to replenish a home battalion, its ranks are completed at a comparatively trifling outlay, whereas, if they are recalled for the purpose of reinforcing the Indian establishment, India will be called upon to bear the full charge for the increased strength. Soldiers discharged from Indian service will therefore be of no further value to India, but they will form a highly trained and valuable portion of the home reserves. If the whole cost of their recruitment and training be charged to India, while so valuable a portion of their service is devoted to Great Britain, the revenues of India will indirectly be made to contribute towards the military expenditure of Great Britain, a course which would be contrary to law and to the policy of the Imperial Government. 16. Under the new system, recruits will be trained at the depôt three months, when they will be passed into and become part of the home battalion. These recruits will not necessarily proceed to India. In the first report of General McDougall's committee, it is proposed that after their training, recruits shall be drafted from the depôt into, and form the lower stratum of, the home battalion, and the supplies of men required to feed the foreign battalion shall be drawn off from the upper stratum of the home battalion. 17. Under these circumstances, it is not evident why India should pay for the training of recruits beyond the period of three months when their depôt training ceases, and they join the home battalion. The arrangement under which recruits will swell the ranks of the home battalion, while older soldiers will be sent to India, will in itself be advantageous to the home exchequer and disadvantageous to India, inasmuch as India will bear the cost of training a man who has, say, five years and nine months to serve with the colours, and receive one who may have only four or five years to serve, and will thus bear the maximum charge for training a soldier, and get the minimum amount of service from him. Great Britain, on the other hand, for the cost of training one recruit, will obtain the full service of one man and a portion of the service of another, making in all more than the full period of service of one man, without incurring any extra expense for establishment to train the recruit who replaces the older soldier in the home battalion. 18. It is true that India has the advantage of getting a more highly trained recruit than she gives, but this, as stated in the preceding paragraph, entails no extra expense on the home Government, and is counterbalanced by the increased service obtained. We therefore cannot admit that India should bear a greater charge for its recruits than is incurred for the full period they are required to remain at the depôt, and the period of seven months should, in our opinion, be reduced to the period of actual training at the depôt. 19. The next item requiring remark is that for marching money and cost of conveyance of recruits, 16 per cent. on pay. 20. The average number of recruits annually raised from 1865 to 1870 would appear to have been about 15,000. The average amount voted for marching money and conveyance of recruits was 11,666 *l.*, being about 15 *s.* 6 *d.* per recruit, while the charges made against India for the service are,—For cavalry, 3 *l.* 8 *s.* 11 *d.*; infantry, 1 *l.* 19 *s.* 9 *d.* These charges would appear to be very excessive, but no detail is given by which it can be

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ascertained how they have been arrived at. 21. The item for recruiting staff charges, 2 *l.* 19 *s.* 1 *d.*, is not understood, as the whole expense of the recruiting agency, *i.e.*, the depôt, is separately charged. 22. The manner in which the barrack and hospital charges are arrived at is not stated. They appear excessive, and apparently require investigation and reduction. 23. In addition to these charges and to the whole cost of the depôt is added one-third, or 33 per cent., on the total charge, for recruits who desert, die, or are unable through ill-health to embark for India. 24. It is not stated how this proportion was arrived at, the Memorandum referred to in the Committee's Report not having accompanied it, but we believe, from a reference to army statistics, that this charge is out of proportion to the contingencies for which it is supposed to provide. 25. It must be remembered that the Committee were dealing with recruits, and therefore that the casualties amongst recruits should alone have been considered. From the Report of the Commissioners on Recruiting, it appears that the average loss on the whole army during the five years from 1861 to 1865, from death, desertion, and invaliding, was 5·29 per cent. This would, however, not be a fair average to take, as the desertions in the first year of service are in much larger proportion than in later years. 26. The average loss by desertion during the seven years ending in 1865 of men of one year's service and under was 12·16 per cent. (*See* Army Medical Report, 1870, page 36.) The average deaths of cavalry, infantry, and artillery soldiers under 20, ·18 per cent. The number of invalids discharged during the first year of service was, for the same arms, an average of 1·28 per cent., making in all 13·62 per cent. This average is not given as perfectly correct. It is probably approximately so, and sufficiently near the truth to show that the average of 33 per cent. charged to India is excessive. Even 13·62 per cent. would be excessive, as it includes, on the one hand, the desertions and invalidings of a whole year, instead of for seven and ten months already referred to, and deaths up to 20 years of age, an age exceeding that of most recruits; while, on the other hand, no credit appears to have been given to India for smart or discharge money paid by recruits. 27. The charge for agency should, in our opinion, be withdrawn, as it is believed that such a charge is no longer incurred, or has been greatly reduced, and is in course of extinction, and that no expense which could be charged to Indian revenues has been entailed in suppressing the system under which it was paid. 28. The proposal to charge a portion of the cost of the staff of the regiments to which depôts were affiliated requires no remark. It was not adopted at the time, and the system under which it was proposed is no longer in force. 29. The preceding remarks have reference principally to the charge for infantry recruits, as there is not before us sufficient information to enable us to discuss separately those made for the other arms of the service, but, with the necessary modifications, they will no doubt be found applicable to the charges made for all recruits sent to this country. 30. We would now beg to recommend:—1st. That the charge for the home depôts of regiments serving in India should be divided into two parts, the one representing the value of the presence of such troops at home, and of the general service rendered by them, the other representing the value

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of the labour of raising and training recruits for the battalions in India. The latter may be fairly charged to this country, while the former should be borne by Imperial revenues. 2nd. That the charge for the cost of training the infantry recruit should be limited to three months, during which he remains at the depôt. 3rd. That the items of charges which are arrived at by general averages should be supported by detail statements showing how they are arrived at. 31. There now only remains to consider the question of the charges for the difference of the number of men on passage. 32. The remarks which have been made as to the charges for recruits will apply equally to the payment for the difference in the number of men on passage, but it is necessary in connection with this service to reconsider the drawback which should be paid to India for men landed in England with less than two years to serve. 33. Even under the old system of enlistment, the rule of giving no drawback for men landed with less than two years' service was often inequitable. The whole expense of recruiting such men and a large portion of their pension charges fell on India, while the home Government had the advantage of their services as enrolled pensioners. Such men were practically not discharged; they were simply transferred from one branch of the service to another, and their value in that other branch should have been credited to the Government which bore the expense of their enrolment, and a portion of the expense of their pensions. Under the new system of short service with the colours, and subsequent service in the army reserve, India should receive, on the disembarkation and discharge of soldiers for home service, such a drawback of enrolment charges as may be considered to represent their value as recruits to the army reserve, an amount which would vary in proportion to the period served in India, and to that remaining due to the Imperial Government for service with the colours or in the reserve. 34. The charges made for both effective and non-effective services have increased and are increasing so rapidly that it is very important these questions should be finally adjusted, and that every charge made by the War Office against the revenues of India should be fully substantiated, and shown to be fairly chargeable in principle, and to be just and reasonable in amount. We have, since 1869, reduced the military expenditure in this country to the extent of a million sterling, and hope to effect still further reductions, and to this end we trust that Her Majesty's Government will not fail to give that careful consideration to the questions in controversy between the India Office and the War Office as will relieve India from expenses which we cannot regard as properly chargeable. We have, &c., (Signed) *Northbrook, Napier of Magdala, R. Temple, B. H. Ellis, H. W. Norman, A. Hobhouse, E. C. Bayley*"?—Yes.

1271. Perhaps the best course would be to take this letter paragraph by paragraph, and for your Lordship to express your opinion upon it?—I have already stated, with regard to paragraph 2, why I think that the Warley system is entirely inapplicable, and that it only tends to confusion to refer to it as a basis of present account. The Tulloch calculation, as I understand it, was based upon the actual charge for the Imperial portion of the 45,000 men employed at that time in India, and I think I have

Chairman—continued.

shown that that was an arrangement less favourable to India than any which has prevailed since.

1272. On the 5th paragraph have you anything to say?—I have no doubt myself that the system is susceptible of great reduction; I have no doubt that under the system of depôt battalions the loss that resulted to the Imperial Government may be attributed to the amount of the depôt charges; it was with that view of economy, as I thought, to both countries that I took measures for the abolition of the depôt battalions.

1273. Have you anything to say on paragraph 6?—"Now that the whole depôt system of the army at home is undergoing revision, it would seem a convenient time to re-consider the charges made against this country." I have no objection whatever to that re-consideration. I should have thought that the most convenient time would have been when the new system had got entirely established, and there had been a little experience of what the actual expenditure was; but in principle I do not differ from that.

1274. Then on the next two paragraphs, have you any remark to make?—The next two paragraphs I think are accurate.

1275. On the 10th paragraph have you anything to say?—The 10th paragraph is not inaccurate. I have stated why I think that under any system the Indian Exchequer should bear its proportionate share of the expense which is caused by our maintaining the system of an army small in time of peace, and susceptible of expansion for those purposes for which in truth an army alone is maintained, namely, for defence when danger arises. With regard to paragraph 11, that the calculation should be "based on the principle that the revenues of India can only be applied to services rendered to India, and that no portion of its revenues should be indirectly applied to the cost of the defences of Great Britain," I entirely agree to that.

Mr. *Campbell-Bannerman.*

1276. There appears to be, at first sight at any rate, some confusion in this letter, the expression "depôts of Indian regiments" being taken as almost synonymous with "brigade depôts?"—Yes.

1277. Perhaps you would explain to the Committee that the brigade depôt is a much larger thing than anything that can be called a depôt of an Indian regiment?—I have assumed, and I should think correctly, that the Committee, who have had so much of this subject before them, were perfectly well aware that the brigade depôt which we speak of is not synonymous with the depôt of an Indian battalion; that it includes the depôt of the Indian battalion; that the depôt of the Indian battalion constitutes only two companies of the brigade depôt. We abolished the depôt battalions because we thought them costly; we have instituted the brigade depôts because we believe them to be economical; but I presume the War Office has no intention of charging to India any portion of a brigade depôt, except the two companies of the battalion which is in India, unless of course the question to which I have already adverted, and which Sir Alexander Tulloch raised in 1861, shall be raised when the

Mr. *Campbell-Bannerman*—continued.

Seccombe Committee come to consider the charges of the Indian recruits under the new system.

Chairman.

1278. On paragraph 13 what have you to say?—On paragraph 13 you come to the time for which the recruit training shall be charged. I have already stated, from my own imperfect knowledge of military matters, that I think that to limit it to three months is altogether out of the question; but I said before, that His Royal Highness I understood would give you his opinions, and I suppose you will form your judgment of what is necessary to make a soldier, whether for the cavalry or for the infantry, from military and not from civilian evidence. Then in paragraph 14, I am glad to see that "it is admitted that those now sent to India are for the most part more perfectly trained, and consequently more valuable than the half-trained recruits formerly sent to that country; and that other conditions remaining the same, India might justly be debited with an enhanced charge for their provision." I have not the slightest doubt that under the present arrangements, whether you get medical testimony or whether you get military testimony, you will find that the recruits sent to India are very different from those who used to be sent, either under the Warley system, or that which, for the first few years, followed the Warley system.

1279. Then paragraph 15 attempts to answer that, by stating that the service is shorter?—It appears to me rather a curious argument in paragraph 15; there is an argument about the Army Reserve, and it is contended, as I read it, that the whole value of the Army Reserve will redound to the United Kingdom. Now anybody can judge of the value of that argument for himself; we propose to pay 4 *d.* a day per man to about 60,000 men, who are to be available for any great Imperial emergency. Now if anybody supposes that India has no interest in that reserve (she is not asked to pay; she pays no fourpences; we pay them all), he takes a view which appears to me very difficult to sustain. The Reserve will be liable under the Act of Parliament, to come back to the colours.

Mr. *Campbell-Bannerman.*

1280. You mean liable to serve in India?—Yes.

Mr. *Fawcett.*

1281. And in the colonies too?—Yes; it is in the Act of 1870; the 14th section says, "Section 10 of the Reserve Force Act, 1867, shall be construed as if the words 'in case of imminent national danger, or of great emergency; the occasion being first communicated to Parliament, if Parliament be then sitting or declared by proclamation,' were inserted in the said section, in place of the words 'in case of actual invasion or imminent danger thereof, or in case a state of war exists between Her Majesty and any foreign power.'" If, therefore, the Queen declares that the case is one of imminent national danger, or of great emergency, the reserve man is liable to come back to the colours; but I do not wish to limit myself at all to what may be, perhaps, not a very probable case that the reserve man will go to India; I should like to know if there is a European war, and this country is in great distress and straights, what will, of all difficulties,

Mr. *Fawcett—continued.*

be perhaps the greatest that you will have to contend with; will it not be, how are you to defend your Indian possessions? The existence of 60,000 men of a reserve, paid entirely out of the Imperial treasury of this country, would be of incalculable value to India in such a moment of emergency; and there is no proposal as yet that India shall contribute a farthing to that.

Chairman.

1282. Enabling, you mean, a larger body of troops to be left in India?—Or sent to India.

Lord *G. Hamilton.*

1283. Before you read that paragraph, might I ask if you agree with the words in the third sentence: "Now, while the cost of the recruit has been increased, the term of his service has been diminished; India, therefore, for a larger charge receives a less service." By that I assume that Lord Northbrook means that in a given number of years a larger number of recruits will have to be sent out; do you agree with that?—That is a question that would require a good deal of detail, and which I should very much like that some such authority as the Director General of the Army Medical Department were examined upon. There has been, as you are well aware, a much greater amount of invaliding from India of late than there used to be, and a greater benefit to the soldier and to the service, and to the country, and to India, I do not suppose ever was introduced; the diminution of mortality in India has been exceedingly satisfactory; and I do not think that much weight or stress ought to be attached to the sentence that you have just read to me from paragraph 15. But I cannot dispute the fact stated, that the tendency at present is for the cost of recruits to increase, and for the duration of Indian service to be less.

Mr. *E. Smith.*

1284. Was it not the case that India got some credit for the unexpired service of men returned?—It was a balance of account, and India got no credit for those who had less than two years' service remaining.

1285. But I mean for those who had more than two years' service remaining India got some credit?—It was a balance of account. When a relief went out and a regiment came home the regiment that went out was more numerous than the one that came home, and India got credit for those who came home having fully two years' service left.

1286. Then with short service there will probably be a smaller number of men who will come home with more than two years to serve?—I think so; but there is no reason why that question should not be re-considered by Mr. Seccombe's Committee, if the charges hitherto made have not been on a basis which would be fair in its application to the state of things which will arise when the short service system comes into operation.

Mr. *Onslow.*

1287. The diminution of mortality to which you have referred has not cost the Imperial Government anything on account of charges in India; it is a sanitary arrangement, is it not?—I understood the question as pointed to this; is India likely to be a loser by the introduction of a system of short service, and I gave the best answer

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that I could. I do not dispute the fact that if a man remained in perfect, vigorous health, and would serve India for 20 years, it would be better for India not to have the expense of moving him, and it would be cheaper than if he only serves her for two years; but my belief is, and I think I have very high authorities on my side, that frequent invalidings from India are not only humane and right on every higher ground of policy, but in the end will be found not to be uneconomical.

Mr. *Stanley.*

1288. There is one question I should like to ask you with reference to this paragraph; nothing is said in it about militia reserve; but in addition to those army men, of whom your Lordship has spoken, and who, although available for the service of India, are charged exclusively upon the revenues of this country, there are, are there not, about 30,000 militia reserve?—There are.

1289. For whom India does not pay a farthing?—Yes.

Chairman.

1290. Now, going to the 16th and 17th paragraphs, have you any observations to make on them?—I think I have said so much about the period of three months that at the present moment, perhaps, I need not say any more. "The arrangement under which recruits will swell the ranks of the home battalion, while older soldiers will be sent to India, will in itself be advantageous to the home exchequer, and disadvantageous to India." I, for my part, do not altogether agree with that, for reasons which I think I have already stated. I should think that if the Commander in chief were asked whether he would rather have the recruits in India and the older soldiers at home, or the older soldiers in India and all the recruits at home, he would give an answer at variance with the argument contained in this paragraph; and indeed I think that one of the points in which the double-battalion system will require the greatest care in bringing it into successful operation is to take care that you do not have too large a proportion of your recruits at home, and too large a proportion of your older soldiers sent to India. The same remarks, I think, apply to paragraph 18. The paragraphs from 19 to 29 inclusive I will, with your permission, pass over, because you have in the room the Accountant General of the Army, who is a member of the committee there referred to, and who will answer them at first hand, while any answer which I could give would only be of course at second hand. With regard to paragraph 30, we there come to the recommendations. Their recommendation is, "first, that the charge for the home depôts of regiments serving in India should be divided into two parts, the one representing the value of the presence of such troops at home, and of the general service rendered by them, the other representing the value of the labour of raising and training recruits for the battalions in India. The latter may be fairly charged to this country, while the former should be borne by Imperial revenues." I have no objection whatever to that; that, taken by itself, is indisputable. I think it will let in, as I have already stated, other considerations, which may probably make the balance of the account not more favourable to India than it is at present, but, taken by itself, I have nothing to say against it. "2nd. That the charge for the cost of training the infantry recruit should be limited to three months, during which he remains at the depôt." I have already stated that a large part of his training goes on after he has left the depôt, the whole of his musketry training and a great deal more; but that of course you will learn from His Royal Highness much better than you could learn from me. I should also observe that you must bear in mind that you cannot under any system limit your charges for recruits exactly to the day of the month that you like. You do not get recruits exactly when you want them; you have some time spent in obtaining them, and everything of that sort; and these are considerations that, when the new inquiry comes to be made, and the new scale of charges comes to be arranged, will of course require to be gone into. The third recommendation, viz., "That the items of charges, which are arrived at by general averages, should be supported by detail statements, showing how they are arrived at," I accept in principle. The members of the committee will probably explain whether there has been any deficiency in this particular in respect of the charges which they have admitted.

Chairman—continued.

Mr. *Campbell-Bannerman.*

1291. The drafts, of course, always go out at one period of the year?—The drafts must go out at the healthy period of the year, and you cannot just arrange the whole thing so that a man shall be chargeable to you in his raising and training only the precise period that would be most convenient to yourself. With regard to paragraph 32, I do not know that that has been much the subject of consideration in this Committee. On paragraph 33 I notice this: "The rule of giving no drawback for men landed with less than two years' service was often inequitable." I have already said that that, of course, ought to be gone into when the mode of making charges between India and England is settled. But I wish to point out this, that before a battalion goes to India it has to be raised from a strength of 520 to a stregth of 820. That is done at present entirely at the expense of the British taxpayer, who is paying for an increased strength upon those regiments during the time they are preparing. No doubt they contribute their part to the strength of this country in the mean time, but all these considerations any such committee as we have been speaking of will have to bear in mind on one side and the other.

Sir *G. Balfour.*

1292. We have it from your Lordship that it is the bounden duty of this country to raise the battalion from that low strength to the Indian establishment before it embarks?—I mean it is the practice to do it.

1293. For the last three years the strength has been more equally maintained, I believe?—That is the period of which I am chiefly speaking.

Chairman.

1294. With regard to the points which your Lordship was just mentioning as to the necessity of bringing up the regiments previous to embarkation to the full amount of 820 men, if there was a deficit that would be supplied from the ranks of the general army, I presume, by volunteering?—

Chairman—continued.

teering?—Under the one battalion system you had no resource but volunteering; but under the double battalion system the battalion which is in India rests not only upon the depôt, but also upon the home battalion.

1295. And in consequence the soldiers who filled up the number would either be recruits or something better than recruits?—Yes.

Mr. *Fawcett.*

1296. Would you kindly explain that last answer?—The new system, as I stated in an earlier part of this examination, is that the recruit is enlisted not for the battalion but for the brigade; therefore he is liable to serve in either of the two battalions, and therefore the transfer can be made from the home battalion to the battalion serving in India, or from the battalion coming home from India to the other battalion relieving it, as the necessity may require; and, as I pointed out in an earlier part of the examination also, when the recruit comes home invalided from India, and is found at Netley, after going through medical treatment, to be fit for the home service, he will be borne upon the books of the home battalion and will not be chargeable to India.

Mr. *Onslow.*

1297. May I ask what you consider "better than a recruit," in reference to your answer to the Chairman?—A more experienced soldier. A man of two years' service I should consider of more value than a man of three months.

1298. More than a man of seven months?—I think so.

Chairman.

1299. With regard to paragraph 34, have you anything to say?—For the first time we have the word "non-effective" mentioned in this paragraph. I do not know that much has been said in this Committee about non-effective charges, and I do not wish to occupy you much with them, but I thought it desirable, perhaps, to mention that the 3*l.* 10*s.* of the Tulloch system did not appear to me a very satisfactory arrangement, and with the concurrence of the India Office we agreed to abolish it, and we have substituted for it a more accurate mode of calculating the non-effective services, and the result of that has been, I think, at least to prove that in times gone by India has certainly not paid more than her share; and the effect of the new arrangement has been that we have received in repayment much more than we should if we had gone upon the 3*l.* 10*s.* In summing up generally what I have to say on Lord Northbrook's letter, I consider that the true principle is, that the system under which recruits are obtained and sent to India shall be so arranged that the services required, both for the United Kingdom and for India, shall be performed as cheaply as possible in the aggregate; that the United Kingdom and India shall each bear its portion as closely as can be calculated upon the actual cost for each: that the additional cost which expansiveness involves (that, I believe, I have explained to the Committee sufficiently) shall be borne by each in the proportion in which it employs the British army; and that all expenditure which can be made the subject of actual calculation shall be calculated on both sides. There will, probably, remain questions to which arithmetical

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calculation cannot be applied; and to all such questions a reasonable spirit ought to be brought by impartial men; and I have only, in conclusion, to say that I have not the slightest wish to contend for any adjustment, the effect of which shall be to pay Imperial expenses out of Indian revenues.

1300. You are aware that on the 9th of August 1872 the following letter was sent from the India Office to the Under Secretary for War: "Sir,—Para. 1. I am directed to inform you that the Secretary of State for India in Council has had under his serious consideration Mr. Campbell's letter of the 24th April, being a reply to a letter from this office, of the 8th September 1871, upon the subject of the rates at which the cost of recruiting for the European regiments employed in India is charged to the revenues of that country. 2. In his letter of the 8th September 1871, the Secretary of State in Council pointed out that the cost of recruiting appeared to be swelled by needless expenditure on the organisation of depôts; that is to say, by expenditure which did not seem to be required for the efficient training of recruits. The Secretary of State for India in Council further thought it his duty to suggest a plan for recruiting by which much of this unnecessary expenditure might be saved, and which at the same time would tend to simplify the system by which the share of recruiting expenses due from India is annually ascertained. 3. Mr. Campbell's letter passes over these representations and suggestions altogether. It takes no other notice of them than to admit that all the facts are accurately stated. It does not defend the depôt organisation as necessary for the efficient training of recruits; nor does it state that there is any objection, so far as the efficiency of training is concerned, to the cheaper system which had been suggested from this office. The charges made against India for recruiting are indeed defended, but they are defended not upon the ground that they are required for the purpose for which they are nominally paid, but upon the ground that they are required for a totally different purpose; the purpose, namely, of making India contribute to what is called an army of reserve; that is to say, for the purpose of making India pay towards the home garrison of England, on the plea that some part of it, at some future time, may possibly be required in India. 4. Mr. Campbell's letter further intimates that the same principle on which this charge is defended would equally justify many other charges which are not now actually made, but which, it is distinctly said, Mr. Cardwell reserves his right to bring forward at any future time. Of these other charges Mr. Campbell's letter furnishes a list. 5. The Secretary of State for India in Council entirely concurs with Mr. Cardwell that the principle laid down in Mr. Campbell's letter would cover many other charges which have never hitherto been made or contemplated; and he doubts whether even the list of them which is indicated in that letter exhausts the contributions which, on the same principle, India might be called upon to make. But taking that list alone, it would appear that, in Mr. Cardwell's opinion, India may be justly called upon to pay a proportion (quite undetermined) of the total cost of the whole Military Staff and Head-quarters' Department of the army at home; a like proportion of the regimental staff of all the regiments which

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have, though serving in England, a nominal connection with the recruiting depôts; a like proportion of all home educational establishments; of all experimental outlays at Woolwich and other arsenals, and of all rewards to inventors. 6. It is not easy to see why this list of heads under which India may be called to pay direct tribute to the Imperial Exchequer should stop here. A share of the cost of every home establishment, or institution of whatever kind, to which the Indian Government affords custom or employment, or which has any contact, direct or indirect, with the administration of that country, might be claimed upon the same principle, and under the same plea. If India, besides defraying the whole cost of the India Office, as it now does, is to be required to pay also largely to the cost of the establishment of the Horse Guards and of the War Office, the principle on which this claim is made would not stop with the demands of the particular department on behalf of which Mr. Campbell writes. In like manner the navy may possibly be required in the defence of India. Therefore the revenues of that country ought to defray part of the expenses of the Admiralty, of all the naval arsenals, of all the naval stations, and probably, also, of all the Mediterranean garrisons. 7. If such a scheme for exacting tribute from India towards the maintenance of Imperial establishments both at home and abroad is to be entered upon, it is better that it should be pushed at once to its logical results. It is only in the light of those results that its real character can be appreciated. The most injurious system which can possibly be adopted is the system of asserting the principle, but of leaving it to be applied gradually as successive Governments may from time to time find it convenient to apply it, to relieve their Parliamentary Estimates, and yet not so as to alarm too much the people of India, or shock too much the convenience of the public at home. 8. The problems of Indian finance are difficult enough already, but they will be rendered infinitely more difficult if the Indian Government is to be kept in complete uncertainty as to the extent to which 'indirect claims' are to be raised for Imperial subventions. 9. The Secretary of State for India in Council therefore cannot allow the principle of such claims to be laid down for the first time in an official letter from the War Office without entering against it his formal protest. The principle is certainly a new one. He believes it to be illegal, and he is satisfied that it is unjust. 10. As, however, the gravity of this question is apparent, and as Mr. Campbell's letter sets forth the arguments on which Mr. Cardwell relies for establishing the justice of such claims, the Secretary of State for India considers it his duty in like manner to explain the grounds on which he holds these arguments to be fallacious. 11. The argument of Mr. Cardwell begins with, and mainly rests upon, the assertion that it is the policy of the Government of India to maintain the smallest possible amount of European troops in that country, to rely habitually on reinforcements from the army at home, and thus practically to lean upon that army as an army of reserve. 12. The Secretary of State for India regards this assertion as not only incorrect, but as completely inverting the real facts of the case. 13. It would be much nearer the truth to affirm that the Imperial Government keeps in India and quarters upon the

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revenues of that country as large a portion of its army as it thinks can possibly be required to maintain its own dominion there; that it habitually treats that portion of the army as a reserve force available for Imperial purposes; that it has uniformly detached European regiments from the garrison of India to take part in Imperial wars whenever it has been found necessary or convenient to do so; and, more than this, that it has drawn not less freely upon the Native army of India, towards the maintenance of which it contributes nothing, to aid it in contests outside of India, and with which the Indian Government has had little or no concern. 14. The extraordinary case of the great Mutiny of 1857–58 is the only case which gives even plausibility to Mr. Campbell's representation of the facts upon this subject. 15. In that case, altogether unprecedented in the history of British India, the Imperial Government was compelled, under the imminent risk of losing its empire in the East, to make one of those great efforts which are at times inseparable from Imperial power and Imperial obligations. It must be remembered, however, that if similar exertions had been called for by war in any other part of Her Majesty's dominions, not only must the same effort have been made, but the burden of it must necessarily have been borne, in great part at least, by the Imperial Government. But in regard to the Indian Mutiny, no part of the cost of suppressing it was allowed to fall on the Imperial Exchequer. The whole of it was, or is now being, defrayed by the Indian taxpayer. 16. Since the period of the Mutiny, the Imperial Government has largely increased the portion of its army which it keeps in and at the expense of India; and both before and since that event it has been in the habit of drawing upon that portion of its army as an army of reserve for Imperial wars, whenever occasion required. The Secretary of State need not now refer to the celebrated case of the expedition to Egypt in 1801, further than to observe that, in any similar contest which may occur in future, it is more certain than ever that the Indian Army would be drawn upon as an army of reserve, and that the maintenance of a large force in that country, available for operations in the intervening regions, must always be one of the main elements to be considered by an enemy in estimating the danger and the difficulty of hostile operations against Great Britain in that direction. 17. The expeditions to Mauritius and Java, in 1810 and 1811, are further instances of aid derived from India during the great French War. 18. But without dwelling on these cases, and looking back no further than the history of the last 30 years, there have been only two occasions, besides the Mutiny, on which reinforcements were sent for Indian wars, whilst during the same period there have been no less than seven different occasions on which India has been called upon to supply either whole armies or considerable reinforcements for the Imperial purposes. 19. The two occasions referred to on which reinforcements to India were sent out from home were the Sutlej campaign of 1846, when one regiment of cavalry and three regiments of infantry were sent from England, and the Punjaub campaign of 1849, when five regiments of infantry were similarly supplied. 20. Against these occasions, when India has borrowed troops from England, are to be set the following occasions

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sions when England has borrowed troops from India:—In 1842, the China expeditionary force, consisting of two battalions of artillery, three companies of sappers, four regiments of European infantry, six regiments of Native infantry, and all the staff of the army; in 1855, two regiments of cavalry and two regiments of infantry were sent from India to reinforce the Crimean army; in 1856-57, the Persian Expedition was drawn from India, to the extent of—two troops, three battalions, and five companies of artillery; two companies sappers; one regiment European cavalry; three regiments European infantry; three regiments and three squadrons Native cavalry; eight regiments Native infantry; and commander and staff. In 1859-60, another China Expeditionary force was reinforced from India by four batteries of artillery, a company of engineers, a company of sappers, six regiments of European infantry, two regiments of Native cavalry, eleven regiments of Native infantry, and a considerable portion of the staff. In 1860, two regiments were sent from India to New Zealand. In 1861, another regiment was afforded to the same colony. In 1867, the army for the invasion of Abyssinia was (mainly) drawn from India, including—five batteries artillery; one company engineers; six companies sappers; one regiment European cavalry; four regiments Native cavalry; four regiments European infantry; eight regiments and one company Native infantry; Coolie Corps; Army Works Corps; and commander and staff. 21. As regards this list of occasions on which India has been drawn upon as affording an army of reserve for Imperial purposes, it may possibly be alleged that these wars were all Indian wars. In the House of Commons, in 1857, Mr. Gladstone did indeed denounce this plea, in respect to the Persian War, as one which 'could not be advanced by any fair or candid man'; but the Secretary of State is aware that, nevertheless, it is a plea which is sure to be put forward on behalf of the Imperial Exchequer. It is certain, however, that all these wars were dictated entirely by the Imperial Government, and that the interests of British commerce, the grievances of British merchants, or the honour of the British Crown were the determining considerations in them all. The policy of charging the Persian War in largest proportion to Indian revenues were severely commented on in Parliament, and led to a statutory enactment limiting such uses of Indian revenues for the future. 22. If it be argued only that India, as a part of the empire, has had its own share of interest in these wars, the plea may be admitted, but only in the proportion in which the same plea is admitted as against the Imperial Exchequer in respect to wars within the limits of India. Many of these have been wars dictated from home, and have been undertaken with reference to Imperial policy. In view of this fact, the Secretary of State in Council sees much force in the declaration of Sir R. Peel, quoted and adopted by Mr. Gladstone in the same speech, which has already been referred to, 'that there is a virtual connection between Indian expenditure and British liability.' Community of interests within certain limits may fairly be alleged; but it must not be alleged only when it tells in favour of the Imperial Exchequer, and repudiated when it tells in favour of the Indian taxpayer. 23. The fact of India having been so

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continually drawn upon as an army of reserve for Imperial wars is a conclusive answer to Mr. Campbell's letter on this part of the subject, whatever may have been the system of account by which the charges for that army have been adjusted. But in this matter also it is the duty of the Secretary of State in Council to remind Mr. Cardwell what that system has been. 24. In every instance in which reinforcements from home have been sent to India, the whole pay of the troops so sent has been charged to India from the moment of their departure from the shores of England. On the other hand, when India has been called on to provide troops for foreign expeditions, it has been the general practice to continue to charge the ordinary pay of the troops to the Indian Exchequer during their absence from India. In the very last case (the Abyssinian War) the ordinary pay of the troops, both European and native, furnished to that expedition was paid out of Indian revenues. 25. These facts are a sufficient comment on the fairness of an attempt to charge India for Imperial military establishments at home on the plea that they furnish to India an army of reserve, without any notice whatever being taken of the much more numerous cases in which India has been drawn upon as affording an army of reserve for the Imperial Government. 26. And here I am directed to observe that it would make no difference in the argument now maintained, even if it were true, that all this had been done with the consent of the Court of Directors or of the India Office. In so far as that consent may be supposed to represent, however roughly, the consent of the people of India, it only shows that the authorities specially charged with the interests of India have taken a higher and more generous view of the relations which ought to exist between the two Governments than prevails in Mr. Campbell's letter. On the other hand, in so far as these charges have been thrown on India by the power or influence of the Imperial Government, it shows that the Imperial Government has habitually assumed, not merely that India should furnish an army of reserve, but also that India should furnish the pay of that reserve even when serving out of India, and when, therefore, it was useless to the Government of that country. 27. In regard to another argument used in Mr. Campbell's letter, namely, that the Indian Empire, by increasing the total number of soldiers which require to be raised from the civil population at home, competes with the Indian Government in the recruiting market, and thus raises the total price of the recruit, I am instructed to point out to Mr. Cardwell that this is an incident of wide Imperial dominions, and that, even if India is to be considered in no other light than as the cause of an increase in the total cost of troops, India pays its full share of that total cost when it pays for those troops in the proportion in which it actually recruits and actually employs them. 28. But I have further to point out, that all arguments which imply that India is nothing but a burden, and a cause of embarrassment in military affairs, are arguments inconsistent with many notorious facts—with the anxiety of officers to secure Indian employment, and with the advantages which Indian exigences afford in the way of augmentations and promotions in the army. It is well known that India offers the best, if not the only, training

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ground for the British army in time of European peace; that as Indian pay and allowances are much higher than those given to the army either at home or when employed elsewhere abroad, Indian service is highly popular in the army, and that in consequence of the liberal treatment which up to the present time the Government of that country has been enabled to bestow upon the officers and men, it has contributed one great inducement to numbers of both classes to enter the British army; and, moreover, that under the new army organisation, by which Her Majesty's Government hope to augment the military power of the country and to save the expense of pensions by the introduction of a short service system and the establishment of a reserve, a very large, and certainly not the least valuable, portion of that reserve will consist of men whose entire military training and experience will have been acquired at the expense of the people of India. 29. For these reasons the Secretary of State in Council is of opinion that the adoption of any new principle of charge founded on the pleas set forth in Mr. Campbell's letter would be unjust to the people of India. 30. I am instructed to add that, in the opinion of the Secretary of State in Council, the adoption of any such principle would require the sanction of an Act of Parliament, as being entirely novel and at variance with the principle laid down in the existing law. 31. That principle is laid down in the 2nd clause of the Act 21 & 22 Vict. c. 106, which directs that Indian revenues shall be expended 'for the purposes of the Government of India alone,' and also in the 52nd clause, which directs the auditor to report on the accounts, 'specially noting any case in which it shall appear to him that any money arising out of the revenues of India has been appropriated to other purposes than those of the Government of India, to which alone they are applicable.' 32. In the application of this principle to particular cases of charge there is room, no doubt, for a reasonable latitude of interpretation; and this latitude is largely made use of when, for example, such a position as that of Aden is maintained at the sole expense of the people of India. But, allowing for such latitude of interpretation, the general scope and import of the principle seem sufficiently apparent, namely, that India cannot be justly charged with any expenditure which would have to be maintained if the Indian Empire did not exist. The word 'alone' negatives the application of the revenues of India to any such mixed purposes, and it is deprived of all force and effect if the Indian revenues may be applied to such expenditure. It is not easy to conceive for what purpose a word so distinct and emphatic should have been introduced, if it was not to exclude the application of those revenues to such purposes. No expenditure in respect to which it cannot honestly be said that it is incurred on behalf of India can possibly come within the description of expenditure for Indian purposes alone. 33. As regards the novelty of the charges referred to in Mr. Campbell's letter, it is enough to say that the Imperial Government has supplied India with recruits and soldiers for nearly a century; but during the whole of that time, notwithstanding the comprehensive words used in the Acts of Parliament directing payment of the expenses incurred for 'raising, transporting, and maintaining such

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forces,' and 'raising and supplying recruits for the same,' and appropriating the revenues of India to defray 'all the charges and expenses of raising and maintaining the forces, as well European as native,' no attempt has ever been made until now to render the Indian finances liable to such charges (29 Geo. 3, c. 8, s. 1; 33 Geo. 3, c. 52, ss. 128. 149; 53 Geo. 3, c. 155, s. 55.) 34. In conclusion, I am instructed to say that this general question of reconstructing the whole system on which Indian charges have hitherto been regulated stands in no necessary or even natural connection with the immediate subject of the cost of recruiting. The Secretary of State for India does not contest the necessity of India paying for its recruits under whatever system is determined upon at home as necessary for the efficiency of military training. And if the present expenditure be defended on this ground, the Secretary of State for India can only represent his views on possible economies in the system, in order that these representations may be considered by the Secretary of State for War. But if the cost of recruiting be swollen by an artificial system of charge, so as to include outlays which have really nothing to do with the cost of training, but are connected entirely with the organisation of the home garrison of England, he must record, as he now does, his protest against the principal involved—namely, that of charging India with any outlay which cannot fairly be said to be occasioned by the service of India. I have, &c. (signed) *T. T. Pears*, Major General, Military Secretary."?—Yes.

1301. Is there any point there upon which you wish to express an opinion. With regard to recruits and the depôt organisation, I think the whole of that question you have stated your opinion upon quite fully. Now, with regard to paragraph 7, would you admit that this was "a scheme for exacting tribute from India towards the maintenance of Imperial establishments both at home and abroad"?—No; I think that would be a very great reproach, that we had endeavoured to exact any tribute from India, and I certainly should be the last person to do so knowingly. At the present moment the Inspector General of Recruiting and his staff are an exclusive charge upon the revenues of Great Britain, and it does not appear to me that it would be exacting tribute from India if she were asked, as she has a very large portion of our recruits, to pay a certain proportion of the expenses of the Inspector General of Recruiting. It might be right, or it might be wrong, but I do not think it deserves the phrase of an attempt to exact tribute from India.

1302. Then the arguments which follow are very much based upon the same principle, that certain indirect claims for Imperial purposes are to be pressed against India?—"Indirect claims" is not an agreeable expression; but the question really is whether the claim is just or unjust.

1303. But I think from what you have already stated that your idea is that there should be no uncertainty whatever in regard to the charges made upon the India revenue for these purposes?—My opinion is that every charge that is capable of being reduced to arithmetical calculation should be so reduced, and that whatever other considerations on either the one side or the other

may

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may be capable of being stated with plausibility even, should be equitably considered by impartial persons.

Mr. *Fawcett.*

1304. This charge of the Duke of Argyll about exacting tribute from India did not apply simply to recruits, did it; it covers a much wider field than that?—I only give the Inspector General of Recruiting as an instance. The charges of that kind are originally contained in the correspondence, to which I have already referred, of Sir Alexander Tulloch and the War Office and the Treasury, in the year 1861. I think, and I have already stated, that those charges were waived by the Treasury in consideration of the services rendered to the United Kingdom by the Indian depôts. I now understand that India wishes that those charges should have a pecuniary claim against the United Kingdom attached to them, and I say that if the consideration on which the Treasury waived certain charges is removed, then those charges themselves of course revive.

1305. But my point is this, that it is only a part of the statement which refers to the recruits. Sir Alexander Tulloch's proposal, to which the Duke of Argyll referred, was to put a part of the cost of the Secretary of State for War, the Commander in Chief, and the general expenses of the War Office on India; that is what the words refer to?—Then I ought to be regarded as more moderate than, perhaps, the Chancellor of the Exchequer may approve; but in the letter of Mr. Campbell-Bannerman there are other things stated besides that. He says, "Of these indirect charges the following may be instanced"; and then comes a long list of them.

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1306. The succeeding paragraphs go into the question of whether the Indian army is a reserve for England, or the English army a reserve for India. That I think you have given your opinion upon already; but then there is the case of the forces which have been drawn from India for expeditions outside of India?—I should suppose that every expedition will differ entirely in its circumstances from every other expedition, and I cannot imagine that this Committee will be successful in laying down any rule that shall guide all future wars.

1307. Then would you consider that the principle upon which India has been charged for the expenses of these wars was because India was considered to be primarily interested in them?—If it is not disrespectful to the Committee, I should very much prefer not giving my individual opinion upon each of these wars, and the expenses, without a great deal more study than I have given to this letter. Take, for instance, the much disputed question which is mentioned here, of whether the ordinary pay of the troops, both European and native, in the Abyssinian war ought to have been paid out of Indian revenues. I really did not suppose that it would be necessary to give an opinion upon that subject. I am quite sure of this, that the true principle in every war ought to be to consider whether it was for the behoof of India, or whether it was not for the behoof of India; and I have no doubt that the United Kingdom, as the stronger party, would, in adjusting any such controversy as that,

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be inclined, generally speaking, rather to avoid making claims upon India than to press them unduly; at any rate, I think they ought to be; I understood that I was to give evidence about the home charges of the Indian army, and not at all to express to the Committee what may happen to be my individual sentiments about the arrangements that were made with respect to the Abyssinian War.

Sir *G. Balfour.*

1308. As a mere fact, do you remember that in the first Chinese War the Court of Directors appealed over and over again about the non-performance of the promise, that England would pay the pay and allowances of the troops employed in that war?—I remember something about it; but, as I have already said, I did not intend to give my individual sentiments upon those political controversies.

Mr. *Fawcett.*

1309. This question of the Abyssinian War seems to have grown out of your evidence, as I understand it, because, in going over certain charges of the army in India, you have more than once referred to the great advantages India derives from having a large army of reserve in England; therefore, those who represent India at all may fairly put on the other side, may they not, the advantages which England derives from having in her wars troops from India to draw upon, and making India pay a portion of the expense?—Yes; but I think there is a very wide distinction between laying down a principle which is to guide us for our future conduct, and asking me as a witness before this Committee to give my individual opinions upon certain political controversies upon which I might have the opportunity of expressing my opinion, if I thought it desirable, elsewhere, but which I do not think bear upon the home charges of the Indian army.

1310. It is with regard to the future; it is not simply inquiring into the past; the past is an indication of what may happen in the future and therefore, if a similar war to the Abyssinian war should break out, it may fairly be considered that India would render the same pecuniary assistance to England?—It would not be a home charge. However, I should say upon that if there were a war like the Abyssinian war, the true plan would be for those who are responsible to consider whether it concerned India or not, and if it concerned India very much, and England very little, then I think India might be expected to bear a certain share, and a greater share, than if it concerned England very much and India very little.

Mr. *Eustace Smith.*

1311. Who decided this apportionment of charge in the Abyssinian war?—I had not the honour of being in office at that time.

Mr. *Campbell-Bannerman.*

1312. The Committee have before them a Blue Book of 1871 on East India Military Expenditure, containing the correspondence which passed between the authorities in India and the Home Government in reference to proposals for the reduction of military expenditure in India in 1869. You of course are aware of what occurred with

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reference to that?—In 1869 there was a strong demand for a reduced expenditure in India, and it was proposed to send home at once seven regiments of infantry and four of cavalry, besides a considerable reduction in artillery, thus relieving the Indian establishment at the expense of the British establishment. Large reductions were also proposed to be made in the native Indian army. The answer of the War Office was, that although Parliament expected a diminution of British expenditure, yet the War Office arrangements would be so made as to reduce the Indian expenditure at the same time.

1313. Accordingly certain reductions were made?—The head-quarters of two regiments of cavalry and two of infantry were brought home, and each infantry regiment was reduced by two companies, with an increased number of privates in each company remaining in India; and each cavalry regiment was reduced by one troop. The pressure being very considerable for Indian reduction, the War Office at first reluctantly proposed to reduce one regiment of cavalry altogether; but that regiment would have been one of those regiments which had recently been added to the British establishment from India; it would have caused great mortification and dissatisfaction, and in the ultimate correspondence it was not carried into effect, I believe greatly to the satisfaction of the Indian Office, as well certainly as to mine. You have before you, on page 337 of this Blue Book of 1871, the sentiments of the India Office. They say in paragraphs 7 and 8:—"With regard to the cavalry, it is understood that the War Office propose to leave nine regiments in India, dispensing with the second major in each regiment, and reducing the establishment of each regiment from seven troops to six, and from the present strength of 566 officers and men of all ranks and 440 horses, to 480 men and 436 horses. The Duke of Argyll fully recognises the importance of sparing, as far as practicable, officers and non-commissioned officers the injurious effects that would result from the disbanding of regiments; and he is glad to perceive that the scheme now proposed by Mr. Cardwell, including the absolute withdrawal of two regiments of cavalry and two of infantry, will, without having recourse to such a measure, meet, to a very great extent, the views of the Government of India."

1314. Are you aware of the financial effect of the War Office reductions?—The ultimate effect, I believe, was pretty nearly the same as the proposal originally made; the maintaining the cadres of the regiments threw, I think, a temporary expenditure upon India, because of course we did not choose to take the expense so created upon the army estimates of this country.

1315. There were some proposals also with regard to the reduction of artillery?—Yes; the ultimate proposal was a reduction of five batteries of horse artillery from India, which were taken on the British establishment, and three batteries of garrison artillery, which were reduced, and the head-quarters of a brigade, which was reduced. When these reductions were suddenly made for the relief of India, we expected India to bear the intermediate charge until the officers could be absorbed; but, as an increase was then taking place in the artillery at home, a considerable absorption immediately took place; and I may

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refer you to the same Blue Book, at page 383, to see what that absorption was. I may observe here that, if I am correctly informed of the reductions proposed by India at that time, some affecting the European force, and requiring the co-operation of the War Office, and some affecting the native Indian army, and therefore within their own control, I believe the following to have been the result: namely, that those which affected the European cavalry and infantry were amended at the War Office in a manner which obtained the approval of the India Office, and carried into effect at once, so as to enter into the Indian Estimates then in course of preparation. Those which affected the European artillery were modified, as shown at page 382, and in the subsequent and amended shape were adopted by the War Office in time for the next year's Indian estimates. I am told (I should not like to say so if I am inaccurate) that those which affected the native Indian army have, with one or two small exceptions, not been carried into effect at all up to the present time.

1316. And, with regard to them, the War Office, of course, had nothing to do?—Nothing whatever to do.

1317. Did you not, in 1869, make a change in the terms of enlistment, with a view to relieving India?—In 1869 and 1870 we made two considerable changes, with a view especially to the relief of India. On the 8th of May 1869 a Royal Warrant was issued, enabling the Secretary of State to give permanent pensions, at a proportionate rate, to men who had completed less than 21 years' service, with a view of reducing the expenditure of the Indian depôts, by relieving them of the men unfit for foreign service. In the Enlistment Act of 1870 a clause was inserted enabling the Secretary of State to transfer a man of more than two years' service remaining in India to another corps of the same arm of the service. This was an unpopular measure, as was also the measure of general enlistment; it will not be necessary, under the new system of brigade enlistment and double battalions, to resort to either. But, in the meantime, both measures were adopted with especial reference to India.

1318. Sir Thomas Pears the other day spoke of the price that India pays for a gun; taking that as an instance, do you consider that there is any hardship in the system which at present is followed?—I understood that the complaint was that in charging India for stores; for a gun, for instance, she pays upon that balance-sheet, which includes charges on capital invested, and with which probably many Members of the Committee are familiar. Now, my observation is that I think it would be very strange if, in manufacturing largely for any part of the British Empire, we omitted to make the charge upon that basis. We charge to India for a gun what, I presume, it pays India extremely well to give, otherwise she would try whether Sir William Armstrong or anybody else would make it for her upon better terms. But I believe that she gets stores cheaper and better under the present system than she can get them anywhere else. And it probably is known to some Members of the Committee that, although we now are able to make very good guns and very cheap guns, we have not only had very large expenditure upon experiments in order to attain to that system, but we have had in former times very costly failures,

and

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and I see one Member of this Committee who can probably tell them how many acres of rejected guns are to be found, or were to be found, a few years ago at Woolwich, which have added enormously to the real cost with which the British army is armed, and of which not one single sixpence, as far as I know, has ever been contributed by India.

Sir *G. Balfour.*

1319. But the fact is that if these charges were examined no one who gives attention to them could possibly object to the rates that were charged against each gun?—That is my opinion; you, of course, know much more about the details of the matter than I do.

1320. And, in fact, Sir Thomas Pears has been mixing up two distinct per-centages; one set of per-centages consisting of per-centages upon *bonâ fide* charges upon the actual manufacture, and the other set of per-centages by the Admiralty, comprising a variety of charges similar, in some degree, to those referred to by Sir Alexander Tulloch?—That may be; I am not prepared to say exactly what Sir Thomas Pears's evidence has been, not having heard it. All I can say is, that it would be very pleasant to the Chancellor of the Exchequer if a change can be made, and if India would manage Woolwich, and allow us to buy at Woolwich on the terms on which India now buys there.

Mr. *Campbell-Bannerman.*

1321. While you were Secretary of State for War a good many changes were made with regard to the army, some of which affected the finances of India; and there is an impression in some quarters that those changes were made without the interests of India being considered, and without any consultation with the authorities of the India Office, who represented those interests. Perhaps you will state to the Committee whether that is your opinion?—I am quite sure that if anything of that kind has occurred, it must have been entirely *per incuriam:* for I have the pleasure of recollecting many long and interesting conversations; some with the Duke of Argyll and Sir Thomas Pears together, and some with Sir Thomas Pears when the Duke was not present. My agreement with the principle is perfect. I think that whenever we do anything which is likely to affect India we are bound to consult India, and to know, before we take the step, as well as we can, whether it will have any effect upon India or not, and to consider that effect. The Committee probably know that there is an Indian officer in the War Office, the Assistant Military Secretary, who is paid by India, who has great means of information as to everything that is going on, and who, as I believe, is in constant communication with Sir Thomas Pears; and I have always supposed that everything that we were meditating which was likely to be of interest to India was, in one way or another, communicated to the India Office, and that the India Office was consulted before we took that step. I understand that in this Committee it has been said that we did not consult the India Office before proclaiming to Parliament the intention to consolidate the stoppage with the pay; to pay a net pay, and thereby in many cases to improve the pay of the infantry soldier by 1½*d.* a day. Well, the Indian pay being a net pay already, and our warrants not having any operation in India, it certainly, I think, is pardonable, if the India Office were not supposed to be directly interested in the matter; but if it had been suggested by anybody that it was desirable to consult them first, no doubt it would have been done. But this I must say, the change was proposed to my colleagues, and it was stated to Parliament in the month of February; and it was not carried into effect until the month of October; and I do not know now that it has done any harm to India; I do not know now that it has in any way injured the finances of India. I am quite sure of this, that to all who are interested in obtaining recruits it was an economical measure, and as little of a concession to the growing demands for labour, and the difficulty, therefore, of obtaining recruits for the army, as anybody could have advised to be taken. That is the answer which I have to give with reference to that. If the India Office were not fully aware of it it is not, I acknowledge, an entirely conclusive answer, because if anybody had said to me, "India will be affected by this," I should have said at once, "Then let us communicate with India, and consult them." Before I leave this 1½*d.*, I ought to say that the principal portion of the benefit given to the recruit in the arrangement for consolidated pay was derived from a considerable sum which had formerly been paid for re-engagement; that it was thought unnecessary when we were only going to take a portion of the army upon long service to continue the re-engagement money, and that India got the benefit of that as well as ourselves; and it was always intended not to appropriate that benefit to a saving in the Exchequer, but to give it out again to the soldier in the form of this net consolidated pay. India, therefore, has derived in my opinion her share of the advantage, even if she does bear, which I am not aware that she does, her share of any increased payment. But I am told that other instances have been given; that it is contended, for instance, that what is called General Peel's twopence was added to the pay of the soldier without any communication with India. Of course, as that was before my time I can give no explanation of what actually took place; but I know this, that at that time there was great difficulty in obtaining recruits, that the army was much below its strength, and that India was very much in want of recruits; and I should think it highly improbable that India would have opposed the additional pay which was then given even if she had been consulted. However, as I said before, I can give no definite answer with regard to what happened before my time. Then, as to the arrangements with regard to short service, I am under the impression, from what I have been told, that the Committee think that there was not sufficient communication with India upon that subject. Now, I beg to say that in preparing the arrangements for short service the chief consideration was how it would affect India. We felt that to be the difficulty, and the question how it would affect India was the subject of repeated considerations and deliberation at the War Office between us and the officers of the Indian Department. The various reasons which would tend to make it no additional charge to India were very carefully gone into. The law was

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altered, in order to enable us to facilitate the arrangement with regard to India. I think Sir Thomas Pears told the Committee himself that he had suggested seven years instead of six. Well, the difference between us is not very great, because, in the Act of Parliament will be found a section, the 11th section (the service being usually for six years), which says, that "Any soldier whose period of army service, or whose whole period of enlistment, as the case may be, expires while a state of war exists between Her Majesty and any foreign power, or he is serving on foreign service, or on any colonial or Indian station, may be detained, and his service may be prolonged for such further period, not exceeding 12 months, as the Secretary of State or the commanding officer at the station may direct"; therefore, between the six years' service, with that clause, and the seven years' service, the difference is not very great. But you have had so much evidence already upon the operation of short service in India, and I hope you are going to hear Sir William Muir, or some of the most competent medical men upon the subject, that I will not, unless asked further upon the subject, trouble you upon it any more at present. Then another question which has been raised is, that two years ago we thought it necessary to introduce the rank of major into the Royal Artillery and the Royal Engineers; on the principle that, in modern warfare, few things are more important than the command of a battery of artillery, and that the commanding officer of a battery of artillery ought to be a field officer. That also had a great bearing upon the question, which had been a very difficult one, of the promotion and retirement of the officers of Royal Artillery and Engineers, which had long occupied the attention both of Government and of Parliament. Now, not only did we repeatedly communicate with the India Office, but we considered an alternative proposal from them; and, although we did not adopt it, we obtained, as I understood, the entire consent of the India Office to the arrangement which we made, and certainly we altered the clause of the Royal Warrant for the express purpose of preventing its being an additional charge upon India. I cannot enter into the subject of contract allowances in India, though they are probably familiar to many gentlemen whom I have the pleasure to address; but I certainly was given to understand that in the form in which the Warrant was ultimately passed it would be in the power of India to protect herself against any increase in the charge on that account, or, at all events, against any considerable increase in the charge on that account. Therefore, it is a mistake to suppose that the arrangement (though it was a very necessary arrangement) by which the command of a battery was given to a field officer was made without the fullest consultation with the India Office.

Sir *G. Balfour.*

1322. I may ask your Lordship whether it is not the case that it was fully understood that the contingent gun allowance which existed should be withdrawn from the battery, and that the money thus saved should be appropriated in meeting the extra charge in the difference of pay between captain and major?—I should go too far if I said I thoroughly understood the Indian

Sir *G. Balfour*—continued.

arrangement, because I did not; but I understood that there was an allowance made in India, called a contract allowance, which, as far as we understood it at the War Office, we were not only not disposed to insist upon, but we thought it a rather questionable sort of arrangement; and I understood that the discontinuance of that afforded to the India Office a means of recouping themselves for the additional charge involved.

1323. Am I not right in supposing that there was some delay in carrying out your intended promotion until such time as the question was fully understood?—I think so; I certainly, as I have said, altered the clause in the Royal Warrant for the express purpose of meeting the views of India on the subject.

Lord *G. Hamilton.*

1324. That has resulted in a charge of 40,000*l.* a year additional, has it not?—It did not do so in my time; I cannot tell the reasons.

Mr. *Onslow.*

1325. You are not aware whether the India Office consulted the Viceroy about all these things?—That, of course, would be no affair of mine.

Mr. *Campbell-Bannerman.*

1326. You probably are of opinion that informal communications, conversations through Sir Thomas Pears or any other officer of the India Office, are quite as conducive to the public service, and quite as business-like a way of conducting the relations between two offices as writing minutes and formal letters, which would result in a great deal of circumlocution?—The best mode of conducting public business probably is that when a thing has been well hammered out in friendly conversation between the two parties, it should be reduced to writing; but if you are to dispense with either, I am quite certain that you could better dispense with what might be considered a little red tape than with friendly conversation, which might lead to a better understanding of the subject. I wish to say, in conclusion, that I have always found the gentlemen of the India Office perfectly fair and perfectly agreeable to act with, and I am very sorry if there is, with regard to any part of what we have done, the smallest impression that we have ever passed them by. I do not think that, in substance, the thing has been so done; I believe that they have had ample justice at our hands, but no doubt I do hold this, and it is admitted I believe by everybody, at any rate I hold it, that we cannot suspend measures which are necessary for the improved organisation of the British army, even though we do not succeed in carrying the India Office along with us.

Mr. *Fawcett.*

1327. But, with regard to the communication made to the India Office with reference to the short service system, what I understand your Lordship to say is this, that you think the best way of conducting business is, first of all, friendly converse between the two offices without any formal writing; as you very aptly described it, to hammer the thing out, and after it is hammered out, and the scheme has assumed a definite form, then to put it down in writing, that it might be carefully considered in a definite form. Now,

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Mr. *Fawcett*—continued.

as far as I understand your evidence, the first step in this process was taken in regard to the short service system; but was the second step taken; did you formally communicate to the India Office, the financial effect of the short service system on India, and did you communicate it in such a form to the Secretary of State for India that he could lay it before his Council, and, if necessary, forward it to the Government of India. If so, have you any objection to move for the Paper in Parliament?—There would not be the slightest objection to moving for it if it exists. I cannot undertake to tell you whether it does exist or not; but I can undertake to tell you that the utmost pains were taken to carry that change into effect in the way most desirable for India.

1328. I have not been able to find from any witness whether this very important change, which would undoubtedly produce a serious financial effect, on India, was, by the authorities of the War Office, ever communicated in a definite form to the India Office, so that they might have sent it in as a formal document to the Government of India?—I do not think, as we had a Bill before Parliament on the subject, that there can have been any secrecy in the matter on the part of anybody; but I certainly should not have thought it right to wait to know the result of deliberations in India before going on with the Bill, by which means I should have lost the Session.

1329. Then it comes to this (I am not questioning your action in the least, but I take this simply as an illustration of the way in which the affairs of India are managed): you want to introduce a Bill; that Bill affects the finances of India; because you want to pass that Bill, the Government of India, in Calcutta, are never consulted, the Government of India being responsible for the finances of India?—I think you are putting it in a way which I am not quite prepared to accept. It looks as if we made charges against India, by the action of Parliament, without consulting India. Now, the person with whom I have to hold consultation (I am speaking now as Secretary for War) is the Secretary for India. We cannot annihilate time and space; and if we must either be content with what we must learn at the India Office, or submit to lose a Bill by the efflux of time, it may very well happen that the latter may be the worse alternative.

1330. But as an illustration of the method of conducting business, I still understand you to say that no formal document containing the views of the War Office was communicated to the India Office, so that it might be communicated by them to the Government of India; and I further understood you to give as a reason why that was not done, that you did not want to lose a Bill in Parliament?—No, I did not say anything of the sort. What I said was, that what I will undertake to say was done in respect of short service is that there were the most repeated and diligent consultations with the India Office. What special documents passed I do not happen to know, but I went on with my Bill and carried it; and I hold that it would not be right so to subject the action of the British War Office to the Government of India as to hold that we can make no necessary organic change, and submit to Parliament no necessary Bill, until we have received permission from Calcutta.

Mr. *Fawcett*—continued.

1331. Then you cannot say whether there was or whether there was not any official communication between the War Office and the India Office?—I have not the means of referring now to the archives of the War Office, but I have no doubt that the Financial Secretary, who is a member of this Committee, will tell you.

Sir *G. Balfour.*

1332. But is there not too much importance attached to this question of short service; your Lordship never meant that the short service should preclude the men from volunteering in India for longer service if they should see fit?—Quite the contrary. I always hoped that those particular men whose constitutions were found to endure the climate of India would volunteer to remain, and would extend their service. But what I maintain is that with the average of mankind the long service in India is neither desirable on any other ground nor economical.

1333. Is it not the fact that in the case of every regiment ordered home, as many men almost as are fit for service in India are willing to volunteer to remain, and that they do volunteer to remain upon the payment of a small bounty?—I dare say that is the case, but the point of your question is whether we desired in instituting short service to encourage by every means in our power such a system continuing in India. That was our object, and I am not aware that we neglected any means for attaining it.

Lord *G. Hamilton.*

1334. To return to the question of recruits; what you contend, as I understand, is, that of the three systems which have been in force since the year 1860, namely, the first system which resulted from Major Tulloch's Committee, the second which followed in consequence of the appointment of Mr. Seccombe's Committee, and the present system, which is not quite elaborate, the present system is the most economical?—I believe so.

1335. You would not deny that the previous system, which was the result of Major Tulloch's Committee, was very extravagant?—I discontinued the depôt battalions of the Tulloch system from an impression that it was not a desirable system, either for India or for the United Kingdom.

1336. But the Committee which you, I believe, were instrumental in appointing, Mr. Seccombe's Committee, expressed their opinion that the system was susceptible of very great reduction?—You mean the system that *they* were administering? Yes.

1337. Therefore I think we may assume that it was an extravagant system?—The word "extravagant" is rather a word of censure. It was a more costly system than I thought ought to be maintained, and it was only adopted as an intermediate system until the new one could be erected.

1338. There is a certain Return which Mr. Milton has handed in, and that Return shows that India paid within a very few thousand pounds the actual recorded expenditure for home charges during the period 1861 to 1869. I do not know whether you have seen that Return?—No. I stated, on the authority of Mr. Milton, who gave me the information, that the India Office would have saved 100,000*l.* a year if they had

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paid upon what I call the Seccombe system, instead of the Tulloch system, from 1861 to 1868.

1339. My reason for asking you whether the system originated by Major Tulloch was not extravagant was to show that if that system be extravagant it is no use comparing it with the system which now is in force?—Whether there is any use in comparing it I do not know; but if an impression is created or exists that the War Office has been desirous of increasing the Indian charges, it appears to me rather important to show that for some years they have been engaged in endeavouring to do just the reverse.

1340. But to prove that the present system is one which is advantageous and economical to India we must investigate it, must we not, upon its own merits, and not compare it with previous systems, which it may be maintained were extravagant?—Certainly.

1341. Therefore, to return to the essence of the controversy, which is, what should be the actual cost (I mean actual in the ordinary sense) of a recruit, as I understand the difference between the India Office and the War Office on this point, it is that the India Office do not object to pay the actual cost of the training of a recruit, but they protest against paying outlays which they consider have nothing to do with the cost of that training?—They are quite right.

1342. But in the present actual charges are included certain brigade depôt charges which Lord Northbrook, in his despatch, and the India Office maintain are not connected with the training of recruits?—I have said already, if it can be shown that that consideration ought to prevail to diminish the charges against India in future, by all means let that consideration have its fair weight given to it. But I have shown you that when the Chancellor of the Exchequer waived certain other charges, he did it expressly on the ground of the benefit received by this country from the Indian depôts, and that therefore, if you make a charge against the War Office on that account, of course you have taken away the consideration on which the Chancellor of the Exchequer waived the other charges; and he will consider his colleague the Secretary for War very wanting in his duty if he does not raise the question.

Lord *G. Hamilton*—continued.

1343. Still, however, the fact remains, that in these actual charges are included charges which are entirely connected with the brigade depots?—The object of the new system is to do as much work at as little unnecessary expense as possible. These officers will, I have no doubt, be rendering very valuable service to the United Kingdom and to the British army at the brigade depôts; and I have not the smallest objection to a full consideration of that being made by Mr. Seccombe's Committee, when it comes to examine the charges which ought to be repaid by India to the British Exchequer.

1344. But do you think that Mr. Seccombe's Committee will ever arive at any conclusion on this point, because that is exactly the point which is in controversy between the two offices; and out of the four previous reports of the Committee the India Office have dissented in three instances?—In my opinion there is a confusion there. The Committee hitherto have not, in my opinion, been entitled to consider what would be the best and the most economical arrangement. During the transition period India has paid less than she would have paid if the old arrangement of 10*l.* had been continued; but she has not paid so little as I hope she will in future for recruits; and for this reason, that the transition system was of necessity more expensive than the new system, and India must either pay it herself, or throw the burden upon the British taxpayer, which in my opinion would be extremely unjust.

Tuesday, 16th June 1874.

MEMBERS PRESENT:

Mr. Stephen Cave.
Sir George Balfour.
Mr. Balfour.
Sir Thomas Bazley.
Mr. Campbell-Bannerman.
Mr. Dalrymple.
Mr. Grant Duff.
Mr. Dunbar.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Lord George Hamilton.
Sir Henry Havelock.
Mr. Sampson Lloyd.
Mr. Eustace Smith.
Mr. Stanley.

THE RIGHT HONOURABLE STEPHEN CAVE, IN THE CHAIR.

Sir WILLIAM MUIR, K.C.B., M.D., called in; and Examined.

Sir *W. Muir*, K.C.B., M.D.
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Chairman.

1345. I THINK you were the principal medical officer in India in the British army?—I was.

1346. How many years were you in India in that capacity?—Four years consecutively.

1347. And I think you had previously knowledge of India?—I was some years before in India, during the Mutiny.

1348. And you have given a great deal of attention to the health of the troops, I think?—Yes.

1349. Now, you are aware that at present the rule is that recruits do not go out to India till they are 20, and that therefore their drilling takes place at home, ordinarily, between the ages of 18 and 20?—Yes.

1350. Have you any proposal to make as an alternative to that system?—My proposal is that the hill stations should be utilised to a much greater extent than at present; and I think that if that were the case there is no reason why these lads should not be drilled in the hills; go out at 18, and remain there for two years under drill.

1351. Is it your opinion that any advantage would arise in point of health from men going out at 18 instead of 20, and passing two years in a good climate in India, rather than in England?—I think there is very little difference between the two, so far as health goes.

1352. You do not think that they would become more acclimatised by living in the hills in India, than if they remained here?—They would become more acclimatised, certainly.

1353. So far, then, it would be an advantage?—So far it would be an advantage.

1354. But I presume that they would not become acclimatised if they were too high up in the hills?—No, not to the same extent.

1355. Do those hill stations exist to any extent in India at present?—Yes, they are Dugshai, Chukata, Rhanekhet, Murree, and a good many more.

1356. And I suppose that within easy reach, either by railway or otherwise, of every presidency there are places which might be utilised as hill stations, but at present are not?—Certainly.

Chairman—continued.

1357. How far does that system of keeping troops in the hills exist now?—There is no regular rotation.

1358. How many men are there in the hill stations?—During the hot weather there were about 7,000 men last year.

1359. Is that a costly system, should you say?—Well, it has been costly, from the building of what they call the palatial barracks; it has been costly on that account, but there is no necessity for so doing.

1360. Do you think that that cost would be well repaid by keeping the men healthy and strong?—I think so; and there is no reason why the men should not hut themselves, and do everything for themselves there.

1361. Then you propose this as an alternative to keeping the recruit in the depôts at home for the years between the time that he enlists and the time that he is able to go out to India?—Twenty is the minimum, the limit.

1362. Is it your opinion that that minimum of 20 is too old or too young?—It is too young, if anything.

1362. I think you propose the hill station system as an alternative also as to invaliding?—Yes.

1364. How far in recent years has the system of invaliding to England been carried out?—Of late years the invaliding has been very large, owing, I believe, to the army being very young, and the medical officers taking advantage of the facilities of the troop ships to give men a change, especially young soldiers.

1365. And they go home through the canal, I suppose?—They go through the canal.

1366. And the facilities that you mention consist in the transports being otherwise obliged to go home empty?—They would go home empty but for that, in a great measure.

1367. So that the expense is not very much more than the rationing of the soldier?—Well, I could hardly go into that question of expense, but I should say so. Up to two years before I left India, the great bulk of the invalids were sent round the Cape, and it was necessary to

Sir *W. Muir*, K.C.B., M.D.

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Chairman—continued.

take up a separate tonnage for them; that was a great expense to India.

1368. And therefore, of course, the invaliding was very much less than it is now?—Very much less.

1369. What per-centage of the force in India is invalided every year?—I think by returns given by the Indian Government, Dr. Bryden's statistics, the standard is about 49 per 1,000 of the force.

1370. Who are sent to Netley?—Who are sent to Netley.

1371. What proportion of those men are finally discharged invalided?—About one-third; and the others are returned to the depôts.

1372. Is that a smaller proportion than there used to be under the old system?—I think so; the mortality and invaliding was very large 30 or 40 years ago.

1373. In those days men were kept as long as anything could be got out of them, I suppose?—Especially the Indian European force.

1374. This very frequent invaliding which you mention amounts really to a short service, does it not?—Well, to a certain extent; a fifth of the force.

1375. But there is a difference between the two, in your opinion, in principle?—Well, I should like to counteract the immense invaliding by utilising these hill stations to a larger extent. I propose that the men should go there for the first two years, have four years in the plains, and then return to the hills for two years, and so forth, a system of rotation by which means I think the invaliding and mortality would be very much reduced.

1376. You mean during the hot seasons?—Yes; and they might be all brought down during the winter to the camps of instruction, and so forth.

1377. You would keep, during the hot season, the army in the plains as little as possible?—I think it ought to be reduced to the minimum that the military necessity would admit of.

1378. I suppose there are many parts of India where, even if the mortality is small, the men deteriorate rapidly in physique?—Yes.

1379. Peshawur, for instance?—The service in Peshawur has been the means of sapping the Bengal army altogether.

1380. You do not think that there would be any risk in men coming straight down from a healthy station for service in the plains, or in such a place as the Valley of Peshawur?—No, I do not think so. I do not think the Mutiny can be taken as a criterion in that respect, because the men in the regiments suffered there owing to the fact that they got into a cholera belt chiefly, and that is always an exceptional case.

1381. Do you think that the system of short service takes away the fittest men remaining in the regiments?—I think short service is hardly applicable to India; I think the more politic plan is what I propose, the hill stations.

Mr. *Fawcett.*

1382. But that short service system is the system which applies there now, is it not?—What I mean by short service is six years.

1383. That is the system, is it not?—Men now enlist for 12 years for India.

1384. Under the present system?—Yes, under the present system.

Chairman.

1385. That is, the regiment goes out for 12 years?—Yes.

1386. But the men come home at earlier dates?—I do not know how the last modification of the recruiting affects India.

Mr. *Fawcett.*

1387. You say enlistment for six years is unsuitable to India, and that is the system, if I understand, that has been lately applied to India; for instance, a great many of the men who go out now stay a very much shorter time, and no man is bound by his terms of enlistment to stay longer than that period?—Not to stay longer than six years.

1388. Then your evidence means that the system now in vogue, even supposing all the men stay for six years, is a system unsuitable to India?—Well, I am not certain on that point; I thought that men serving in India served for 12 years, but since I left India it may be modified.

1389. You, starting on the supposition that they do stop 12 years, think that is the proper system, and that the system of six years' service is unsuitable to India?—I think that if men start at the age of 18, and leave at 24, you have taken them away when there is very good service in them.

Mr. *Stanley.*

1390. You would qualify that, would you not, by the fact of there being a chance of re-engagement; a man has the option of re-engaging?—Yes.

1391. And as a matter of fact, he does very frequently so re-engage?—Yes, he does very frequently re-engage.

Sir *Henry Havelock.*

1392. When you say that the system of short service is inapplicable or unsuitable to India, you are not giving that opinion from a medical point of view, but from the financial bearings of the question?—I think financially speaking that is the case.

1393. That, of course, is an opinion that you would give with a certain amount of reservation; your opinion, of course, practically bearing principally upon the medical part of the question?—Yes, upon the medical phases of the question.

Mr. *Fawcett.*

1394. As I understand, your opinion on the system in vogue is chiefly a medical opinion; and your opinion, as far as I understand your evidence, even medically, leaving out of consideration the financial bearing of the question, is unfavourable to men being enlisted for only six years to serve in India?—Yes, I think so.

1395. Then when re-engagement is spoken of, can you tell us, although re-engagement exists, what proportion of the men do re-engage; the system has not been in operation long enough to enable you to say that?—No; I cannot answer that question.

Sir *George Balfour.*

1396. But you are aware, from your own great experience, that whenever regiments are ordered home, a very large number of men volunteer to remain in India?—Yes.

1397. And that the medical officers are the means of preventing many from remaining?—Yes, those not fit for the service.

1398. Otherwise

Sir *G. Balfour*—continued.

1398. Otherwise a large proportion of each regiment would volunteer to remain for service in India?—Yes, that is my system.

1399. And you are aware that the payment of the bounty increases or decreases the number of men who volunteer?—Yes.

1400. So that practically you can get any number of men to remain in India from regiments ordered home totally irrespective of the length of service?—Yes, I think so.

Chairman.

1401. Then the advantage is bounded in your mind by there being hill stations to keep up their strength in?—Yes.

1402. Otherwise, I presume, the longer the service is, the worse for the men who remain in the plains?—Yes, there is a general deterioration of health by residence in India.

1403. And taking the plains as the place in which the soldier is, the short service would be better for him than the long one; that he had better come home too early than remain in the plains?—Certainly.

Sir *Henry Havelock.*

1404. I think you were speaking with regard to the advantages that a certain term of service in the hills gives; I suppose you would be decidedly of opinion that if a soldier could arrive in India and go to a hill station at 20 years of age, and then spend two years there, it would be likely to be more beneficial to him than if he arrived at 18 years of age and spent two years there, would you not?—Yes, certainly.

1405. Then the opinion you gave before is to be taken with that modification?—Yes.

1406. You think that the main point with regard to selection of soldiers for Indian service, is that they should be allowed to have their constitutions formed in this country before they are exposed to the Indian climate, is it not?—Yes, certainly.

1407. And from that point of view you would give preference to a soldier of 20 years of age arriving in India over one of 18?—Yes, certainly; and I think those men ought to be carefully selected for the regiments for India. I think it would be a very good plan if men of short service were invited to join those men, I mean men who would pass into the reserve otherwise and take service.

1408. That is to say, in selecting soldiers for India, you would, as far as possible, give preference to the older, well-formed men?—I do not mean that; I mean the man who is three years with the colours and goes into the reserve; you should tempt that man to India.

Mr. *Stanley.*

1409. Do I rightly understand the purport of your answer to be this, that after a man has left the army and gone into the reserve, you would offer an inducement to that man to come back to the colours and join an Indian regiment?—Yes, to join the Indian army.

1410. So as to get a man of fairly mature age?—Yes.

Sir *Henry Havelock.*

1411. Does not your very great experience tend to show that though there may be a smaller amount of actual mortality in the early years of the service of soldiers going to India very young, that is to say, under 20 years of age, eventually, in the long run, they break down and become inefficient soldiers very much sooner?—There is no doubt of that, they are non-efficient to a great extent; the mortality among these men, however, is less.

1412. In fact, that is a matter which cannot be tested by the mortality, but by the breaking down?—The efficiency; what we look to in India is the efficiency.

1413. I do not know whether it may be in your recollection that there was the case of the 52nd Light Infantry, which went out to India in the year 1852, and were immediately taken to a hill station without any intermediate service in the plains, and there was a great mortality and sickness; do you recollect that?—No, I do not recollect the instance; the two first years are the trying years for a regiment going out and recently arrived in India, and that runs through the whole line; the mortality is very largely increased.

1414. Then as regards the comparison between the advantages of invaliding a man home when he breaks down and taking him to a hill station for the restoration of his health, setting aside the question of expense, I suppose you would give the decided preference to invaliding at home, would you not?—Yes, as a rule.

1415. You are aware there is a large class of diseases to which the hills are almost as fatal as anything can be?—Yes, dysentery and cases of that sort; but my grand object in pressing the hill station system is saving invaliding. I think the men's health would be maintained so much more efficiently by this hill station system, that there would be very little necessity for invaliding if it were adopted.

1416. That is to say it is your opinion that if men were taken to the hills by rotation, all those men whose health had not begun in any degree to break down would be likely to serve efficiently for many years longer?—Yes.

1417. At the same time when men's health has begun to break down, you are aware that a very large mortality ensues from their being sent to the hills?—Yes, in a certain class of cases.

1418. All bowel complaints; dysentery and diarrhœa, and so forth?—Yes.

Mr. *Stanley.*

1419. With reference to the last question which Sir Henry Havelock has just asked you, those men if sent to the hill stations would still be immediately available for service on the spot, in the event of any emergency occurring in India?—Yes.

1420. So that they would practically, instead of being on passage or at home, be left on the Indian strength?—Yes.

1421. In the event of any great emergency arising, they would be immediately available?—Yes, and would get down very readily from the improved means of locomotion now.

1422. The statistics which you gave us just now as to the number of men invalided and finally discharged, were I think as follows: 49 per thousand were invalided to Netley, you stated?—That is the standard now for the last 10 years as given by Doctor Bryden, 49 to 50 per thousand.

1423. And of those about one-third are finally discharged?—Yes, finally discharged as unfit for the service.

Sir *W. Muir*, K.C.B., M.D.

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Mr. *Stanley*—continued.

1424. That amounts to 16·3 per thousand, does it not?—Yes.

1425. Would that compare favourably with the rate of invaliding which was formerly obtained?—Most decidedly.

1426. I suppose you have no figures of that former state of things?—I have no figures, but I think, as far as my impression goes (and I was at that discharge depôt myself for some time), the present rate compares very favourably.

1427. You have been a good many years in India; are there not a certain class of diseases to which men become more liable in India?—Yes, certainly; there are a certain class of diseases to which the young are subject, and a certain class to which the older soldiers are subject; and formerly the great bulk of invaliding was made up from the older soldiers.

1428. If you had to choose the period of service which would be most advantageous, and in which there would be least waste of life for a man to serve in India, what years would you select?—I would take from 22 to 28 or 30.

1429. That would be on the assumption that a man was 20 when he went out?—Yes, that he was 20 when he went out.

1430. And that he spent two years in being acclimatised?—We will say two years in the hills.

1431. And from the age of 22 to 28 in active service?—You would get the most work out of him in that period.

1432. After that time a man begins to develope a tendency to disease?—Yes, chronic disease especially; diseases of the liver and spleen, and those things come out then, the effect of malarious poisoning.

1433. It was stated in some former evidence given by the Accountant General that although regiments remained some time in India the men within them changed to a very great extent, and that the number of years' service would be found to average very little more than five or six years individually. Would that be borne out by your experience, speaking generally?—Well, I can hardly answer that question without going into particulars.

1434. An opinion has been expressed also that advantages might attend the removal or relief of the men *en masse*, instead of reliefs by drafts or by individual changes. Would that meet the medical view?—No; I think by drafts would be the more likely way to do it.

1435. You would look more to the individual's state of health?—Yes, to the state of the individuals.

1436. When these men come back to Netley, of those who remain in the army, and who are not finally discharged, a considerable proportion are really not available for Imperial services for some time after they return, are they?—They go to the depôts; they are discharged to the depôts and remain there, and they are drafted off to India again in a year or two, if necessary.

1437. But many of those men are not duty men for some time afterwards, are they?—Yes, as a rule. Men who have suffered from bowel complaints are not fit to go back to India for two years, if not more.

1438. Would you say they are available for home duty?—For garrison duty at home I should say so, all the men who are discharged from Netley.

Mr. *Stanley*—continued.

1439. Could you give the Committee any information as to the average time that those invalided home remain at Netley?—A great proportion of the men are discharged at once; they seem to recover so much on the way home that they are sent to the depôts very quickly; and a good deal of that may depend also upon the want of accommodation for the men at Netley, from the men all coming home at the same time of late years.

1440. May the Committee understand from you that a large proportion are really fit for duty when they are sent to the depôts?—Certainly.

1441. There are particular months of the year, are there not, which are unhealthy in India?—The hot months, from May till October, you may say.

1442. Could you tell the Committee, speaking generally, how far those months, and the casualties which occur in them, influence the strength of regiments in India?—The young soldiers suffer very much during the hot weather.

1443. In fact, you have casualties occurring then; that is the season of the year when you do not like to send men to the plains?—Yes.

1444. Therefore, at a certain time of the year, regiments must be much below their strength?—Yes, especially newly arrived regiments.

1445. But the invaliding season would be the time when they are lowest?—Yes.

1446. When the men who are invalided have gone home, and the drafts are not arrived?—The men come home in April, and the drafts go out in October or November.

1447. Would there be any particular month of the year when you think the regiments would be more than usual below their strength?—No, I think not. Formerly the invalids used to come at all seasons, and therefore as the men went out the others came back; but latterly, on account of the sufferings of these men from the cold of winter, they have all now been brought home at the end of the season. The last troop ships are reserved for invalids, so that virtually the new men are replacing these men before the others come back.

1448. I suppose that now many cases are sent home which are of a much lighter description than those formerly invalided home?—Yes, the facilities given to the medical officers now are taken every advantage of. If a man is drooping they send him home for change of air.

1449. And in many cases that is done with a view to his ultimate return to India?—Yes.

1450. Should you say that there was any specific time that a man requires to remain in England to recover from the effect of the Indian climate?—I think as a rule a couple of years. If a man has been sent home he ought to be two years before he goes back. I had to call the attention of the Government of India to men being sent out after a year and breaking down again from being sent out too early, when I was principal medical officer in Bengal.

1451. One question with reference to your observations about short service; when you used the expression that shortness of service does not apply to India, you would qualify that, of course, by your previous answer, that a number of these men are allowed to re-engage; I suppose your answer would really mean, that if short service were strictly applied, and without any allowance for men re-engaging, or being allowed optionally

to

Mr. *Stanley*—continued.

to re-engage for longer service; in that case only it would not be applicable?—Certainly; I would give every facility for men to re-engage, and even men who have been 10 years out; there are always a certain number of men whose constitutions suit India admirably, and these men I would keep on, give them the option, and pension them, and so forth, extending the principle as far as medical reasons would admit.

1452. Subject to those conditions, you would see no objection to the short service system, speaking generally, in a medical point of view?—No, certainly not.

Mr. *Eustace Smith.*

1453. You assented to a question put by the Chairman, in which the word "acclimatised" was used; do you believe that there is such a process as acclimatisation?—That is a point on which doctors differ very much; but whatever you call it, for the first two years in India there is a certain process necessary to be gone through before men are in the best state to stand the climate of India, which is the adaptation of the organs, and the skin, and everything to the climate and the heat.

1454. Then you consider that there is a process of acclimatisation?—I think there is a process, and the proof of it is, that for the first years the mortality is very great, not only among the young, but all through a regiment. The average mortality now is from 18 to 20 per 1,000, without taking cholera into account, and for the first year the average mortality is 32 per 1,000.

Sir *Henry Havelock.*

1455. That is the first year after the regiment's arriving in India?—Yes.

Mr. *Eustace Smith.*

1456. You mentioned a certain class of complaints to which old soldiers were more subject than young soldiers?—Yes.

1457. Could you mention the class of complaints to which this process of acclimatisation of the young soldier especially applies?—Well, heat fevers, and so forth; dysentery is another, but chiefly heat fevers.

Sir *George Balfour.*

1458. Your reply to the honourable Member's question connected with the short service simply resolves itself into one of finance, does it not?—Yes; in that answer I went beyond my line of action; it was a matter that occurred to me on account of the expense.

1459. And if money is paid in India to induce men to extend their service to the 12 years which you have spoken of, that can be done simply by the payment of an additional bounty?—Certainly.

1460. And that entails upon the Government of India simply a sum of money varying from 10 to 20 rupees for each man re-engaged?—Yes.

1461. And it has been from the time that you went to India, and long before your time, the practice for India invariably to call upon regiments to volunteer to remain in India?—Yes.

1462. And they have got as many men as ever they have desired to retain from each regiment, compatibly with health and good conduct?—Yes.

1463. And, roughly speaking, the service in India is a favourite one?—I think so.

Sir *G. Balfour*—continued.

1464. So that we could get any number of men for service in India that were required?—I think so. Married people have such an advantage there; that is one great point.

1465. And from your experience at home here there would be no difficulty in obtaining from the regiments volunteers of the age and service requisite?—I think none. Men who have served a short time with the colours, if invited to join the army of India, would do so, I think.

1466. Practically speaking, as far as India is concerned, the question of depôts and training men, especially for service in India, might be dispensed with by simply calling on volunteers from regiments to go to India?—I think so.

1467. So that all the great paraphernalia that we have had, and special arrangements and special depôts for service in India, might be dispensed with by simply offering money for men to volunteer?—I think so; men of more than three years' service.

1468. You have been giving us some per-centages with regard to invaliding and mortality, but you have lately been preparing in your own office some statement ordered by the House of Commons?—Yes.

1469. Perhaps you would kindly let the Committee have a brief abstract of those per-centages for different years, so as to enable them to judge correctly of this question?—I can hardly give that without reference to my figures at the office. I have nothing here with me to enable me to give that.

1470. Perhaps you would kindly send to the Chairman a brief memorandum of those per-centages?—Yes.

1471. The mortality of regiments in India has very much decreased to what it was 12 years ago, has it not?—Very much, and more so compared with 30 years ago.

1472. When I first had the pleasure of meeting you, the mortality was very considerable?—Very considerable.

1473. And is much less now?—Much less now; it has gone down wonderfully.

1474. That is not so much due, is it, to the healthiness of India as to the invaliding?—And improved sanitation. The men are better housed now, and better looked after in every way.

1475. Do you lay any stress upon the fine large palatial barracks which have been built for the troops?—I think they are an advantage to the men; but I think barracks much less costly would have answered the purpose equally well. The only drawback is, that it ties us down to certain localities; plain positions.

1476. But even these fine barracks are not altogether free from defects and objections, are they?—They are not free from defects at all.

1477. So that the large sums of money which India has been spending in consequence of the outcry in this country, might have been somewhat diminished if there had been less costly barracks?—Less costly ones would have answered the purpose; but the absurdity of the thing is building those things in the hills. The intention of them was for the plains of Bengal, but they have begun those buildings on the same scale in some hill stations, which is a great waste of money.

1478. So that in that respect India has been put to a large unnecessary expense for building unnecessarily fine buildings?—I think so.

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Sir *G. Balfour*—continued.

1479. Now with regard to the young soldiers, you do not find, from the experience of the statistical tables, that the young soldiers die in greater proportion than soldiers of greater age?—No, the young soldier does not die under the age of 20, for instance, in the proportion that he does older; but he is more non-effective; he is very often fit for very little, and he is very often invalided a year afterwards.

Sir *Henry Havelock.*

1480. It would affect his mortality at a later period of life, would it not?—It would.

Sir *George Balfour.*

1481. We have no proof of that fact, have we, that young soldiers sent to India have died in a larger proportion in after life?—I do not think that statistics have been traced out with regard to that. But with regard to statistics, I may observe that there is an immense difference between statistics and reality often; in this respect, for instance: a regiment has gone through an epidemic; there are so many men on the sick list, and judging from that you would say that there was a certain per-centage of sick to well; but that regiment is non-effective; the men have been so reduced and deteriorated by this epidemic that if you reckoned upon them for any active service the regiment would be found almost useless; and the efficiency or the non-efficiency of regiments is a thing which we cannot measure by statistics.

1482. Still you are under the conviction that by sending these young boys out to hill stations they would become useful and good soldiers?—Yes. In the last report that I have from India from the medical officer there he states that.

1483. Do you remember the case of the fourth battalion of the 60th Rifles being sent to Madras, composed mainly of boys, and sent to a hill station, and that the result of two years' residence in the hill station was that it made that battalion into a fine body of soldiers?—There is no question of it.

1484. You may probably have heard of that battalion being composed mainly of boys?—Yes; but the regiments that have gone out in the last few years have been very largely composed of boys.

1485. Have you any idea whether the regiments of late years have been composed of recruits of any length of service, or of short service?—I have only proof that there have been a lot of young men in them. I do not know the length of service of the remainder.

1486. But have you any conception of the length of service of these young men; have they been three months in the army before being sent out?—I cannot answer that; but in the regiments of 1870-71 more than one-third were under 20 years of age; that is taken from the official returns in Dr. Bryden's book.

1487. Practically speaking, India was getting soldiers such as were sent out to the Crimea, such as Lord Raglan characterised as not worth having, who were blown away by every gale of wind?—Yes; these men ought to have been put in the hills, as I recommended long ago.

1488. Therefore it would be well for India to go to any expense in order to get good stout soldiers?—Yes.

1489. If the arrangements have hitherto failed to give us that fit and stout man, it would be advisable to change those arrangements?—Yes; I believe under the old system at Warley they had very good men, but they were all picked men, and there they were only recruiting for a body of 7,000 or 8,000. I believe these were the finest men that ever went to India.

1490. Have you never heard that the three regiments from the three Presidencies meeting together in Rangoon were considered just as fine a body of men as the Guards?—You will never get those men again.

1491. Still, under the Warley system, India was able to get a body of fit men?—Yes, for a small force; but the circumstances have changed.

1492. Sir Henry Havelock has asked you with regard to the 62nd; do you remember the fact of six regiments meeting before Delhi, three of the Imperial service and three of the Indian service, and the remarkable manner in which the Indian men stood the climate in comparison with the three other regiments?—Yes.

1493. So that that shows that India could at one time obtain good men?—Yes.

1494. With regard to sending men to the hills, I suppose all the chief medical officers who have been in India have invariably advised that measure?—All the officers whom I know have been of one opinion, that it is much more expedient to send men to the hills than to bring them home; but that has never been adopted as a system. We have a certain number of men in the hills, but no regular rotation. I should like to see a regular rotation, bringing the men from the higher hills down to the lower, and then down to the plains. The grand thing is to get over the first two years, the seasoning, or whatever it may be called, and then I think you get good service out of the men.

1495. Do you think it is practically from not having a good system that this plan has not been adopted, or do you think it is from the difficulties which all civilians have felt, and in order not to denude the plains of Europeans soldiers?—Well, the military reasons have been always very strong for keeping a large number in the plains.

1496. The practical thing is that you have found out that these useful recommendations have been always opposed by other reasons, probably of a political character?—Military or political.

1497. And therefore a difficulty arises in carrying out this plan?—Yes.

1498. Supposing your proposal of sending the young men of 20 years of age to the hills were adopted, there is no difficulty in having hill stations?—Not at all; you can have hill stations anywhere; and the constructing of those stations would be very inexpensive if gone about in the right way; if the thing were done as at Chukata the thing could be done at very little expense; and it would give the men the occupation of building and making roads, and so on; and I would bring all the men down into the plains for the winter for camp instruction.

1499. Do you remember the huts in the rear of barracks for married men?—Yes.

1500. These huts were quite good enough for the purpose, were they not?—Yes.

1501. The men who occupied them were exceedingly healthy?—Yes.

1502. They cost a very small sum, they cost; 200 rupees a piece, whereas an average barrack costs

Sir *G. Balfour*—continued.

costs as much as 3,000 rupees upwards per man?—Yes.

1503. How many young men do you suppose there are in the army of 20 years and under in India; do you happen to remember from those tables?—I find that in 1871 out of a total of 49,909 there were 4,496 men under 20 years of age.

1504. Then you would consider that there would be no diffiulty in selecting those young boys and forming proper battalions, and sending them to hill stations to be acclimatised?—Yes, for the first two years.

1505. It would be just as well, would it not, to send them direct from England to the hill stations?—Yes; and there is another point which might be useful; if the rotation is for two years you might send no recruits during the time the regiments were in the plains, only whilst they were in the hills; that for the two years the regiments were in the plains no recruits should go out at all, but that they should go every two years and join the regiments in the hills.

1506. But you would spread those young recruits over the different hill stations in the three Presidencies?—Yes.

Chairman.

1507. Would you keep them in the depôts in England till then?—Well, you must keep them somewhere.

1508. So you would still have the necessity of the depôt in England at its full strength?—The reason I submit that proposal is that they should go out to the hills at once.

Sir *George Balfour:*

1509. In the old Warley depôt the man so soon as he was enlisted was sent out to India to be there trained?—I am quite satisfied that the training could be carried on in India in the hills without speaking on the military question.

1510. Reserving your opinion as to the military propriety of the measure, you think there would be no difficulty in shipping off the number recruited for a hill station?—None.

1511. When the railway is completed from Bombay they could be sent up to the hill stations of Upper Bengal?—Yes.

1512. So that every facility exists for carrying out this plan?—Yes, and I think it will be more economical in the end.

1513. Then disregarding the military question for the present, with regard to the question asked by the Chairman, the plan need not necessarily entail the keeping of men in depôts at home here, need it?—No, it does not necessarily at all; but the only point is to send them out during the two years that the regiments are in the hills, and not in the plains, because you would not know what to do with them then.

Chairman.

1514. But they must be somewhere from the time they are enlisted till the time they go out, and in some cases for nearly two years?—But you might arrange not to enlist those men until the time came, till the end of the year, that is.

Mr. *Campbell-Bannerman.*

1515. While the regiment is in the plain, how would you keep it up to its strength?—By recruiting every two years, not every year.

Mr. *Campbell-Bannerman*—continued.

1516. But during the second year it would fall very much below its establishment, would it not?—It would fall, but nothing very material, I should say.

Sir *George Balfour.*

1517. At the present moment the average number of recruits sent out every year for a regiment is 43?—Yes; you see there are a large portion of volunteers that fill up the vacant ranks.

1518. It is easy for the Government of India to arrange for a particular regiment to be recruited, because they can always direct that volunteers from regiments going home shall only be taken for particular regiments remaining in India?—Yes.

1519. In fact, they could always name the regiments to which volunteering would be allowed?—Yes.

1520. Therefore the Government of India can always direct what regiment shall be kept up to its full strength, and what below it?—Yes.

1521. So that, practically speaking, there would be no difficulty in carrying out your plan?—I think not.

1522. I think that you have lately had a good deal of correspondence connected with the British Medical Staff in India?—Well, nothing has come officially yet; you mean on the amalgamation question, I suppose.

1523. On the amalgamation question, and likewise the two separate medical establishments?—I have had nothing official yet on that subject.

1524. You are, however, aware of the existence of questions connected with the extent of the medical staff?—Yes.

1525. You are aware that the medical staff has largely increased since you were first in India?—Yes.

1526. And of course you consider it necessary for the extent of the force in India?—Yes.

1527. And therefore the question has come to this, that with this increasing force the medical staff has of late years been very considerably increased?—Yes, the British staff.

1528. And that has, of course, entailed upon India a very large expenditure?—Yes.

1529. At the same time we are keeping up a staff for the Indian service as well?—Yes; an administrative staff.

1530. So that we have, practically, two administrative medical staffs at the present moment in India?—Yes.

1531. Would you be surprised to find that the expense of the army and medical staff, British and Indian, amounts to upwards of 1,000,000 *l.* sterling?—I can understand its being very large.

1532. And that that is one-twelfth of the whole military expenditure of India?—I can understand that that amalgamation question will come up in due course as far as I know.

1533. Are you aware whether the men who have been discharged from Netley invalided from India have gone back to India?—They are drafted as they are wanted for the regiments, after they are pronounced to be well and fit to go back; but I cannot tell you in what proportions they go back; I can get that for you.

1534. You are aware that with regard to these men who come home, the expense of the troop ship is necessarily thrown upon the men coming home and going out?—Yes.

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Sir *G. Balfour*—continued.

1535. And if you are aware that these troop ships cost upwards of a third of a million to India, it necessarily follows that the cost per head of men going backward and forward must be very considerable?—Yes.

1536. Then seeing that those men have been sent out to India at the expense of India, and that they go back again to India at the expense of India, would you consider it right and fair to India to look upon them when they go out a second time in the category of recruits, or as old soldiers belonging to India?—Well, I think that is hardly a medical question, if I may take the liberty of saying so; I think it is political rather than medical.

1537. As far as the comforts of troops in India is concerned, I think you are quite satisfied with all the arrangements?—They are very well fed and housed, and well taken care of in every way now.

1538. And the medical officers have full power?—Certainly; they are most liberally dealt with by the Government.

1539. And no arrangements could be more complete than those of your officers in India?—I think that is so.

1540. Your subordinate officers are in a most efficient condition?—I must qualify that by saying that they have been a little out of gear, but the sick do not want for anything.

1541. The medical attendants are supplied in large numbers?—Yes.

1542. And nothing could be more liberal than the supplies for the sick?—No.

1543. Whatever the medical officer orders is given, even to very expensive isinglass?—Yes.

Mr. *Sampson Lloyd.*

1544. I think you recommended, at the outset of your evidence, that hill stations should be utilised for sending out the troops at the age of 18, for the purpose of drilling them there, but I understood you to say, at a later period, that 20 was the minimum, and almost too young, if anything?—I meant, in saying 20, that no man ought to go out to India for service in the plains under 20.

1545. What is the precise advantage of taking a recruit out at 18 to a hill station over keeping him in the depôt here?—I see no advantage at all.

1546. Then on what was your recommendation based to send them out at 18?—If the military authorities consider it necessary, medically there is no objection to it; that the men could be drilled there as well as at home, as far as health goes, if the military authorities consider it necessary to send them.

Mr. *Fawcett.*

1547. I understand you to say that the recruits who were sent out from Warley were an extremely fine body of men, and made some of the finest soldiers in the world, and contrast very favourably with the very young soldiers who were sent out afterwards?—Yes; I speak from tradition in the service; I had never seen those men.

1548. But that is the opinion of the medical service?—I think there were never finer soldiers in India than these men.

1549. You are aware that the Warley recruits were extremely cheap, compared with the recruits who were sent out during those years with which you are personally acquainted, and when you speak so very strongly of their being young men quite unfit for service?—Yes; but the difficulties of getting recruits now are much greater than they were in those days.

Mr. *Fawcett*—continued.

1550. Therefore, admitting (I will inquire into that either from you or from some one else) that there is a difference in the circumstances of the country, we come to this, that the Warley system is about one-seventh as cheap as the system which succeeded it, and that it resulted in sending out a very much finer body of men, though it was so much cheaper; you say that it is owing to the change in the circumstances; but that which I have just stated is the fact, which your evidence proves?—We know nothing of the invaliding of Warley, of the men who came home and died; that is an element to be considered.

1551. But if they were such an extremely fine body of men, I might assume that they were healthier than the others, and therefore it would tell in favour of the Warley system, would it not?—Yes.

1552. You have no evidence that they were unhealthy?—I have no evidence; I do not know whether any evidence exists as to the invaliding, and the deaths of that body of men.

1553. But if they were such an extremely fine body of men, the tradition of whose form and strength even now excites admiration amongst the medical authorities in India, it would be rather fair to assume that men producing such a favourable impression could not have been unhealthy?—But with regard to the experience of the Zouave regiment, on making inquiries I was told by the officers that in the campaign in Algeria all the weakly men died off; it is only the old men that they get that come to the front, in the end, so that if you apply that principle to Warley, probably a lot of these men did die; and these men, I believe, hardly ever thought of coming home; they all died out there.

1554. Here you had an extremely cheap and an extremely efficient system; and before that system was changed into a very costly and a very inefficient system (because nothing could be stronger than your language, from a medical point of view, as to the inefficiency of the recruits sent out under the more expensive system), would it not have been prudent for the military authorities to have made some inquiry on those points, and found out whether the Warley system did lead to a great mortality?—I have no means of saying; but before coming to any opinion on the point one would require data.

1555. You have been at the War Office, have you not?—Only a very short time.

1556. But you never heard of any record of such an inquiry?—No; I never made inquiries on that point.

Sir *George Balfour.*

1557. You have no doubt that statistics do exist?—In the Indian records; not in our records.

Mr. *Fawcett.*

1558. You do not speak from your own personal knowledge; but the tradition in the medical service is that the army recruited from Warley formed a much finer and stronger body of men than the army recruited under the system that succeeded it?—Yes, that is the tradition.

1599. You

Mr. *Campbell-Bannerman.*

1559. You have no data showing that?—We have no data; it is merely a tradition among the medical men, that the men recruited at Warley were a finer body of men than we have had in India lately.

Mr. *Fawcett.*

1560. When you speak of tradition, you mean that when you have met men in your own service in India you have conversed with them about it, and you do not speak of individual opinion, but the general opinion of the service?—Yes.

1561. And a great number of those men who expressed that opinion to you have been in India long enough to compare the two systems?—Yes, not only medical but military men.

1562. And the opinion which you have described was very general amongst them?—Yes.

Mr. *Campbell-Bannerman.*

1563. You are aware, perhaps, that the Sanitary Commission appointed by Lord Derby some years ago condemned the Warley system upon medical grounds?—I am not aware of that.

1564. Are you aware whether the Warley system did not lead to great mortality when the recruits first arrived in India?—Well, that I know nothing of; that is what I suggested just now.

1565. You do not know how many of the Warley recruits, who were so cheap, ultimately developed into the fine body of men?—No; that is the remark which I made to Mr. Fawcett with regard to that.

Sir *Henry Havelock.*

1566. I suppose the Committee are not to understand you at all as giving an opinion that the men of the Warley system in regiments were a finer body of men than Her Majesty's soldiers serving in India at the same time; because you know, probably, that that would not be borne out by those who were there at the time; there are dozens of regiments one could enumerate, comprising, probably, as fine a body of men as any in the world; the 87th, the 86th, and others?—No doubt.

1567. Therefore, I understand you that you do not desire to draw any comparison unfavourable to the physique of our soldiers serving there at that time?—Not the least.

Chairman.

1568. You only, if I understand you rightly, are comparing the Warley recruits of a former day with the recruits that now go out?—Not the recruits. I have no means of knowing anything of the Warley recruits. They may have died in great numbers; but I was speaking of the men turned out, when actually in the field of battle.

Sir *Henry Havelock.*

1569. What you said about the Warley soldiers seemed rather to rest on popular tradition?—Yes.

Mr. *Fawcett.*

1570. You say that there was a certain recruiting system prevailing at Warley, and a certain recruiting system that succeeded it; it is not for you to enter into the relative cost of those two systems, but you say that the general opinion amongst the medical men and military men with whom you have conversed in India is this, that the Warley recruiting system ultimately tended to the men produced by it being a much finer system than the system that succeeded it; is that so?—I merely allude to the fact that the tradition among medical and military men in India is, not that the Warley recruits, but these men of the European Indian army were a very fine body indeed.

Sir *George Balfour.*

1571. Is it not the fact that India had the pick and choice from the whole of the population of England; the Indian service, in fact, was a favourite one?—Yes.

Mr. *Fawcett.*

1572. But if India were left alone, if the service in India is still popular, the same advantages would result to India now; she would have the pick of the whole recruiting army; I again put to you this: I understand you to say that it is the tradition amongst the medical men and the military men in India with whom you have conversed, that the men who belonged to the army which was recruited at Warley formed a finer body of men than those men who afterwards belonged to an army which was recruited under a different and more costly system?—Yes.

Chairman.

1573. Are you not aware that the difficulty of recruiting everywhere has very much increased since that Warley system came to an end?—The difficulty of recruiting has increased very much, and the body of men recruited at Warley was a very small body compared with what we want in India now; then it was only 7,000 or 8,000; but the only point I should like to explain is with reference to recruiting; I do not speak of recruiting at Warley, but of the results of it; Mr. Campbell-Bannerman has informed me that the Sanitary Commission has condemned the whole system; I am sorry to say that I am not conversant with that, but if I went into it I could give a more satisfactory opinion.

Mr. *Dunbar.*

1574. Are you comparing the Warley men with the men of the present day, the Queen's troops of the present day?—I mean the Queen's troops of the present day, as the army exists now. Sir Henry Havelock has said that there were just as good men in certain regiments in India under the one system as under the other.

Mr. *Fawcett.*

1575. You have spoken of the unnecessary expenditure on those palatial barracks; who was responsible for that expenditure?—I cannot answer that question.

1576. Did you occupy a medical position in India at the time the barracks were undertaken?—No, not at the time that the barracks were planned and authorised.

1577. You were not in any official position then?—No, it was before my time.

Sir *George Balfour.*

1578. I will call your attention to tables which were prepared in the War Office, and which you will find in the Indian Army Commission Report (in Parliamentary Paper, No. 330, of 1860, at pages 28 to 30), which show that first in Bengal the ratio of deaths to strength of Her

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Sir *G. Balfour*—continued.

Majesty's forces was 67·2 per thousand, whereas the per-centage of the Company's European forces was 61·1 per thousand, and in Madras, whilst the deaths in Her Majesty's forces were 39 per thousand; in the Company's European forces they were 30·6 per thousand, and in Bombay the deaths per thousand of Her Majesty's forces were 45·9, and those of the Company's European forces 33·7. Again, that the ratio per thousand of the admissions into hospital of Her Majesty's forces, for a long period of years, was 1,794 per thousand, and the admissions into hospital of the Company's forces were 1,519; showing again a favourable per-centage for the latter; but again with regard to the invaliding, Her Majesty's forces were 32 per thousand invalided at home, whereas the Company's were only 30 per thousand; perhaps you will examine those figures?—Yes.

Mr. *Fawcett*.

1579. Those returns which have been put into your hands, so far as they go, show that in the average of years before the mutiny the local European force, whether estimated by the average rate, or whether estimated by the number of invalids, or by the number of people returned home, or by the number leaving the hospital, taking any one of those four standards, was a healthier force than the Queen's army?—So far as the statistics go.

1580. These returns of health it appears are for 13 years previous to 1865, and during six of those years they were not complete for the whole of India, because in part of India during those years the Queen's army and the local army were not kept distinct?—Those returns are more valuable than any opinion of mine, because my opinion on that is founded on mere hearsay.

1581. That being the case, if it has been hinted that the recruits of the local European army have died with great rapidity upon landing, that of course would have been shown on these mortality returns; if a man recruited at Warley died the very moment he landed, he would have been put down as a death of the local European army, would he not?—If the returns were properly kept; it all depends on that what value they are.

1582. Therefore if there were a great number of deaths amongst the recruits, these returns, if properly kept, would have expressed that mortality?—Yes.

1583. Therefore the deaths of recruits must be allowed for in those returns?—Yes, certainly.

1584. Have you any opinion to give upon the medical advantages of the short service system which has been lately introduced into India?—No.

1585. So far as I understand your evidence, you think that instead of having medical advantages it will rather have disadvantages?—Well, I have only gone on this question of hill stations with rotation.

1586. But you say there is no reason yet to suppose that that is going to be introduced; therefore, have you considered the medical effect on the army of the short service?—No, I have not considered it; I have not gone into the question as it will be.

1587. Unfortunately, I was not in the room when you were first examined. How long have you held your position at the War Office now?—I have held my present position only about two months; it is two years since I left India.

Mr. *Fawcett*—continued.

1588. You were in India until quite recently?—Until the beginning of 1872.

1589. And you held an important medical position in India at the time the short service system was being thought of and being prepared at the Horse Guards and the War Office?—Yes.

1590. Are you aware that any communication was made to you as one of the leading medical authorities as to the medical effects of the short service system?—No, I had none made to me at all.

1591. Then an important change is introduced into the English army which also is a change introduced into the Indian army, and that change is carried out as far as you know by the Horse Guards and the War Office, without the medical authorities in India being consulted as to the medical effects upon the army of that change?—Certainly, with regard to the medical authorities in India. It is possible that the Director General at home was consulted, but I was not.

1592. Not you, on the spot?—Not I, on the spot.

1593. And you are not aware that the Director General at home was consulted?—I am not.

1594. Whom do you refer to when you speak of the Director General?—Sir Galbraith Logan, who retired a few months ago, and whom I succeeded.

1595. Did he hold an Indian appointment at the War Office?—No.

1595* He was at the head of the whole department?—Yes.

1596. He was a War Office authority?—Yes.

1597. It does not necessarily follow that the Director General had been in India at all?—Not at all.

1598. Had he as a matter of fact?—He had been in India, and he may have been consulted by the authorities.

1599. But he had left India for a good many years?—He had left India for a good many years; and so far as I am concerned myself, as the head of the medical department, no reference was made to me on that point.

1600. Therefore, if we were told that one advantage of the short service system would be that it would lead to the army in India being healthy, that opinion would be expressed without ever having consulted the medical authorities in India?—It would, but the statistics might be fallen back upon to give the information as far as they were valuable.

1601. Statistics you said just now lead very often to conclusions which are not realities, and it would be impossible to conclude simply from tables of medical statistics what had been the effect of a new system till it had been tried, would it not?—Yes.

Sir *George Balfour*.

1602. But not to allow the Committee to go away with a misunderstanding, you have had large experience, have you not, in India?—Yes, pretty large, nearly all over India.

1603. We also know that you served in the Crimea?—Yes.

1604. And I think that you were one of the very few officers who never left the Crimea?—Yes; I have been over 30 years in service in all parts of the world.

1605. Besides being a medical officer in India, you had a staff appointment, I understand, and rose to be chief medical officer there?—Yes.

1606. You

Sir *G. Balfour*—continued.

1606. You had experience also in China in the campaign of Tientsin?—I was the principal medical officer.

1607. And besides all that you have also had experience in the Director General's Department as second to the Director General for the last two years?—I have; I have been the head of the sanitary branch for two years past.

1608. So that the evidence which you have given to-day, unprepared as you were for it, is the result of great experience, and if you had had more time to get up the facts you would have been able to give information far more complete than that which you have given, excellent as it is?—Certainly; I am sorry I have come here unprepared, but I have answered honestly everything I know.

Mr. *Dunbar.*

1609. You spoke of the reputation which the old East India Company's troops had in India, as to their size and physique; is not that comparing them with the men of the present day?—Yes, I think so.

1610. But is there any tradition or opinion that they were much better in point of physique than the men in the Queen's troops at the same time?—No, there is none. I think I answered that question to Sir Henry Havelock. There were good troops in both services; there were as good troops in the Queen's as in the Indian.

1611. It is impossible now, is it not, for any regiment either in India or at home to get the same class of men as they got 25 years ago?—So experience shows; you cannot get recruits now unless you take them younger; you must take them at 17 or 18. Whether it may be emigration, or what it may be I do not know, but you do not get the same class of men now as you used to get.

1612. I understand you to say that in your opinion a regiment ought to have six years' service in India?—I think you could get that, with advantage to the public and without detriment to the soldier.

1613. You mean if you carry out that system of rotation which you have described?—Ten years' service in India might be obtained then. If you would allow me, I will read a short paragraph of a letter which I wrote to the Government of India on the 31st of December 1869: "I propose that, so far as practicable, a regiment on arrival in India should be sent to a hill station at a high altitude for two years, where it should hut itself, have no regimental establishment allowed except sweepers, and should do everything for itself as in England. After two years' service in the hills, the regiment should be brought down to the plains, remain two years at the station of its appointed district, during which time the regular establishment of servants should be supplied to it. The next two years again should be passed in the hills, but at a lower altitude, and all servants, except sweepers, again withdrawn. The fourth period of two years should be spent on the plains; and the fifth period of two years (which should be the last in India) should be on the hills, but at a lower altitude; and from thence it might go direct to England at any season of the year."

Sir *George Balfour.*

1614. In the evidence that you have given, in speaking of the physique of the Company's recruits, you had no intention, and no desire in your mind in any way to detract from the noble European force of the Queen's army in India, or to dispute the statement that a finer force did not exist than that army?—No, I should be very sorry to do that.

Mr. *Campbell-Bannerman.*

1615. Did I rightly understand you to say, in answer to the honourable Member just now, that you thought a regiment ought to go out to India for six years, so that the head-quarters of a regiment should be brought home every six years?—Well, it does not follow; they might be kept up by recruits. There should be a 10 years' Indian service; four of these on the hills, and six in the plains.

1616. At present the regiment goes out for 12 years?—Yes.

Mr. *Stanley.*

1617. I think I understood you, in answer to a former question of mine, to say that you based your recommendation rather upon the individual cases, which might be met by drafts or sending men out, than upon the period which a regiment might remain out there?—Yes.

Mr. *Campbell-Bannerman.*

1618. As to your scheme of using the hill station service as a means of keeping the men in good health in India, you have said that you went solely upon medical grounds, and there might be military and political reasons against it?—Certainly.

1619. There might also be financial reasons against it, might there not?—There might, certainly.

1620. And I understand you to contemplate a man being kept in an efficient state for service for about 10 years in India; that is to say, from the age of 20 to the age of 30?—Yes.

1621. By that time he would be pretty well worked out, would he not?—Yes.

1622. And what do you suppose would be done with him then?—The man would come home.

1623. He would have to be discharged on pension?—He would be discharged on pension.

1624. So that his pension would commence at the age of 30?—He might have gone out when he had five years' service or three years' service; it would depend altogether upon that.

1625. The man whom you would contemplate keeping in India for the best period of his life would have to be pensioned at the early age of 30?—That is a financial question altogether.

1626. As a matter of fact, you would be done with him at the age of 30, and some provision would have to be made for him then?—It is possible that that man might do garrison duty at home for a year or two, if necessary.

1627. In the case of a short service man, you are aware that he passes into the reserve for the remainder of his service, and then he has no pension at all?—Yes.

1628. You stated, in reply to the honourable Member for Kincardineshire, that you thought a sufficient number of drafts for India could be got by volunteering from the regiments at home?—I think so; but that is merely an opinion. I have no doubt the inspecting officer of recruiting would be a much better man to advise on that point.

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Mr. *Campbell-Bannerman*—continued.

1629. You mentioned that the mortality of a regiment in the first year of its service in India was 32 per 1,000?—Yes.

1630. Could you say what proportion of that mortality affects different ages?—Well, it runs through in a great measure; but it affects the young men least.

1631. Could you put in any tables giving that information?—Tables are to be had from Dr. Bryden's book; the young men would be the least affected, so far as mortality went, but it runs through the whole.

1632. Could you add to your evidence the distribution of the mortality according to ages?—Yes; because that is procurable, I know.

Lord *George Hamilton*.

1633. Under the old system of 10 years' service, did men often re-engage in India when their service was expired?—I think so.

1634. And do you know at all whether there was a greater mortality during the second period of their service than during the first?—I should say so, because we know from figures that there is a general deterioration of health in India; that the ratio of death, for instance, is in the ratio of length of residence; as a general principle the longer a man is in India his expectations of life are smaller.

1635. Therefore if a man did re-engage he would do so at some risk to himself?—Yes.

Sir *George Balfour*.

1636. You have no knowledge with regard to the relative facilities of recruiting for the army

Sir *G. Balfour*—continued.

for the war in the Crimea and the mutiny of India, have you?—No; I should require to study all that.

1637. Still your records will show you that your infantry never came up to within 22,000 men of the strength which your infantry came to on the mutiny breaking out?—The Crimea was an exceptional case altogether. In the first year in the Crimea, as you all know, the mortality was dreadful.

1638. But you are aware that the infantry never came up to within 50,000 of the strength at which the establishment was maintained?—Yes.

1639. Whereas the cadres were filled up to their full strength when the Indian mutiny broke out?—Yes.

1640. Thus showing that the service in India was in much greater favour than the war in the Crimea?—Yes.

Mr. *Eustace Smith*.

1641. I did not clearly understand one point; if two soldiers enlisted at 18, and one of them spent two years at the depôt in England, and the other spent two years at one of these hill stations, of which you suggest the establishment, which do you think would be the most satisfactory soldier to the Indian service at the age of 20?—Well, the man who had been two years in India would have a certain amount of seasoning, acclimatisation, which I should consider necessary. I should say the man who had been there the two years would sooner be an efficient soldier for Indian service than the other.

Friday, 19th June 1874

MEMBERS PRESENT:

Mr. Stephen Cave.
Sir George Balfour.
Mr. Balfour.
Mr. Birley.
Mr. Campbell-Bannerman.
Mr. Dalrymple.
Mr. Dunbar.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Lord George Hamilton.
Sir Henry Havelock.
Mr. Sampson Lloyd.
Mr. Onslow.
Mr. Eustace Smith.
Mr. Stanley.

THE RIGHT HONOURABLE STEPHEN CAVE, IN THE CHAIR.

The Right Honourable EDWARD, Viscount CARDWELL (attending by special permission of the House of Lords), further Examined.

Right Hon. Viscount *Cardwell.*
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Lord *George Hamilton.*

1642. WE were discussing last time the actual charges made for recruits, and I had asked you if, under the present system, it was not possible to include certain charges which had no direct connection with the training of recruits, but which were connected with the depôt centre at which the recruit was trained, and you stated that the Chancellor of the Exchequer had remitted, some 10 years ago, certain charges which he thought might have been made against the Indian revenues, and that therefore if we press the point, that these charges ought not to be included, the Chancellor of the Exchequer might have something to say upon that subject?—That is my opinion.

1643. But was it not the case that Lord Herbert considered that the presence of the depôts at which the Indian recruits were trained in England was of a certain value to the Home Government, and therefore on that account he thought that these charges to which you alluded, and which then were brought before the Chancellor of the Exchequer, should not be pressed against India?—Certainly.

1644. But the depôts at which the Indian recruits are trained still remain, and England still has the value of those depôts?—And the charges which the Chancellor of the Exchequer waived are still waived.

1645. Therefore it comes to this, does it not, that if charges in connection with the new system of depôt centres be included in the actual charges for recruits, a fresh charge would be imposed upon India?—I doubt that. Under the Tulloch system the staff of the depôt battalion was, I think, estimated for, and India paid its share; while under the intermediate system, though the Accountant General of the Army advised me to include a share of that charge against India, I declined to do so, on the ground that as the battalion already existed, I thought it was desirable, during the operation of a temporary system, not to raise any question with India about that.

Lord *G. Hamilton*—continued.

1646. But still under the present system of actual charges it might be contended by the War Office that India should bear a certain proportion of the charges which are the result of this new system of depôt centres?—I am not at all prepared to say that the War Office would do anything very unreasonable if they did that, but they have not as yet.

1647. But the system at present is scarcely in force; but still it might be possible, under the present system of actual charges, for the War Office to make a claim on behalf of those charges?—As I have already told you, the Accountant General of the Army, who is a member of this departmental committee, thought it a reasonable thing to do that, even during the existence of the temporaty system; and I declined to do it, because I thought it expedient to put off a reconsideration of the whole question until the new, and, as I believe, more economical, system shall have come into operation.

1648. But when the system does come into operation, which was your own creation, do you think it right that the War Office should press for these charges, and that these charges should be included?—I have already stated that I think every charge against India which can be brought to an arithmetical test ought to be brought forward, and that all those charges which are not capable of being reduced to a strict arithmetical test ought to be equitably considered by impartial persons, and the account ultimately struck. I see no reason whatever why the head-quarters staff of the depôt battalion should not be considered in that future review, just as I believe them to have been considered when the Tulloch calculation was made.

1649. But these charges, I think (I speak, of course, with great diffidence in your presence), could be brought to an arithmetical test; and when they are brought to an arithmetical test the question then comes who ought to bear them, India or England?—I have already stated that I think

Right Hon. Viscount *Cardwell.*

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Lord *G. Hamilton*—continued.

think India should bear a share of the general organisation in proportion to the share of the army which she habitually employs.

1650. And that being the principle upon which you think India ought to contribute, it follows that these charges in connection with the new depôt centre system could be made against India?—I see no difficulty about it.

1651. Does not that rather corroborate the view which the Duke of Argyll took. I will give his exact words; he says, in his letter of the 9th of August 1872, that he "does not contest the necessity of India paying for its recruits under whatever system is determined upon at home as necessary for the efficiency of military training"; and then the next sentence is not very relevant, but then he goes on to say, "But if the cost of recruiting be swollen by an artificial system of charge, so as to include outlays which have really nothing to do with the cost of training, but are connected entirely with the organisation of the home garrison of England, he must record, as he now does, his protest against the principle involved, namely, that of charging India with any outlay which cannot fairly be said to be occasioned by the service of India"; I think you hold a view rather the reverse of that, and you think that India ought to be charged with "outlays which have really nothing to do with the cost of training," but are connected with the organisation of the English army?—I stated the other day, I think, that in my opinion if India, instead of maintaining a separate army, indents upon our army for the force which she maintains in India, she must take it according to its organisation, and that she has no right to expect that the portion which she employs will be taken out of the general system, and that she shall have the cheaper part, and that the dearer part shall remain to the United Kingdom; but I also admitted that, in making calculations with respect to recruits, India should pay nothing that could not be shown to be a charge of recruiting, and that if there were Indian depôts maintained in this country which, in the case of emergency, would constitute a portion of the home garrison, it was perfectly right that, in making up the account, India should have a fair consideration for that circumstance.

1652. Then the difference of opinion between the India Office and the War Office on the subject of recruits is simply this; India does not object to pay for the actual cost of the training of the recruit, but she does object to pay outlays which are connected with the depôt centre, at which he is trained, but not with the training of the individual recruit?—I think there is a little fallacy in the mode of putting the question, because you insert "paying for recruits." India should pay for recruits nothing except what it can be shown has been incurred on her behalf in the raising of recruits; but if you ask me whether in adjusting the ultimate charges which ought to be repaid by India to the British Treasury, she is to have, as I showed the other day, all her cadres full, and the great majority of the cadres charged upon the British Treasury are to be at a very low scale, and consequently the proportionate charge upon the United Kingdom much greater than the proportionate charge upon India, I think an allowance will have to be made in producing the ultimate account of which the

Lord *G. Hamilton*—continued.

United Kingdom will get the benefit, and I expressed an opinion that the benefit of that, when it shall come to have been fairly calculated and justly stated, will more than compensate any saving which India may make upon this special charge for recruits.

1653. That is to say, that the system which you brought into force is more economical than that which was in force before, but in consequence of its being more economical, you think certain charges ought to be included which were not included before?—No, not in consequence of its being more economical. My opinion is that the new system will in the aggregate be more economical than the old, but that the India Office having raised the question which was settled by compromise in the year 1861, it is the interest of the British Treasury to accept the proposal of the India Office to allow the question to be reopened, and to take care that when it is settled it is settled upon a fairer basis than in my opinion it has been hitherto.

1654. It was you, I think, who appointed, or rather you were instrumental in appointing, the committee which goes by the name of Mr. Seccombe's Committee?—I united with the Duke of Argyll in appointing that committee.

1655. That committee was appointed in order to change the system which existed before of paying a capitation rate for recruits?—It was.

1656. Had you any objection to the system of paying a lump sum annually for recruits?—I have no objection to any system which shall both make the charge as really fair between the two treasuries as it can possibly be made, and also let the taxpayer in both countries know that such a fair arrangement has been arrived at. It seems to me that however fair any lump sum may be it will always be a little inferior in regard to the latter of those two considerations; it will not show to the taxpayer in the two countries so conclusively that he is paying his own fair proportion and no more.

1657. Yes; but if the capitation rate, or some other system of paying a lump sum was based upon the actual charges which have already been aarived at, the taxpayer, I think, would have full security that he was not paying more than he would under the system of actual charges?—It is stated in Lord Northbrook's letter that the charges are from year to year increasing. I believe the tendency in all expenditure, public and private, is to find that prices and cost increase year by year. The principle of the Seccombe Committee would allow any variation in price and cost, either in the way of increase or diminution to be taken into account, but a lump sum settled for a given period of time would not have that advantage.

1658. I was asking you these questions in reference to the capitation rate rather with a view of suggesting that if a lump sum was paid that would put an end to the disagreement which does exist, and I am afraid will annually exist between the two offices?—That is an important advantage, and I should be extremely glad to know that an harmonious understanding had been arrived at between the two offices with respect to the repayment from India to the United Kingdom; and I should not be very desirous for its early disturbance, care being always taken that if any serious circumstances arose which materially

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ally disturbed the system of the settlement, there would be the opportunity of re-considering it.

1659. Because under the present system the actual charges are only arrived at by including a very large number of small items, the natural tendency of one office is, perhaps, to include as many as possible, and of the other, to exclude as many as possible?—Of course, in regard to the detailed working of the committee you will get better information from the gentlemen who are members of it, whom you have in the room; but my experience has been that the gentlemen of the committee have had no difficulty at all in dealing harmoniously with the questions referred to them. The only question raised has been a question of principle, which has been very clearly stated by the officers on that committee representing the India Office on the one side, and has not been accepted by the gentlemen who represent the War Office; but, so far as I know, when they have come to detail they have been very harmonious. There is one remark to be made, namely, that the War Office can charge against India nothing that they cannot show; and if by any accident they omit something (as I think they once omitted the forage in taking the items for the cavalry), then of course India gains and the War Office loses.

1660. But the present system seems to me to be more open to this objection, that if any alteration in reference to recruiting is made by the War Office, that alteration may probably affect the actual cost of the training of the recruit, so that the charges may vary from year to year, and in consequence there may be dissensions between the two offices; whereas if a lump sum was paid on an equitable basis, for only a small number of years, the War Office would be able to estimate exactly what would be the cost of any alteration, knowing that they could depend upon India paying a certain sum?—It appears to me that what underlies that question is the assumption that something will occur which will prevent our getting recruits so economically as we got them before, and that we are obliged therefore to give a little more for them; but that during the pendency of this lump sum system India is not to contribute to that necessary increase of cost.

1661. But, subject to that provision, do you personally see any objection to the payment of a lump sum?—I have already stated that if a lump sum can be arrived at, in a manner satisfactory both to the War Office and to the India Office, I do not think that any very small consideration ought to interfere with its being allowed to last for a limited period of years; but if in the interval such a thing as the necessity that arose in General Peel's time, of giving 2 *d.* per head all round to the recruits, were to arise, I think the Chancellor of the Exchequer would not be satisfied that the British Treasury should pay that upon the third of the army which for the time being was employed in India.

1662. To go now to another part of the evidence, which you gave the other day, I think you stated that it was the habit of the War Office to consult the India Office upon all changes which would inflict fresh cost upon the Indian revenues, and that there was an Assistant Indian Secretary in the War Office; I believe, however, he is a Horse Guards official, is he not?—The Assistant Indian Secretary is an assistant to the Military Secretary, and the Military Secretary is under the Commander-in-Chief; but that does not prevent his knowing, I apprehend, generally speaking, what is going on, nor his being able to communicate to Sir Thomas Pears; he is, however, only one of the means of communication, and as I stated, it is the duty of the War Office to communicate with India upon anything which they believe will affect the finances of India; and notwithstanding what I have heard in this Committee, I think that in the main we have been in the habit of doing so.

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1663. I asked that question because it seemed to me that a subordinate in the Horse Guards might not always be aware of changes which it was proposed to make in the War Office?—That is very true.

1664. And I think I could illustrate that by reminding you of what took place when the War Office proposed to promote artillery captains to the rank of major; the first communication in that case came from the India Office, who had heard indirectly that some such change was proposed, and not from the War Office, who were proposing the change?—I believe I stated the other day that an alternative proposal from the India Office was considered by the War Office before any public declaration was made at all to Parliament, or the War Office was in the least degree committed on the subject.

1665. But further, did not the War Office consider that this alteration would not put any increased charge upon the revenues of India, and is it not the case that that was rather the reason why they did not communicate with the India Office?—No; I think that as far as my knowledge and memory go, that is not a correct version of what passed at all; the question of what addition would be made to the pay in India was considered; we were told that there was a system of contract allowances which it was no part of my duty to go into, and which I did not thoroughly go into, but which, so far as I understood it, did not appear to me a desirable system to maintain. I was told that the abolition of that system of contract allowances would be a considerable advantage to India; but so far as I remember what was ultimately decided was this, that the clause in the Royal Warrant was altered to give the major only a slight increase of pay beyond what he had received as captain, with a command pay; and this arrangement was accepted as enabling the India Office to meet what would otherwise have been a considerable increase of charge upon the revenues of India.

1666. But the consequence of that alteration has been that an additional charge of 40,000 *l.* a year has been placed upon the revenues of India; I do not suppose that would be within your cognizance, because the despatch was only received the other day?—I must leave your Lordship to explain that, for it appears to have taken place under your administration and not under mine, and I can offer no explanation about it.

1667. No; the Indian Government recommends the change, and they say that it is a necessary consequence of the promotion of captains to the rank of major, as it is felt that if a man is promoted to that rank he ought to have the pay?—Then I suppose that those economical views with respect to the contract allowances have in some way evaporated in the interval.

1668. But did the India Office ever intimate

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that this alteration would not impose any additional charge upon India?—The intimation under which I acted was that the India Office were satisfied with the arrangement of the Royal Warrant being altered in the manner I have described; but as I stated the other day, even if the India Office had not been satisfied, I do not think that was any reason why in the present state of military affairs the command of a field battery should be left in the hands of an officer below the rank of field officer.

1669. And you think that the War Office do communicate upon all alterations which will involve increased expenditure to the India Office; those at least were the instructions which you gave to your subordinates at the War Office?—During the time that I have had the honour of being at the War Office I have never claimed anything like perfection or infallibility for the War Office, but most undoubtedly that was my intention and my wish; whether if it was in any case neglected, the blame may have rested in any degree upon any inferior officer or whether it may have rested solely upon me, that I cannot tell until I know the circumstances.

1670. But if there has at any time been a failure on the part of any officer of the War Office to communicate to the India Office, would it not probably be in consequence of the Indian Assistant Secretary being in the Horse Guards, and thus not acquainted with all the alterations which were proposed in the War Office?—I should have thought that the Indian Assistant Secretary being there was an advantage, and that it was desirable for India that he should remain; but if there is an objection on the part of the India Office to his being there, I have no doubt that objection would be very fully considered by the Secretary of State for War if it were brought before him.

1671. I think there is no objection, but the mere fact of his being in the Horse Guards no doubt would necessitate some officer in the War Office communicating to the India Office changes which had been suggested in the War Office, and thus the responsibility of communication would be divided between two persons?—No, I do not understand that at all; the responsibility rested entirely upon me, and I do not wish to share it with anybody so far as my period of office was concerned.

1672. Do you think that the systsm works well then; I mean the system of communicating to the India Office?—I stated the other day that when anything affecting India was brought forward I took great pains to communicate, more especially with Sir Thomas Pears, whom I always found a very agreeable person to communicate with, and that to my knowledge no important step was taken which affected India without such communication. An objection was indeed made the other day, that there had been no formal official letter written after the most repeated and careful considerations had been held with reference to a Bill that was before Parliament. Now, really an official letter to cover the copy of a Bill which was introduced into Parliament would have been a highly regular proceeding, but I cannot imagine that its omission can have been attended with any serious national inconvenience.

1673. Then, admitting that it is right that communication should be made to the India Office, you would not object, I suppose, to any

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alterations being effected in the War Office which would tend to make the channel of communication more perfect?—It would entirely depend upon what those alterations might be.

1674. The other day you stated that one of the advantages that India derived from the English army was that all Indian Staff Corps officers were officers who have been trained in the English army; now might I not with equal justice say, that as the pay and allowance of the Indian Staff Corps are considerably in excess of those of the British army, and as access to the Staff Corps can only be obtained through the British army, India confers considerable benefit upon England by thus forcing every man who enters her Staff Corps to pass through the English army?—My own opinion is, that the balance of account is not favourable to the British Treasury; but, as I have already stated, when the review of all the charges comes to be held, any charge that can even with plausibility be put forward on either side ought to be equitably considered. It seems to me that the circumstance of the cleverest young men being able to leave the British army to go into the Indian Staff Corps, after trial in India, is a very great advantage to India. That, of course, is a matter of opinion.

1675. Still, of course, India could get these clever young men by the mere inducement of higher pay, without forcing them to pass through the English army?—I do not think that the system is either specially favourable to the Imperial Treasury, or that it enters largely into the question which the Committee are considering; but I have stated my opinion about it, having been asked to do so.

Mr. *Stanley.*

1676. I suppose the real weight of my noble friend's last question would be substantiated only by the fact that a career in the Staff Corps formed an additional inducement to officers to enter the English army?—I understood it in that sense.

1677. On the other hand, I suppose, it might fairly be stated that whereas England pays these officers at a time when their services are of less value, they become available to India, and available mainly for Indian services at a time when they are becoming of more professional value, owing to having acquired greater military experience?—I so regard it. I may observe, that there has not been yet any dearth of candidates for the British army, and I do not imagine that if this privilege were withdrawn there would be.

1678. Without going into details, may I ask your Lordship whether I might not sum up much that you have said by dividing the adjustment of account, firstly, into charges which could strictly be brought into account, and, secondly, into others which are rather matters of policy, and which, in the balance between the two countries, really must be weighed the one against the other, without having strict regard to the actual pecuniary charges?—Yes.

1679. That, I think, appears to be the view which was also to a certain extent sustained by Sir Thomas Pears, in the evidence which, I think, your Lordship heard the other day?—I only heard a portion of his evidence; but Sir Thomas Pears is an exceedingly fair man, and I should have no doubt that he would agree in such an opinion.

1680. With

Mr. *Stanley*—continued.

1680. With regard to this capitation rate, may I ask whether you heard Sir Thomas Pears's answer to a question which I addressed to him the other day (No. 1207) to this effect, whether, supposing the claims were adjusted upon the existing basis for a period of years, and that reductions were made at home by which it was clear that the Home Government would gain over that period of years materially in the bargain with India, any claim would be made by the India Office for a corresponding remission of charge; to which his answer was that he did not think such a thing likely to happen, but that if a rate were fixed for a certain period the question of adjustment or re-adjustment on any great organic changes being made would be one for fair consideration between the two departments at the time; is not that virtually disposing of the principle of the capitation rate, or do you only read it as a very considerable modification of the acceptance of such a principle?—I do not wish to give an opinion upon Sir Thomas Pears's evidence. I think I heard those answers, but I entirely agreed with what Sir Thomas Pears said in that respect, for I think that if you do adopt the idea of a lump sum of that sort, the result will be that when changes are made which will throw a greater burden upon the British Treasury, you will find it very difficult to disturb the settlement; but when changes are made which throw a greater burden upon the Indian Treasury, you will find that those charges will be obtained on the part of India with very great facility.

1681. But would not that practically amount to merely changing the ground of difference between the two offices; would not you then be very likely to have questions arising as to what was or was not such a change as might legitimately affect the settlement, which should be made for a definite period?—I think the difference would be this, that whereas in the one case you have a committee composed of highly intelligent and extremely fair men who have really no difficulty in adjusting such questions, you would have it reduced in the other case to a difference which would find its way into the House of Commons, where the advocate of the British taxpayer would remonstrate against the unfairness of the settlement, and require that it should be altered.

1682. I think that on the previous occasion when you were examined you were not asked anything about non-effective charges?—I was asked very little about non-effective charges.

1683. There were considerable modifications made in the principle of those charges, were there not, after your accession to the War Office?—When I got to the War Office I found that we were receiving as re-payment from India I think about one-tenth of our non-effective vote, and it appeared to me that as India employed about one-third of the British army, and employed it in an unhealthy climate, it was desirable for the War Office to bring about a change in that mode of arrangement; and consequently the system of 3 *l.* 10 *s.* was given up, and the system was adopted of actual charge upon each pensioner; and that operated at a time when it was particularly beneficial, in consequence of recent reductions, to the War Office that it should be introduced, and in the first year a very large sum was paid in re-payment, I think it was more than 200,000 *l.*, beyond what would have been paid under the 3 *l.* 10 *s.*, or Tulloch arrangement; that would not be a fair representation of the annual average, but there is no doubt that the result of that change has been to make the contribution from India to the non-effective portion of the estimates much greater.

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1684. I would only ask you in conclusion one question with regard to the point raised by my noble friend, about the information which might or might not be given in the War Office by the present channels of communication. As a matter of fact, did not the Assistant Military Secretary for Indian Affairs form during your experience an efficient channel for the ordinary communications which might pass with respect to Indian affairs?—I do not think it would be right to rely entirely upon communications from the Assistant Military Secretary; that is only an affair going on every day; but I think the Secretary of State would be wrong if he did not take means to inform the India Office, or see that the India Office was informed upon everything which he was dealing with, and which was likely to affect the revenues of India. And I beg to say that if there was any omission of that sort during my time I am very sorry for it, and am perfectly willing to take the blame of it; but I do not think there was any substantial omission of that sort, and I think nothing could be more full and complete than the communications which used to take place between us and the India Office.

1685. In fact, there are many channels from Cabinet communications down to those which are purely departmental?—Certainly. The tone and disposition of the gentlemen employed under me was to be frank and easy in all their communications with the India Office.

1686. If the principle that India was to have a voice in every small change which might occur at home, and which might ultimately affect Indian revenues were pressed to the extreme, would it not practically render the working of the War Office almost impossible?—The working of the War Office requires, in my opinion, a good deal of attention and labour to render it successful as it is; but I have already stated that in my opinion everything which is likely to affect India ought to be known to the India Office. The Secretary of State for India is one of the Government of the country, and if he thought any question which was pending was of sufficient importance to bring before his colleagues he might do so, and might have his objections considered.

1687. In fact, that principle would amount to saying that on all matters of organisation which would be likely to affect the finances of India, the India Office should be freely consulted, but that with regard to minor changes the India Office must be prepared to accept the legitimate consequences of small changes which might be made in the Home organisation of the British army?—We have heard a good deal which I do not agree with about dual government at the War Office; but if the India Office is to be introduced into the management of the British army in the way that I have heard it contended for, I think there will be a duality which will render the administration of the army impossible.

Sir *George Balfour*.

1688. Your Lordship has mentioned very strongly

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strongly your views with regard to the charges to which India should be liable, namely, that all those chaages for the general organisation of the home army should, if capable of being reduced to an arithmetical calculation, be paid in proportion by India, according to the force employed?—What I stated was I think that India should bear a share in which the fact that she regularly employs about one-third of the British army should not be overlooked, and that those charges which are mentioned in Mr. Campbell-Bannerman's letter as portions of the charges that are not now made against India will require to be reconsidered if the present contention of the India Office is admitted, which contention I, on the part of the War Office, am not at all desirous of disputing.

1689. But your Lordship is aware that the changes connected with the army were made by the Cabinet without consulting the Council of India, and that when they were consulted strong protests came from almost every one of the Council of India against the changes which were then made, by which the whole European force was to be supplied from home instead of maintaining a separate European force for India?—You are now going back to the time when the two armies were amalgamated, are you?

1690. Quite so?—I do not dispute the accuracy of the facts contained in your question, but I would rather that they were taken as your facts than as mine.

1691. But still assuming these facts to be correct, and that the Council then distinctly intimated that they feared in the future those very charges being thrown upon India which the late Secretary of State for India stated he considered would be levying a tribute upon India, what have you to say?—My opinion is that it would be more easy to make out a charge that India had exacted tribute from us than that we had exacted tribute from India; but I do not wish to retort these rhetorical phrases, and therefore I say nothing upon the subject.

1692. Your Lordship mentioned that the increase of twopence a day which General Peel made to the pay of the soldier was necessary and unavoidable with reference to the recruiting for the army at that period?—I stated that I did not undertake to explain what passed in General Peel's time, but that I did happen to be aware that there was a great difficulty at that time in obtaining recruits, as nobody knows better than yourself, for you were a member of the Recruiting Commission; and I said that I thought if India had been consulted she could scarcely have objected to the fact that it was necessary at that time to increase the pay of the soldier.

1693. When I mention to you that that increase occasioned India an expense which I have calculated at various times, as about 180,000*l.* a year, and when I also mention to you that in the course of that inquiry the President of that Commission, Lord Dalhousie, took particular pains to make such recommendations for the recruiting of the army as would increase the pay of the soldier without entailing upon India any additional expense, and that the change made by General Peel was different in form, and that this large charge fell upon India from the form in which General Peel carried out the recommendations, you will see that those are important facts?—Well, it would be very unjust to General Peel

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that the defence of the War Office at that time should rest upon such information as I can give; but I should be inclined, on the spur of the moment, to say this, that either the increase of the pay in India was necessary, or it was not; if it was necessary, I do not see how India could have objected to it, and if it was not, seeing that the Royal Warrants of the War Office do not bind the Indian Government, I think the Indian Government should explain why it was granted.

1694. We have it in evidence that no reference was made to India on that occasion when the increase was given, and as the recommendations of the Committee pointed out a mode by which the increased benefit to the soldier might be given without increasing his pay directly, which would entail upon India a charge, General Peel, by changing the form in which he made the increase, did entail that heavy charge upon India without India having any voice in the matter?—I, of course, am not prepared to deny that; I was not in the counsels of General Peel, and I really cannot undertake to say why it was done in the way it was; I am quite aware that they did not follow the recommendations of the Royal Commission in the mode in which they increased the pay.

1695. I merely mention the circumstance that the increase was given in a form which did entail upon India a further charge; now, with regard to the artillery majors, I distinctly understood that you had seen, or been informed, that the arrangements connected with the contract allowance would be so made as to enable the artillery major to receive the extra pay without entailing upon India any increased expense?—No, I did not go so far as that; I stated the other day that I did not go to the bottom of the contract allowance question, which it was no part of my business to do; what I understood was, in the first place, that it was our purpose to give to the commanding officer of a battery of artillery the rank of field officer, and that there were modes known to the Government of India by which, if we framed the Royal Warrant in the way in which we actually framed it, namely, giving a very slight increase of pay, and giving the rest as command pay, India would be able to accommodate her arrangements so as to avoid any considerable increase of expense; and my understanding, so far as I did understand it, was that the advantage to India would be acquired by a saving in that system of contract allowances.

1696. But I am right in assuming that you did delay your arrangements whilst these discussions were going on between the authorities at the War Office and the India Office?—I actually altered the Warrant for the purpose of meeting their views.

1697. And, therefore, you desired, as far as your information went, to accommodate the arrangements to India's wants?—The alteration in our Royal Warrant was made for that special purpose.

1698. I understood from you that you consider the command of a field battery to belong essentially to an officer of the rank of major?—That is my opinion.

1699. When I mention to you that we have got 58 horse artillery and field batteries in India, would you say that the rank of major for each of them was a suitable rank for the command?—Yes.

1700. When

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1700. When I mention to you that there are 28 garrison batteries with five officers to each, and 70 gunners, and that the rank of major is given to each of the officers who command these batteries, you would not consider that rank suitable for such a small body of men, would you?—I did not suppose that we were going into general questions of military organisation; but I have always understood that there is in our artillery a great objection to drawing a distinction in that respect between a garrison battery and a field battery, and having the one state of things applicable to a garrison battery and another to a field battery.

1701. But still if you had that prominently brought to your notice, and also the fact that there are no contract allowances with these garrison batteries, if, in fact, you had had the information fully before you, then you would have adopted your organisation to meet that speciality?—I am afraid I cannot shelter myself at all under that, because my recollection is that the effect of these arrangements upon India was pretty fully brought under my notice at the time.

1702. You mentioned that you found that the War Office was losing by the payment on account of the capitation rate for non-effectives?—I stated the other day that the Accountant General of the Army informed me that the operation of the state of things which existed when I came into office was, that India was paying 100,000 *l.* a year more than she would have paid if the Seccombe system had been in operation, and yet that in the year 1867–68 we had paid out of the British revenue 184,000 *l.*, which had not been repaid; and that over and above that an arrangement had just been made by which the Indian depôts were to be raised from 100 to 120.

1703. When I mention to you that in that year the War Office would have been paying at the rate of 10 *l.* per head for 65,292 men, whereas the War Office has only paid upon 56,831 men, and that the War Office, instead of receiving 652,920 *l.*, only recived 568,310 *l.*, being a difference of 84,618 *l.*, have you any remark to make upon that?—It is exceedingly difficult to follow a set of figures which are proposed to me without my having had any opportunity of considering them, and which refer to a time with which I had nothing to do. I daresay that those figures are quite correct, but what I have to observe is, that the excess of expenditure arose from the excess of men at the Indian depôts; that, as I have already stated, under the system which prevailed down to 1868, 100 men at the depôts was not considered sufficient, and they had just been increased to 120. I mentioned the other day two measures which were taken in 1869 and 1870; the one which enabled us to pension men proportionately at an earlier period, and remove them from the depôts; and the other an enactment in the Act of 1870, which enabled us to transfer men when a regiment was leaving India, and they had two years' service left, to another regiment. The Seccombe system being introduced at that time, the waste in the regiment was calculated at 33 per cent., and the effect of that was considerably to reduce the expenditure of the Indian depôts. When the double battalion system comes into full operation, and the men who are not fit for Indian service, but are fit for home service, can be charged to the home battalion, and when on a battalion leaving India the men who have got a sufficient period of service can remain in India to serve in the relieving battalion, the charge will be again considerably diminished.

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1704. I quote the year 1867–68, because in that year you stated that the Accountant General had brought under your notice the fact that 184,000 *l.* had been lost to the War Office in consequence of the arrangement with India, and I mentioned the fact that the loss was in consequence of nearly 9,000 men being deficient in India below the establishment?—Yes.

1705. And it was, therefore, the bad working of the system at home here, which was entirely in the hands of the War Office, which caused the War Office to sustain that loss?—I have no desire to enter into a dispute upon your conclusion, but I am scarcely in a position to say whether the system was properly worked at that time or not. I had nothing to do with it. As you are well aware, there was a great difficulty at that time in obtaining recruits; and whether the degree to which the Indian army was at that time short of its numbers was due to the difficulty of obtaining recruits, or was due to any want of skilful administration at home, I really am not prepared to say.

1706. It was during the time of the war in Europe wherein the greatest deficiency took place, and the strength of the depôts apparently in that year was very considerable?—As I have already said, I was not administering the system at that time, and I should rather leave the defence of it to those who were.

1707. It is upon the depôt system that we are especially examining, and the fact is that the whole arrangements connected with that capitation rate were made mainly through the instrumentality of Sir Alexander Tulloch, and the calculation which he made was for a depôt establishment sufficient to supply for an infantry regiment 80 recruits per annum?—Yes.

1708. When I mention to you the fact that during the whole of that period the number of recruits which ought to have been supplied for the cavalry and infantry was 33,530, whereas the number actually supplied to India only came up to 18,154, and that therefore it was the short supply of recruits to India which threw upon the War Office that heavy charge which you mentioned as the extra expense in 1867–68, do you agree to that statement?—I do not dispute the facts contained in your question; but as I have said before, supposing those facts to be accurate, and supposing the deficiency to have been due, not to any difficulty of obtaining recruits, but to want of skill in the administration at home, I think it would be fair that those persons who were responsible for that administration should defend it, and not I who know nothing about it.

1709. You did me the honour to speak to me on the subject of the changes connected with the reduction of the military force in India?—Yes.

1710. At that time I am right in saying you gave every consideration to everything that could be urged in favour of India, and amongst the various changes which you considered, by reducing nearly 500 officers of the European infantry and 100 of the European cavalry which was the result of your changes, you have effected a great benefit for India?—We made in the year

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1869-70 a considerable reduction in the number of officers, and I think the whole number, as far as I have the means of stating it at the present moment, was 1,291, of which 825 were on the British establishment and 466 on the Indian.

1711. And I think in addition to these there were 100 cavalry officers reduced in India?—No; the number I have stated includes them all, I think.

1712. At the same time you considered that when you reduced the infantry from 520 to 400 companies you had effected a very great advantage to India?—No doubt.

1713. And that when you reduced the cavalry from 77 to 54 troops, you had also effected a great advantage to India?—No doubt; it is all contained in that Blue Book which is before the Committee, and from which I quoted the other day the assent of the Duke of Argyll to the changes that were made.

1714. But the number of officers, and the number of companies and troops, are not clearly stated in that?—I believe those are the numbers.

1715. And if you had seen any proposals from India connected with the changes in the organisation, you would have been glad to give your best attention to them, consistent with the claims of the British taxpayer?—I say more than that; I say that that Blue Book shows that we actually did.

1716. There was one part of your evidence, wherein you referred to the smallness of the Indian Warley Depôt; when I mentioned to you that the number of recruits turned out from that depôt was very considerably more upon the average of a given number of years than the depôts of the Imperial army supplied to India, you would not consider the Warley Depôt so inefficient, would you?—My knowledge about the Warley Depôt of course is not at first hand; I never had to administer it. I stated the reasons the other day why I thought the Warley Depôt was entirely inapplicable to such a question as we are considering here to-day.

1717. And you spoke of the European force then in India as a very small force in comparison?—I did.

1718. But you are aware that it was nearly equal latterly to the whole force that had been in India for several years prior to the mutiny?—I have understood the questions put to me as involving a comparison between the army of the East India Company, whose strength under ordinary circumstances was about 12,000 men, and the army which is now maintained in India, whose strength under ordinary circumstances is about 60,000 men; and I gave reasons which appeared to me to show that an argument drawn from the one to the other would be confusing and not enlightening.

1719. Still, the Indian European force required from 1850 to 1859 no fewer than 24,703 recruits, and the Imperial army from 1861-2 to 1867-8, a period of seven years, only required 15,376 recruits?—I am not in a condition to affirm or dispute those figures; but all I say is, that in my opinion an argument drawn from the recruiting at Warley for an army whose normal amount was 12,000, or thereabouts, does not throw any useful light upon the question which we are considering when we are dealing with the recruiting of an army of 180,000 men, 120,000 of which in round numbers are employed by the United Kingdom, and 60,000 by India.

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1720. You also mentioned that you understood that the Indian Committee, the Seccombe Committee, as far as the Indian members were concerned, did give their assent to the data which were put before them from the War Office; but your Lordship is aware that that committee raised a very strong objection to the data; it is in a minute signed by the two Indian members?—I have that before me.

1721. You will observe that the Indian members of the committee did not consider the charges just; but "that they consider that the proposed arrangement is in one respect not just towards India"?—I believe that I answered that same question quite accurately before. I stated, or meant to state, that the gentlemen of the committee had no dispute between themselves, except upon that point of principle which is now raised before this Committee. That point of principle was viewed in one light by the gentlemen who represented the India Office, and in the other light by the gentlemen who represented the War Office. There is appended to that Report the objection of the gentlemen of the India Office to which you are now referring; and I have already stated over and over again, in the course of my evidence, that I do not think it is for the interest of the War Office, when the new system comes to be introduced, to dispute that proposition; I should advise them to assent to it.

1722. Still, considering that there are claims against the India Office at the present moment based upon the data which are contained in these reports, it is of great importance that we should distinctly understand that the Indian officers of that committee have both, in 1869 and again in 1870, raised their voices against the mode in which the calculations were made of these charges?—There is no possibility of disputing that fact; nobody can dispute it.

1723. Then I will ask you to look at page 16, where you will find that India is saddled with charges for recruits increased by all the deaths, desertions, or inability of recruits to proceed to India, by which they have raised up the charge to India by exactly one-third, the one-third to which you previously referred?—Yes.

1724. Do you consider that the deaths and desertions of all the recruits for the whole army should fall proportionably upon India, in proportion to the number of recruits raised?—If it can be shown that India contributes less in proportion to the number of deaths and desertions than the other two-thirds of the army, I think that would be a very fair consideration to take in on the side of India, but of course that must be shown. I was asked a little while ago about the non-effective charges. I believe that in the mode in which the non-effective charges are now calculated, the time a man has served in India is only allowed for equally with the time which he has served in the healthiest climate of the world. When these charges come to be all reviewed, and a final calculation made, it is possible that the War Office may think that a man who has served in India has been more rapidly invalided, and that the charge of his pension ought to be more heavily charged to India in consequence. These charges ought all to be as carefully reviewed as possible, and I hope that whenever that review takes place it will

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will be not entirely by War Office and India Office gentlemen, but that the Treasury will be heard upon the subject, and that the Committee or Commission who may settle that question will be a very strong and very impartial one.

1725. But does your Lordship think it just and fair upon India that the pensions of soldiers who serve in India should be charged to India proportionably to the total service which each soldier gives to India?—I think so; I should have thought that that was evident.

1726. But taking the case of a soldier who goes out and only serves in India two and a half years, say, of his total service of 21 years, do you think it is just to India that India should pay for the passage out and home of that man, and at the same time contribute a portion of his pension in proportion to his 21 years?—I think that the two things, the passage out and home and the pension, are entirely separate. It is the good fortune of India to have been brought much nearer to this country than she formerly was, but whether she was nearer or more distant, I think if a force is to be supplied to India, the British taxpayer will think that the expense of taking it to India should be paid by India.

1727. But looking at the cost of the soldier's pension at the time of his entering the service as about 18 *l.* per head, does your Lordship think it just and fair that India should be dependent upon the home army, so that only two and a half or three years' service is obtained from a man after all the expense of going out and coming home?—What I think is, that the duration of service in India should rather be arrived at upon medical considerations than upon financial. If it be proposed to send a young man out at 20 years of age to India, and so to use him up that he is to come back at 30 years of age fit for nothing but idleness and the enjoyment of a pension, I think that is an extremely mischievous system, and ought not to be tolerated, whether it is economical or not; and I am happy to say that I do not believe it would be economical.

1728. That is taking the extreme view of the case; we are now considering how India could get the service of European soldiers and not be overcharged for that service; but looking now at the infantry soldier, that on his going out to India as a regularly formed soldier, India forthwith pays the sum of 27 *l.* 7 *s.* 11 *d.*, and further that India is at the expense of sending that man out on his passage, which is said to cost about 19 *l.* more, that makes 46 *l.* and upwards paid by India direct for the service of that man; and after three years' service that man comes home, and again costs India 19 *l.* for coming home; and then he is pensioned, and India pays for that pension in proportion to the number of years which he has been in India, after having paid all that considerable expenditure on account of that man?—I do not see what the expenditure which India has previously incurred has to do with it. The man has to be pensioned, and the pension ought to be paid in due proportion by those to whom his service has been rendered; and it appears to me that if Indian service is only counted as equivalent to service in the healthiest parts of the world, India has nothing to complain of.

Mr. *Onslow*.

1729. Would it not be the case that a great number of the reserve in England would be paid for wholly by India, considering that the cost of the recruit and the cost of his passage out there, and of course the cost of his existence in India, would be paid for by India; when he chooses to retire and comes home to England and is put on the reserve, the whole of the training of that man has been chargeable to India; and he might be, and probably would be, some day of great use to England, England not having paid one sixpence for the training of that man?—You put the case of a man whose raising and training has been entirely paid for by India, and who comes home and goes to the reserve here?

Mr. *Onslow*—continued.

1730. Especially now with the short service system?—I believe, in point of fact, it will turn out that there are very few whose raising and training have been entirely paid for by India, because you have got in operation a system under which a man is not sent to India until he has been already a considerable time in the service at home, and that will be in the home battalion, and he will have been charged to the British taxpayer. It may, however, happen in some cases, as you have suggested, that a large part of his training while with the colours has been in India. You have before you a Parliamentary Paper, No. 230, of 1872, in which the Committee appointed to consider the age of recruits sent to India, "recommend that till the new organisation has come fully into play the decision of the fitness for foreign service shall rest not upon declared age, but the knowledge of the physical constitution of each man acquired by not less than a period of 12 months' effective service, which can be fully ascertained by the commanding officer and surgeon in medical charge of the regiment or depôt;" therefore I think the extreme case which you have put will seldom or never happen; but, of course, it is to be contemplated that there will be cases in which the larger portion of the training while with the colours has been in India, and that the man will go into the reserve, and he will then be paid as a reserve man from the British Treasury; and if I understand your question, it suggests that under those circumstances some allowance should be made to India for the expense which she has been put to upon that man; I do not dispute that, if there were exceptional cases which make it worth while to raise such questions; but if you ask me whether, looking at the reserve altogether, I think it prudent on the part of India to put forward claims of that kind, as I have observed they have been put forward in some of the correspondence, I think not; I think India is very largely interested in the maintenance of the British reserve, and that her contribution on the present hypothesis will not exceed what may fairly be expected from her.

1731. Surely there will be a great number of those men who come back to England, who perhaps do not like India, or whose health, perhaps, may have broken down, and who will retire as soon as they possibly can?—If it can be shown upon the balance that India is paying more through this means to the reserve than can fairly be expected from her, I should be the first to say, let India have the benefit of that consideration in making up the account.

1732. In your last examination you spoke of the heavy expenditure as regards experiments being made in England on account of military purposes, and I gathered from what you said that you

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you thought perhaps India might justly be asked to pay something towards those experiments; but there is a per contra, and that is that India also has a heavy outlay every year on account of experiments; for instance, with regard to the field guns and mule batteries, every year experiments have been made, and in the hill warfare; and those experiments which have been made in India will be very beneficial indeed to England?—I do not wish to exclude the consideration of anything which can tell in favour of India in making up the account; if it shall turn out that India has expended anything in proportion to what England has expended in arriving at the present results with regard to the arming of the Imperial army and the Indian army, I shall be very much astonished; but whatever can be shown to be a fair consideration on the side of India should be brought into the account. I may, however, remark that I merely gave that answer in reply to what I had been told Sir Thomas Pears had said, namely, that India was unduly charged in respect of guns. I am of opinion that if a strict account could have been drawn up it would have turned out that India had contributed very much less than her share; but I never made any proposal that we should go back upon former years, and establish any debit against India by reason of our former experiments.

Mr. *Fawcett.*

1733. With reference to this correspondence which has been often referred to, between the India Office and the Horse Guards, or the War Office, I understand that a letter was written by the Duke of Argyll in September 1871, and that an answer was sent to it from the War Office in April 1872; was not that the case?—I dare say it was.

1734. Then that the Duke of Argyll replied again in August 1872, and no answer, as far as I can discover, has been returned to the second communication; and that fact is commented on in another letter from the present Under Secretary for India, which was written in the present year?—You mean that there was some neglect in not making a reply?

1735. Well, I would not say it was neglect, of course, because I do not know the reason; I should say that the reply had not been made; I was rather anxious to know the reasons?—My reason for not making any reply was, I think, stated to the Committee by the Accountant General in his examination. If we are to speak in the palace of truth, I thought that rather a rhetorical production, and I have objections to correspondence of that kind going on between the offices; and I thought that the time had not arrived when the ultimate consideration could be taken; I thought that in the course of last Session this inquiry that is now going on in this room would have taken place, and that it would be better to adjourn sending our reply until that inquiry should be made; my impression is that those were my reasons; but the Accountant General having referred to the Minutes, probably is more likely to be strictly accurate than I am; and if there is any difference between his recollection and mine, I should be disposed to defer to his.

1736. But up to the time that you left the War Office no reply had been made to the views of the

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Government of India, which they had expressed in regard to these army charges; as far as I can discover, no answer whatever has been made, not simply to the second Despatch of the Duke of Argyll, but to the Despatch of the Government of India; Lord Northbrook at the present moment does not know what is the opinion of the War Office upon the opinions which he had expressed as representing India?—The letter from India, though dated the 15th of May 1873, does not seem to have reached, as far as I know, the War Office in my time. It is enclosed in a letter from the India Office, dated the 14th of April 1874.

1737. I understand that this charge of 67*l.* for the infantry recruit is made up of three items: the first, the pay of the men, amounting to about 30*l.* during the seven months; secondly, certain other charges, and then those two are added together; a third of them is taken, and that is added in order to represent the expense arising from deaths, desertions, and invaliding. That is a correct description, is it not, of the way in which the charge is made up?—Thirty-three per cent. is intended to represent the waste at the depôt, that is to say, the depôt being charged for a larger number of men than are sent to India; 33 per cent. is taken to represent that all round. Under the new system that waste will not have to be allowed at any rate to the same extent, inasmuch as those who are not serving upon the Indian battalion will be chargeable to the British Treasury on the home battalion.

1738. But it is distinctly stated that that addition of one-third has been added as a compensation for deaths, invaliding, and desertions?—It is a compensation generally for the fact that you cannot send out to India all the recruits that you are obliged to raise and train, with a view of sending them to India; and instead of being charged *per capita* upon the actual deficiency an allowance is made for that of 33 per cent.

1739. But, adding all those causes of waste together, are there any figures which show that it amounts to 33 per cent.?—It is shown, I apprehend, that under the former system it amounted to much more than 33 per cent., because it has been shown to you that if India had paid the expenses of the depôts from 1861 to 1868 upon the basis of the Seccombe committee she would have paid 100,000*l.* a year less than she has actually paid.

1740. But what I understand is this: it is said that India ought to pay for the maintenance of these men while they are trained, and she ought to pay a certain portion of the depôt charges; those two items we will assume there is no dispute about; then, it is said, after that a certain number of these men will desert, a certain number of them will be invalided, and one-third of the two former amounts is added to make up the whole charge for the recruit?—Yes.

1741. All that I want to know is (I cannot discover it myself), are there any figures in existence which will show that, taking the loss from deaths, invaliding, and desertions, it would represent a charge of 33 per cent. upon those two items?—If your assumption were to be admitted, then I should admit the 33 per cent. not to be a reasonable charge; but as you have got in the room the two War Office members of the committee, the Accountant General of the Army, and

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and the principal Estimate Clerk, I would beg you to have the kindness to put these questions to them, because they will tell you on what grounds they have admitted the charges.

1742. I will not interrupt your evidence by doing that now, but I will do it afterwards. Now you have referred to the Warley recruits, and as far as I understand what has been said about that system, it is said that it supplied a small army, and that the recruits were sent out imperfectly trained and young, and that therefore it is unfair to make any comparison of those recruits with the recruits that were sent out under a different system?—Yes.

1743. But if we have to consider what arrangement is most economical with regard to India, it is after all a question of what is the best system to adopt, not whether all that could be done has been done under the existing system (which I do not dispute), but whether the system which now exists is the best one for India; and therefore allusions to Warley from that point of view become very important and instructive, do they not?—I consider that if India is to maintain a separate army, then she may maintain that separate army upon her own basis, and in the most economical method that she can. But I do not understand that question to be seriously raised here. If she is to take a portion of our army, she must take it according to its own organisation; and I hold that India could not have raised recruits to fill up an army of 60,000 men upon the Warley system. The Warley system, as I have repeatedly stated, whether it was good or bad, was a system applied to a very small army; what I think I said was rather a brigade than an army; and I think it affords no basis for an argument with respect to an army either of 180,000 or of 60,000.

1744. But when you say it was more a brigade than an army, that rather rests upon a general impression, because so far as I can discover for several years, quite as many men were recruited for the local European army as were afterwards for the Imperial army under a very much more costly system; and therefore it is hardly right to describe the state of things to say that these Warley recruits were recruits for a brigade?—I must venture entirely to differ from the opinion suggested in that question. I heard just now some statistics read which I suppose applied to the time of the Indian mutiny when 18,000 men were on the one side and 22,000 on the other; but I speak of the normal state of the Indian army for which recruiting went on at Warley, and upon which recruiting the evidence with respect to the Warley system must have been, speaking generally, founded; and I contend that evidence with respect to a small force such as the local Indian force was, would in itself, however satisfactory, not be a sufficient ground on which to base conclusions with respect to an army serving in India of 60,000 men, part of an army which in the whole may be taken at 170,000 or 180,000 men. Moreover, I say that the recruiting at Warley itself was not, so far as I know and believe, satisfactory.

1745. If that is your opinion, of course it would be extremely unbecoming on my part to argue with you, and nothing is further from my intention; but I want, as far as possible, to get actual facts. There is nothing whatever to lead us to suppose that India could not have recruited

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on the Warley system for a larger army; there is no fact to show that; it may be an opinion that she could not, but suppose one person says that she could and another says that she could not, that is a theoretical opinion, and not based on experience?—As India never did recruit for an army of 60,000, there can of course be no evidence one way or the other which amounts to fact, and I do not presume to put my opinion above that of anybody else; I only give that as my answer to the question.

1746. It is not like a case where she tried; she never tried and failed?—Certainly not.

1747. But was not this the case, that so far as she carried this system of recruiting for herself for an army whose regular number was 15,000, and which rose occasionally to 18,000, she got those recruits at about one-seventh of the cost that the recruits were obtained for under the new system which was afterwards introduced, and that the result to her was that her local army was more healthy, estimated by any health statistics, than the more costly army supplied to her in another way; and it is admitted, I believe generally, that a finer body of men than those existing in the local European army never served in India?—I have already stated that I do not think the system under which India has been supplied with recruits since the year 1861 ought to be maintained. It was because I had that opinion that I took part in putting an end to the depôt battalions, and to the Tulloch system, and introduced the intermediate system which has been much more economical, and also that system of double battalions, which, when it comes into full operation, will, I have no doubt, be again far more economical, both for the United Kingdom and for India; but with regard to the portion of the question which you have put to me which refers to the satisfactory part of the Warley system of recruiting, I will, with your permission, read to you a portion of the Report of the Royal Commission which was appointed to inquire into the sanitary state of the army in India. It was, as you probably know, appointed at first by the present Lord Derby, who was then Secretary for India, and Mr. Sidney Herbert was at the head of it; a change of Government took place, and Lord Derby went out, and Mr. Sidney Herbert came in, and Lord Derby was good enough to undertake the chairmanship of the Committee; and the passage which I am going to read to you, and which refers to Warley, and by the knowledge of which I was a great deal influenced in my impressions about Warley, is signed by these names, and I will leave you to judge whether better names, carrying more authority, could have been signed to any such document. The first name is Stanley; then it is followed by these names: Proby T. Cautley, J. R. Martin, J. B. Gibson, E. H. Greathead, W. Farr, John Sutherland; and I will read to you this extract from what they say about Warley: "All the evidence derived from the stations is to the effect that none but fully drilled soldiers should be sent to India." (The Warley system being, I believe, from three to four months). "The only question on which any difference exists is the place where the troops should be drilled. It has been proposed that the drill should take place at some intermediate station, as *e. g.*, at the Cape, for the purpose of accustoming the recruit by degrees to change of climate. But

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the great preponderance of the evidence is in favour of completing the drill at home, and sending the soldier fully formed, both as to age and habits, direct to his destination." That, you will observe, is the principle which we have now adopted. "From want of attention to these primary conditions, growing lads, who are very susceptible to disease when weakened by fatigue, have been sent out to India to learn their drill; their unformed constitutions are exceptionally liable to injury, and the over-zeal of an injudicious commanding officer or adjutant may lead to loss of health and efficiency, if not of life. We have here then a well-known preventible cause of disease, or rather of predisposition to disease, which can be put a stop to. It is true that under the altered circumstances of the army since the amalgamation of the two services, these evils will be less likely to occur; but any way, the past experience is sufficient to prove that they should be avoided in future." Now, I think that that negatives any notion that the Warley system was, in the judgment of that Royal Commission, a desirable system to continue; and I observed with pleasure in this printed correspondence the admission of the Indian Government that "a recruit is a better soldier after a long training," and that "in comparing the present with the former cost of recruits, it is admitted that those now sent to India are for the most part more perfectly trained, and consequently more valuable than the half-trained recruits formerly sent to this country, and that, other conditions remaining the same, India might justly be debited with an enhanced charge for their provision."

1748. But that which you have read is a very influential opinion of the advantage of sending out men to India properly trained and not too young; every word of that I should endorse from the evidence that has been given; but in the first place I should like to ask you whether there is any statistical evidence whatever that before the amalgamation was carried out, when India had her own army, and when a portion of her army belonged to the Queen's army, the men who were sent out to that local European army were less perfectly trained than those sent out to the Imperial European army; that they were of a younger age, or that as a consequence their sanitary condition was less satisfactory than the sanitary condition of the men in the Queen's army?—I do not think that the question which ought to be put to me, or which I should answer, is what was the relative condition of the two services at a byegone time, with which I had nothing to do. What I think is the question for me is this, whether there is the highest authority for showing that under the Warley system there is a well-known preventible cause of disease, or rather a predisposition to disease, which could be put a stop to, and whether, under the altered circumstances of the army now, these evils are less likely to occur.

1749. But then comes this important question, so far as India is concerned; the armies were amalgamated, a system far more costly for her was introduced, and one of the great questions to consider for India is this, did she get value in return for the money spent? Now, I will not ask you to express an opinion upon the two systems when they were contemporaneously in existence; but after the local European army was abolished, is there any reason to suppose or any evidence to convince us that the men who were sent out when the amalgamation system was introduced were of an older age than the Warley recruits; that they were better trained, or that they were a healthier set of men. You are probably aware that long after the amalgamation scheme had been in existence Lord Sandhurst, who now holds one of the most important military commands, used far stronger language about these recruits sent to India under the amalgamation scheme than anything contained in that passage which you have read with reference to the Warley recruits?—Two blacks do not make a white, and however bad any portion of the system may have been since, I hold that it would not be wise to have a return to the Warley system, which was reported upon by these authorities in the manner in which I have shown you it was.

1750. If Lord Sandhurst has said before this Committee that the Warley recruits were not so efficient as they might have been, it must be borne in mind that India obtained them at a very cheap rate; she only paid 27 *l.* for them; and that he expressed with reference to recruits for whom she paid 170 *l.* an opinion, in far stronger language of condemnation, in a despatch which he himself said he wrote in 1867 or 1868?—I have already said that because there were bad recruits, if there were bad recruits, sent out under the system which prevailed after the Warley system was put an end to, that is no reason whatever, in my opinion, for having recourse again to the Warley system: and I have read to you a paragraph from Lord Northbrook's letter, in which he admits that the recruits now are very different from those who used formerly to be sent; and I have also read to you a paragraph from the report of a Committee at the War Office, of which the Director General of the Army Medical Department and another eminent member of that department were members, under which the present system of not sending men out until they have been 12 months in effective service in this country was adopted; and I am not prepared, therefore, to base any argument whatever in favour of any other system of recruiting upon evidence derived from Warley.

1751. But if India has to pay for a perfectly trained recruit, it is important that the recruits she has should be perfectly trained; I am not referring now to things which took place some years ago, but I am referring to things which have taken place even during the present year, as recently as January; it is a fact that 170 men were sent out in one battery of Royal Artillery, that India paid for those men as if they had been trained for nine months, that being the period of training for a recruit in the artillery; that more than half of those men had not been trained for three months; that a considerable number of them had not been trained two months; and some of them had not been trained one month?—You will understand me as not disputing the facts stated in the question, though I am not personally cognizant of them. If you had stated that India, upon the average, had received recruits of less than nine months, it would have been a stronger point; but I expect that under the new system, towards which we are rapidly converging, India will receive only men who have been in the service in this country more than nine months.

1752. That

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1752. That is your expectation, which of course I should be the last to dispute, as to what is likely to occur in the future?—I have read to you that that is the rule laid down with respect to the future.

1753. But now reviewing the past since the armies have been amalgamated, as I understand (we do not know what will take place in the future, because rules may be altered, or they are not always regarded), what has happened is this, that after the amalgamation scheme first came into operation India had to pay 170 *l.* for each recruit, instead of paying less than 30 *l.*, as she did for recruits for her own army; that those recruits were admitted by Lord Sandhurst to be extremely ineffective; that then the system was changed, and a new system was introduced, the charges were revised and were considerably reduced, but that points are in dispute still between the War Office and the India Office, so that with regard to the last two years India does not know what she will ultimately have to pay for her recruits?—With great submission, I do not think that that is a very accurate version of the case. I am not at all called upon to defend the system against the operation of which you have quoted Lord Sandhurst's authority, inasmuch as not only did it not take place under my administration, but the moment I came into office, I so much disapproved of it that I put an end to it. With regard to the present state of the case, I think India may very well know what she has to pay, inasmuch as the charges are not disputed in detail at all, as I believe between the officers of Mr. Seccombe's Committee, the dispute that they raise is this, that the Indian officers think that the charge for recruits ought to be diminished, on account of the service which those depôts render to England, in forming part of the home garrison. The answer to that for the present is, that as those depôts were considered, when the Tulloch arrangement was made, a set-off against certain charges which the Treasury thought ought to be pressed, and which from that time to this have not been pressed, that advantage cannot be allowed to India until that compromise is put an end to, and the consideration of those other charges is revived; and as the depôts have been considerably diminished since the time of Sir Alexander Tulloch, it necessarily follows that the argument is stronger now than it was in his time on the side of the War Office. But with regard to the future, I have repeatedly said that I agree entirely with the argument of Lord Northbrook's letter on the subject of recruits; that I should recommend, if I were in a position to do so, the War Office to accede to every proposal in that letter, and that I entertain a very confident opinion that when that has been done, and the whole subject has been impartially reviewed, the proportion paid by India will not be diminished.

1754. But leaving out of consideration for the moment the future, which is always uncertain, because, of course, the regulations connected with the army may again change (the regulations now in existence are not absolutely fixed and may again change), am I not correct in saying that the amount which India has had to pay for recruits during the last two years is at the present moment unsettled; I am not going to enter into the contention between the War Office and the India Office; but India does not know what she will have to pay; it may be a question which will ultimately have to be decided by the Cabinet, may it not?—I found it unsettled for two years when I came into office, what India was to pay under the Tulloch system; I do not think it ought to be unsettled for an hour what India ought to pay under the present system; because, as I have repeatedly said, so long as the compromise made in Sir Alexander Tulloch's time remains with respect to the depôts on one side and certain charges on the other, I do not think for the current year the question ought to be raised, or that we ought to tolerate its being raised; it is a very proper thing for the India Office to bring forward, and for the representatives of the India Office on the Committee to bring forward, but they must bring it forward with a view to the future. Then on the question whether it is of any use to consider with reference to the future, my opinion is that it is only useful to consider such a question on account of its reference to the future; it is crying over spilt milk, to debate the operation of a system under which both the India Office and the United Kingdom paid too much, unless you are debating it for the purpose of establishing a better system for the future.

1755. I am referring to that entirely as an illustration of the system under which the finances of India are administered; of course, nothing is further from my intention than to be so presumptuous as to attempt to apportion blame; I simply want to get your corroboration of what I believe to be the fact that whether the India Office is to blame, or whether the War Office is to blame, or whether neither of them is to blame, but it is the natural and inevitable result of the system that has been in operation, the charge that India has to pay for recruits during the last two years is at the present moment unsettled, and no one can tell whether India will have to pay 60 *l.*, 65 *l.*, 70 *l.*, 75 *l.*, or 80 *l.* for the recruits which the War Office or the Horse Guards have provided to India in the last two years?—It is a matter of fact which does not need my corroboration that the Seccombe Committee have not reported since the date of the last report which has been laid before you; but I cannot in the least degree admit the inferences you have drawn; I think there is not the smallest probability of any such charges as you have referred to being brought forward by the gentlemen who represent the War Office.

1756. But suppose this Committee (I take this as an illustration of the system) cannot ultimately agree; suppose the two representatives of the India Office, who have been a long time trying to agree without success, say that the proportion is unfair to India, and the War Office representatives say, "It is unfair to England if you do not pay this," the dispute must ultimately be decided by the Cabinet, must it not?—Yes; but if I read the reports aright, the gentlemen who represent India on the Committee, and who I believe are exceedingly fair men, do not dispute any of the facts stated by the gentlemen who represent the War Office. What they say is, that a system which imposes so large a charge upon India ought to be altered. I answer to that, that it not only ought to be altered, but it is being altered as fast as it can be; and I have already said, that I see no objection to the principle for which these gentlemen representing

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Mr. *Fawcett*—continued.

India contend being admitted as soon as the new system comes into operation.

1757. With regard to the short service system, of course it would have an effect upon the finances of India, and it would also have an effect, some people may think a good effect, some may think a bad effect, upon the health of the men; some people would say it was better to have a longer-seasoned man in India; but Sir William Muir, who holds a high medical position, has stated that the short service system was introduced into England, and consequently into India, without the medical authorities in India ever having been consulted as to the effect it was likely to have upon the health of the army?—I think, with the report of Lord Derby's Commission before us, we should have been very much wanting in discernment and knowledge, if we had not arrived at the conclusion that a short service is for the average of mankind desirable in India; and even if it could have been shown to be desirable, upon economical principles, to maintain a long service, I think it would have been extremely wrong to do it. I have already stated that in my opinion to use a man up in India and bring him home here at 30 years of age to ill-health, to idleness, and a pension, is very uneconomical; but even if it were economical, I should object to it altogether.

1758. I am not arguing at all against the short service system; I do not presume to express an opinion upon it; but I simply want to show how these changes affecting India are carried out. The medical authorities, as I understand, were not consulted in India, and so far as I understand Sir William Muir's evidence, if they had been consulted, he holding the leading medical position in India, he would have brought forward some very weighty reasons which would have shown, if I understand his evidence rightly, that the short service system would not ultimately improve the health of the army?—I hope I shall not be considered as saying anything disrespectful to Sir William Muir, who, I believe, is one of the ablest men, and one of the highest authorities upon such subjects in the kingdom, but having the Report of the Commissioners before me, neither Sir William Muir nor all the other medical testimony in the world would convince me as an individual that long service in India is a good thing for the average of mankind. I read you the names of the persons who signed that Report, and you must have distinguished among them the names of some of the highest authorities upon this subject.

1759. The men who are in England at the Indian depôts, and being trained as recruits for India, constitute a portion of the effective strength of the English army, do they not?—Yes.

1760. What, then, it really comes to is this, that a portion of the men who constitute the strength of the English army in England is wholly paid for by India?—That certainly is the case; if a man is being trained in this country for India, and a sudden emergency arises, he will be an addition to the British army available for any other purpose; but you must bear in mind that if any such emergency arises, the necessity of defending India will be one of the most difficult considerations that you will have to take into account.

1761. Therefore, if I understand your position rightly, it is this, that you say that although

Mr. *Fawcett*—continued.

India does support a certain number of men who constitute a portion of the effective strength of the English army, and although she supplies to the army of reserve a number of men of whose training she has paid the entire expenses, yet in return for that she gets at least an equivalent compensation, because the English army is kept up, and if India was in difficulty England would be obliged at any moment to come to her rescue?—I am inclined to hold that opinion.

1762. But that same reasoning would cause the colonies, would it not, to pay for a portion of the army in England, and to contribute to England's army of reserve; because those who are not prepared to surrender our colonial empire would maintain that England was just as much bound to go and defend Canada if attacked as she would be to defend India?—Yes, but Canada does not enjoy the advantage of an army of 60,000 men in time of peace, maintained upon principles which, as I believe, are very advantageous to India.

1763. But of course India, on the other hand, would say that this amalgamation of the two armies was forced upon her, that she would much sooner obtain her army for herself; but leaving that question out of consideration, what we all desire is that India should pay a fair sum for the soldiers whom England supplies to her just in the same way as we desire that the colonies should pay a fair sum for the soldiers supplied to them; but all kinds of charges after India has paid this sum are imposed upon her which would never be thought of being imposed upon the colonies; I will give you an illustration, supposing there is a mutiny in India, or India is attacked, with regard to every soldier sent to India, India would have to pay the passage money of that soldier there and back; that has always been the case; but when soldiers have been sent to the Cape or to Canada, the Cape or Canada has not paid the passage money of those soldiers?—In former times arrangements were made with regard to the colonies, which are no longer considered equitable to the British taxpayer, and are no longer in force; there is no army of the United Kingdom maintained in Canada, and that question cannot possibly arise; but if, unhappily, a war were to arise in which we had to go to very great Imperial expenditure for the benefit of a colony, I am not prepared to foreclose the question, so far as any evidence of mine is concerned, whether that colony should contribute anything towards that war.

1764. But so far as the past is concerned, the system of charging the colonies and the system of charging India have been entirely different; we have not only made India pay her recruits, whereas in most of the colonies they have been paid for by England; but whereas in a case of extraordinary emergency, if her soldiers have been sent to the Cape, for instance, their passage money has been paid by England (I am not saying now whether that is just or not), on the contrary India has paid everything?—I am not prepared to dispute the facts which you have stated, but I do dispute any arguments which can be raised upon them, inasmuch as I myself have been very active in altering the system by which, if we are to adopt the phrases of the India Office letter, tribute, in my opinion, was exacted from the United Kingdom for the benefit of the colonies.

1765. But

Mr. *Fawcett*—continued.

1765. But I understand it has been argued by some people, and I think it is an opinion rather favoured by you, that if you went on a question of strict justice, India should pay a portion of the expenses of the Commander in Chief and the expenses of the War Office in England, because she derives an advantage from the existence of the English army; but according to that doctrine it would lead us to throw a portion of those expenses again on the colonies, would it not?—I am not prepared to say that the present system is not, in a pecuniary sense, very favourable to the colonies; but I am dealing as a matter of justice between the United Kingdom and India, and these considerations which were raised, and I think very properly raised, by Sir Alexander Tulloch in the year 1861, in my opinion revived the moment you have declared that they shall not be set off against the value of the Indian depôts, but that on the contrary a direct pecuniary reduction shall be made from the payment made by India on account of those depôts.

1766. But from your great official experience I should like, if you would not object to express an opinion on this question, to ask you, do you understand (as illustrating the principle on which India is charged) why, for instance, India should pay the entire expenses of the India Office, and England should pay the entire expenses of the Colonial Office, just as an illustration of the two different systems?—No, I am of opinion that if strict justice were done the colonies ought to contribute something to the expenses to which England is put on their behalf; but considering the great number of our colonies, and the small expense which really the Colonial Office shows upon the Estimates, I should say that *de minimis non curamus* was rather the answer to give to that question.

1767. You were kind enough to say, when last examined, that you would furnish me with some particulars of the charges which were made for the army with which England supplied Ceylon, so that we might compare what Ceylon as a colony gets a soldier at with what India gets a soldier at?—I requested that information might be in the room furnished from the War Office, and I believe it is in the room, and you can have it from the principal Estimate clerk of the War Office if you like in detail; but I was myself at the Colonial Office some years ago when a detailed calculation which had been instituted by the Duke of Newcastle came to its close, and a sum was charged, and I believe from the information now before me that the present posture of affairs is this, that Ceylon is raising a question that she is rather charged too much, because in her opinion a portion of the force is maintained for Imperial purposes to guard the British establishment at Trincomalee. I hold to the doctrine that Ceylon was intended to be charged the full amount of the British force maintained for colonial purposes in Ceylon.

1768. You prefer my asking some one of the officials of the War Office the details in order to make the comparison?—On this ground, that they know it at first hand, and all I could do would be to put in before you a paper prepared by them.

Mr. *Sampson Lloyd.*

1769. It seems to have been assumed from

Mr. *S. Lloyd*—continued.

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some questions put to your Lordship by the honourable Member for Hackney that when recruits for the Indian service were trained at Warley the total cost of such recruits to the Indian taxpayer was very much less than the cost to India of similar recruits trained and sent out to India since the Warley system was discontinued. May I ask your Lordship whether the figures given as the cost of the recruits at Warley ought not to be supplemented by such a considerable amount expended on those recruits after they got out to India as renders a comparison between the stated cost of the Warley recruit and the cost of the recruit under the system subsequently adopted entirely delusive?—In my opinion as the training at Warley was limited to three or four months, the recruit when he left Warley must be considered as still rather raw material than manufactured article; training in India must have taken place, and that training must have been costly, more costly I should imagine than training in England, inasmuch as the difference of climate must render it much more difficult to train recruits there than to train them here. Therefore, as I have repeatedly said, 27 *l.* as representing the cost of a recruit trained through Warley is, in my opinion, thoroughly inapplicable. With regard to the recruits trained since, I am not in a condition to say how they were trained until more recently, and I have read you the report of the committee recommending the mode in which they should be trained now, and I have read you the passage of Lord Northbrook's letter, in which he admits that better recruits do now go to India, and I have told you that under the new system, in my opinion, the charge for the recruit would be much less than that which it necessarily has been under the Seccombe system of account during the pendency of the intermediate system.

Mr. *Dalrymple.*

1770. I wish to ask one question of a general nature. You referred incidentally to a Committee consisting, as I understood, of gentlemen connected with the War Office and the India Office; was that Committee appointed in consequence of a recommendation of Mr. Seccombe's Committee?—No; there was a question raised in the House of Commons about the age at which recruits should be sent to India, and the Government agreed that as far as practicable the recruits should not be sent under 20 years of age; but it was considered that a more expedient course would be to go upon length of service rather than upon declared age. Consequently, a committee, consisting of the Inspector General of Recruiting, the Director General of the Army Medical Department, and other authorities, was appointed to consider the best way of doing it; and they recommended in the terms that I read earlier in my examination to the Committee.

1771. I observe that in the second report of the Seccombe Committee they recommended a standing committee, composed of members representing both the India Office and the War Office, to adjust the accounts, "and that the proceedings be recorded in a minute book, to be kept by a gentleman on the establishment of the War Office, who should act as secretary, copies of such proceedings being submitted periodically to the Secretaries of State for War and for India." Was anything of that kind ever adopted?—No;

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Mr. *Dalrymple*—continued.

I think the time for adopting that will be when the new system has come into complete operation, and then its progress will require to be watched; but the problem at the present moment is not what is the cheapest and best system, but what is the actual cost of the existing system.

1772. Is there any organised review of accounts in which gentlemen connected with those two offices take part together?—There is no other review of accounts in which they take part together than is contained in the Seccombe Committee.

Mr. *Campbell-Bannerman.*

1773. With regard to the Warley recruits, there is a passage on the previous page to that from which you quoted out of the Report of the Sanitary Commissioners, which I think is worth calling your attention to. It says, speaking, of the recruits at Warley, "Notwithstanding every care in selection, men were sometimes sent back from India as unfit for service. The average time spent in depôt before the Mutiny in 1857 was four months. At the time of the Mutiny it was about six weeks; and it happened occasionally that men were embarked for India on the day of their arrival at Warley." That is an authoritative statement of the time the recruits usually spent at Warley?—You have correctly read the passage from the Report.

Sir *George Balfour.*

1774. But do you think that under the present system the recruits sent out in the last four years have been exempt from any of these defects?—No, I will not undertake to say that; I would rather stand upon the admission in Lord Northbrook's letter, of the difference of the recruits now sent out from those formerly sent out.

1775. Do not you think that we could substantiate the same objections to recruits as were expressed in former years?—I will not undertake to say what you might substantiate; you will hear that from the authorities who manage the system in detail, probably.

Mr. *Campbell-Bannerman.*

1776. With regard to the short service system in India, you do not think that it would be a proper arrangement if men were returned from India unfit for any kind of service?—I have already stated that the object ought to be that men should return from India fit for any kind of service; and that on much higher grounds than financial grounds. But, as a mere matter of economy, I have already shown you that the India Office contribute largely to the Pension List; now, when the short service system is introduced, the Pension List will be very considerably diminished, and the contribution of India to the Pension List will, of course, be diminished also. Then with regard to the abolition of the re-engagement penny, which is connected with short service, I made inquiry since the last meeting of the Committee, and I am told by a gentleman now in the room that the abolition of the re-engagement penny will save India above 40,000*l.* a year. Then she will gain by the diminution of invaliding; she will gain by the diminution of the number of women and children for whom she has to pay; and I have repeatedly shown, till I am afraid you are tired of it, that under the new system of the double battalions she will gain upon the proportion to be paid for the depôts. She will also gain by the existence of a reserve in this country; a circumstance, I should think, of immense comfort to those who are concerned for the safety of India.

1777. With reference to the re-engagement penny, it must not be assumed, must it, that because the re-engagement penny is abolished, therefore re-engagement is abolished; every inducement will be given to short service men to re-engage at the close of their service?—Yes; the object is, that that portion of the men whose constitutions qualify them to be of value to India shall be encouraged to go on to long service. That, in my opinion, judging by the medical statistics, will not be the larger portion; but any men who are qualified to continue in longer service in India will be encouraged to do it.

1778. You are probably not aware how far a separate Indian army was attended with great expense for pensions, invalids, widows, and so on?—No.

1779. At any rate the separate army cannot be gone back upon now?—I should think that is quite out of the question.

1780. You said just now that you acquiesced in the three recommendations of Lord Northbrook's letter of the 15th of May 1873?—I did.

1781. Qualifying, I presume, your adherence to the second of those recommendations to this extent, that you do not admit that a man's training is completed in the three months at the depôt?—Quite the contrary; I have said over and over again that I consider a man who has been only three months at the depôt, has only been through the rudiments of his training in the army.

1782. But with that qualification you acquiesce in those three recommendations?—Yes.

1783. And do you agree with the officers of Mr. Seccombe's committee who represent India in their view, that the expense of two companies is not necessarily incurred for the sole purpose of supplying the recruits who are actually sent out to India?—I am disposed to agree in that; but whether necessary or not, if they can show that besides recruiting for India those companies render a service to the United Kingdom for which a consideration is due, I am quite ready to admit that that consideration should be taken into the account.

1784. But then that opens in your opinion the compromise of 1861?—It entirely throws open much wider questions.

1785. I think you have expressed an opinion that in future, under the new organisation, the whole system both for India and for the United Kingdom will be cheaper in the aggregate and more efficient than it has been hitherto, and also that the proportion in which India ought to contribute to this cheaper system will be greater than it has been?—That is my opinion.

1786. You do not think it desirable that this country, as the stronger party of the two, should press points unduly upon India?—That is my opinion; I think that when you come to those general views which are not capable of any actual arithmetical statement, the high probability is that India, as the weaker party, will be the more favourably considered.

1787. And

Mr. *Campbell-Bannerman*—continued.

1787. And when the new system comes completely into operation, that will be the time for a review of the whole question of the charges between the two countries?—I do not think that you can have those elements in the problem which turn upon the actual arithmetical calculation thoroughly before you until such a brief experience of the new system as shows exactly what its working is.

1788. The following letter, signed by myself, and dated 24th of April 1872, and addressed to the Under Secretary for India, has been included in the correspondence before us:—"Sir,—I am directed to inform you that Mr. Secretary Cardwell has had under his most careful consideration the subject of the payments which may properly be demanded by the Imperial Government from Indian revenues on account of the British military forces supplied to the Indian Government for service in India, especially as regards the cost of raising and training recruits for India with reference to the letter of the late Mr. Pattison Thom, dated the 8th September 1871. In that letter the views entertained by the Secretary of State for India in Council relative to the cost of raising and training recruits for India are stated in detail, founded on the most correct and precise data of the organisation and numbers of the recruiting establishment in this country. But Mr. Cardwell regrets that he is unable to concur in the conclusions arrived at by his Grace the Duke of Argyll, as Mr. Cardwell is clearly of opinion that the cost to this country of supplying British soldiers to maintain the establishment of European troops in India is by no means represented by the disbursements made on the several individual soldiers or recruits drafted to India. It is the policy of the Indian Government to keep the numbers of the European troops serving in that country at the lowest strength consistent with the safety of the Indian Empire in time of peace; while the troops in Great Britain, or in her colonies, serve as reserves, to which the Government of India looks for reinforcements of troops in the case of any emergency, and it is only through the existence of these available reserves that Indian revenues are spared the vast expense that would arise were the troops in India always maintained at their maximum instead of their minimum requirements. The maintenance, therefore, of these available reserves forms, in Mr. Cardwell's opinion, an important item in the actual disbursements out of British revenues, for repayment of which Indian revenues are directly liable; and whatever may be the strength or organisation of the British army, as determined by Her Majesty's Government to be most conducive to the maintenance of the constant efficiency of the troops, the Government of India is directly interested in the keeping up of that strength, and that organisation, as involving the question, so important to that Government, whether the reserves on which it depends for the immediate conversion of the peace establishment in India to a war establishment in case of emergency, are at all times available to be drawn upon at any, the shortest, notice. Moreover, Mr. Cardwell is unable to overlook the fact that, in providing British troops for service in India, the civil population of this country is called upon to give to the army a number of men, which represents a very considerable

Mr. *Campbell-Bannerman*—continued.

portion of the numbers available for military service, and to that extent India competes at all times with this country in obtaining from the civil population the numbers of recruits required for the military forces of the Crown, adding to the difficulty, and consequently to the cost, of raising each individual recruit. Mr. Cardwell is, therefore, of opinion that Indian revenues are justly liable to bear, in the widest sense of the term, their full proportion of the cost of the reserves of effective soldiers maintained in this country, as well as their proportion of the cost of the whole machinery for drawing recruits from the civil population, and of training them for efficient service abroad, by whatever organisation or system may be adopted by Her Majesty's Government as being most conducive to the strength and efficiency of the British army. That the organisation and system so adopted shall be at all times carried out with the utmost possible regard to economy, so far as is compatible with real efficiency, is the anxious care and constant object of Her Majesty's Ministers in the discharge of their duties in the government of this country, while at the same time the Secretary of State for War has always acted on the principle that Indian financial considerations ought not to be overlooked in dealing with questions of military expenditure. Mr. Cardwell is, therefore, unable to concede the position apparently assumed in the letter from the India Office, that the charges for British recruits sent to India are extravagant or unfair in their demand upon Indian revenues. The expenses disbursed on recruits for India are subjected to the same minute and unvarying control as are those incurred for the recruits for home or colonial service, and in no way could Mr. Cardwell consent to a diminution of the charges, founded as they are on ascertained expenditure, without unfairly throwing upon British revenues expenses incurred solely for Indian purposes. In the foregoing remarks I have, by the Secretary of State's direction, confined myself mainly to the matter of the charges for recruits, being the subject matter of the India Office letter, but Mr. Cardwell desires me to take this occasion to state that, in his opinion, there still remains a considerable amount of expenditure on the army in this country by which Indian revenues are relieved, and for the reimbursement of which no provision is made in the terms by which the Indian Government is able to draw on the British army at home in case of emergency. Of these indirect charges the following may be instanced:—The cost of the military staff and head-quarters departments at home; the regimental staff of the corps to which the Indian depôts are attached or affiliated; the full assessed cost of raising and training the soldiers who proceed, not as drafts or recruits, but as relieving corps, allowing to India for such efficient men as return with relieved corps; the full cost of the educational establishments for officers and for men; the cost of experiments in arms and ammunition; the cost of rewards to inventors of military weapons or machines; and, in every case in which India calls for an augmentation of the number of what may be termed the professional branches or departments, such as artillery, engineers, and medical officers, such sums as may be determined on as representing the cost that has been incurred by British revenues to prepare

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Mr. *Campbell-Bannerman*—continued.

such professional officers for the efficient discharge of their duties. The object which Mr. Cardwell has in view in this letter is not to take any action, or to propose any change in the subsisting arrangements which, however, he reserves to himself the full liberty of proposing at any time, but merely to point out to the Secretary of State for India in Council that the pecuniary advantages at present derived by India from those arrangements are much greater than appears to be contemplated in the letter now under reply. I have, &c. (signed) *H. Campbell.*" On the general question, do you adhere to what is stated in that letter?—I see no reason to depart from any sentence of that.

Chairman.

1789. I will only ask you one question upon this point; I do not know whether one ought to inquire about what is done in the Cabinet; but do you think that the proportion in which India is represented in the Cabinet, namely, only 1 to 12, or 15 or 16, as the case may be, causes any disadvantage to India?—I think that either the present or the late Secretary for India is quite capable of taking good care that the claims of India are properly considered.

Sir *Henry Havelock.*

1790. Your Lordship is aware that there has been an Army Circular issued in the last month publishing some new conditions of recruiting, practically putting the service for the future at periods of 3, and 6, and 12 years, so giving the soldier the option, as it were, of choosing his own terms?—Yes.

1791. That circular has been issued, of course, since the present Secretary of State came into office, but I understand that the arrangements were matured before your Lordship left the War Office; I wish to ask one question simply with reference to that matter. Sir Thomas Pears the other day expressed great apprehension that that might prevent the system of a soldier continuing his service in India, that is to say, volunteering to remain in India; there was no such intention in that circular, was there?—The issue of the circular, and the circumstances of the issue, I am not responsible for, for it took place some weeks, or perhaps a month or two, after I had left office; but I am quite ready to take the responsibility of having had a great share in the preparation of it, and of entirely concurring in every word of it. I should say that not only was India not overlooked in the matter, but one of the objects which we had in view when considering that circular was that when upon the roster a regiment was at

Sir *H. Havelock*—continued.

a certain period of distance from its turn to go to India it might be very desirable indeed to put men only for three years into that regiment, in order that, at the expiration of the three years, when the battalion was more nearly approaching to the time to go to India other men might be enlisted in it who might have a longer period of service left.

Sir *George Balfour.*

1792. But as a fact the War Office have never interfered with the power of India in India to call upon regiments to volunteer to any extent; they have left the Indian Government in India perfectly free to offer such guarantees as they saw fit to induce men to remain in India?—I believe that to have been the case.

1793. Therefore you know the fact that if regiments have come home with half their strength, it is simply because the rest of the men volunteered before it came to England?—All that must have been done by volunteering under the old system, but under the new system when the linked battalion is relieved by the other battalion which is linked with it, the process will go on more effectively and without the necessity of paying any bounty.

1794. And the short service men can be made to join the second battalion on its arrival in India?—If they have a sufficient term of service left.

1795. But your Lordship is aware that the expense to India for re-engaging those men has not been a burden on the finances of India?—I understand that the arrangement upon the whole is a beneficial one to India, inasmuch as the great expense of sending the men home has been spared. I think that, rightly understood, it will be beneficial to India for the reason that I have stated.

Lord *George Hamilton.*

1796. Do I rightly understand that you assent with one reservation to Lord Northbrook's suggestions, or is it merely that you assent to the principles laid down in his letter?—What I stated was that the three recommendations with which Lord Northbrook's letter closes, if I were in a position to give advice to the War Office I should advise them to accept. I demur altogether, as I have repeatedly stated, to the notion that a recruit has become a completely manufactured article in three months; but with that exception I think it would be quite right for the War Office, with the sanction of course of the Treasury, to accept those recommendations; and I have stated that in my judgment it will let in other considerations, and that upon the balance the India Office will not be the gainer.

Tuesday, 25th June 1874.

MEMBERS PRESENT:

Mr. Stephen Cave.	Lord Edmond Fitzmaurice.
Sir George Balfour.	Lord George Hamilton.
Mr. Balfour.	Sir Henry Havelock.
Mr. Campbell-Bannerman.	Mr. Sampson Lloyd.
Mr. Dalrymple.	Mr. Onslow.
Mr. Dunbar.	Mr. Eustace Smith.
Mr. Fawcett.	Mr. Stanley.
Sir Seymour Fitzgerald.	

THE RIGHT HON. STEPHEN CAVE, IN THE CHAIR.

His Royal Highness the Duke of CAMBRIDGE, K.G., Examined.

H.R.H. The Duke of *Cambridge*, K.G.

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Chairman.

1797. YOUR Royal Highness, we know, is Commander in Chief of the British Army, and I think that you have given considerable attention to the Indian branch of it?—Certainly.

1798. Would your Royal Highness state to the Committee the exact way in which the Indian army comes under your official cognizance?—Merely as part of the general army of the empire, because I consider that the whole army, including that of India, is an Imperial army, and as such, of course, its organisation is based upon what is thought best for the army in general, of course always taking into account the peculiarities and specialities of India, which are part of the interests of the empire.

1799. Does your Royal Highness have any communication with the India Office upon military questions?—I consider that if the Secretary of State for India wants any military opinion, which is merely a military opinion and not an Indian opinion, I should, of course, be called upon to give my opinion upon such points, just as I would to the Secretary of State for War; but of course, as regards Indian local questions, I should not think of giving any opinion at all.

1800. But there is no indisposition on the part of the Horse Guards to listen to any representations which may come from the Indian officials in regard to military matters?—None whatever; I never interfere in the slightest degree, unless any opinion is asked.

1801. Has the attention of your Royal Highness been directed to the present inquiry?—I have heard that there have been financial differences of opinion between the two offices; but beyond that fact I know nothing.

1802. Does the question of recruiting for India come under your cognizance?—The recruiting for India is conducted in exactly the same way as the recruiting for the empire in general, and therefore, of course, it is under me.

1803. Then is it your opinion, as has been stated here, that any reduction which may be made in the cost of training recruits would apply, of course, equally to India as to this country?—With the financial part of the question, as regards the two offices and as to the adjustment of the accounts, I have nothing to do; but as regards the mode of recruiting, I contend that it is impossible to alter it with advantage to the empire.

Chairman—continued.

1804. Is it, Sir, your opinion that the training is too long in the depôts?—I think it is too short. The great difficulty that we have is to get men trained and fit to go to India, as they ought to be; because I have the strongest opinion that a soldier ought not to go to India unless he is really a soldier. If he goes as a mere man just engaged he is not a soldier, and therefore really is a loss to India whilst in India in that untrained condition.

1805. If he goes out a half-trained man his training would have to be completed in India, or somewhere else, before he can be made available for India?—With great disadvantage, because a man trained in India or in any tropical climate must suffer, to a certain extent, from such training; whereas if he gets it before he goes he has had the training, he never loses it, and for the rest of his service is a qualified and good soldier.

1806. A suggestion has been thrown out that that training might take place in the hill stations of India, in which the climate is as good as in this country. Has your Royal Highness directed your attention to that part of the question?—That of course is a local question which I could give no opinion upon, because unfortunately I have never been in India; but I am satisfied in my own mind that the recruit had better be trained at once as a soldier, and that he is a dead loss to the State till he is a soldier, and therefore training early is better than later. On that principle alone, therefore, I should prefer his being trained in England, putting aside the question whether he could be trained in the mountains or not.

1807. Is it your opinion that the age of 20 is too old or too young for soldiers to go to India?—Well, that is one of the most difficult questions that we have to deal with, and I should like just to be allowed to say a few words upon it. I have no hesitation in saying that if you could get the best men at 20 it would be far better that none

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Chairman—continued.

but men of 20 should go; but, as I have already stated in another place, you cannot get the best men at 20, and although we now attempt to do so, in consequence of the decision of the House of Commons (which is perfectly just, I admit), still I contend that you do not get as good an article at 20 as you would at 18 or 19; and if you can keep the 18 or 19 years man long enough to improve his physical strength, I believe he would be a better and stronger man if he went before 20 than after 20, comparing the description of the 20 years of age man which we probably should get with the description of the 18 or 19 years man which we do get.

1808. Then, what your Royal Highness points at is, I presume, that those younger men should remain in the home battalions and that the older men only should go out to India, supposing the case of linked battalions?—Well, of course, in that point of view that is correct. But, on the other hand, you must bear in mind that if you take these men enlisted for six years' actual service only, after a considerable period of that service has expired, you diminish the number of years which a man would be in India. I should greatly prefer an 18 years of age healthy lad, who is one year at the depôt, well fed, and then goes to India; and I believe that would be the best description of recruit that you could get for India.

1809. Then you do not think that the cost of the depôts is excessive, or could be reduced with advantage to the service?—I am perfectly persuaded that, keeping the cost down as much as you possibly can in every way, the present system of depôts is the very best you could possibly have, in a military point of view, and, of course, if in a military point of view then in an economic one, because I contend that what is the best economy is efficiency.

1810. I think your Royal Highness would intend that answer to include the staff on the depôts; you would not think that the staff in the depôts could be diminished with advantage?—The only staff to which I suppose reference is made is the colonel in charge of a depôt brigade. He has been appointed, no doubt, to a great extent for home purposes, but incidentally he takes charge of the Indian depôt, which is in his linked battalion and in his depôt district; and I do not think you could reduce that, certainly, because it would then militate against the organisation of the army for general purposes.

1811. Then we have heard a great deal of evidence about whether the cost of the depôts is more an Imperial or an Indian matter, and whether India ought to pay any part of the cost of the depôt staff to which your Royal Highness has alluded; what would you say on that?—My impression is that the army is intended for the empire; that India is a large element in that empire; that one-third of the European troops, I believe, or very nearly one-third, are kept up in order to garrison India, and that therefore India ought, to that extent, to share the general expenditure on army matters; and I further believe that the present organisation, which is with a view of expansion, would affect in time of war India's interest just as much as home interests, and that if an emergency arose in India you would be able to send reinforcements to India just in the same way as you would be able to find reinforcements for either home, colonial, or any other purposes.

Chairman—continued.

1812. And when it is stated that the troops in India are a reserve for England, I presume that the converse would be true, that England might denude herself of troops for the sake of sending them all to India?—Most assuredly; indeed, as to the troops in India being a reserve for England, I should say it was very decidedly the other way. The whole question is one of give and take as regards various portions of the empire, but I think that the chances are that the reserve at home would be more necessary for India than ever the army in India would be for purposes at home, because it is not likely that we should ever denude India to any extent of troops, and therefore I do not see how you could possibly expect the Indian army to be a reserve for the home army.

1813. Does your Royal Highness think that the militia and depôts will become more closely allied, and that the recruits will be trained for the militia more than they have been, and afterwards drafted into the battalions for foreign service?—I apprehend that you mean, if an emergency arose, whether you would draft militia recruits into the regiments in India as well as other portions of the army; I say, certainly, yes.

1814. Then in that case the barracks which are now being erected in various parts of the country would be an advantage to India, in consequence of their being used for the training and maintenance of the recruits?—As regards the barracks, of course, that is more of a local home question. I do not think that that has anything specially to do with India; I should not be disposed to think that they have anything to do with that kind of question, except to assist in the general organisation as adopted, and supposed and believed to be the best.

1815. We have had opinions given here that, according to the new localisation scheme, the recruits will really be trained in the militia, and that they will afterwards go into the line regiments, and one battalion probably being in India or on foreign service. In such a case as that India, of course, would share more than she has done in an interest in the local forces of this country?—Certainly. If you wanted to raise the regiments in India from, say, 820 as at present to 1,000 men, of course you would have to take extraordinary measures to effect such an arrangement; you would call on the militia to volunteer, as you would on any other portion of the line, for India or for foreign service.

Sir *Henry Havelock*.

1816. At the present moment the whole of the militia reserve are actually available for that purpose?—At the present moment the whole of the militia reserve are actually available. In the emergency of war you could take any number of that 30,000, and send them to India, so that in the case of the mutiny, if we could have had 30,000 men of the reserve, we might have sent those 30,000 bodily to India to increase the regiments serving there.

Chairman.

1817. Is not the soldier more expensive to England in consequence of the cadres being filled up with fewer men in England than in India?—No doubt. Of course, a weak cadre is comparatively more expensive than a larger regiment; but I think it is of great importance to have

Chairman—continued.

have cadres, because then you can expand, whereas if you have not cadres you cannot expand at all.

1818. If you were to have all the regiments filled up to their war strength, it would be more difficult to induce this country, I presume, to keep an army that would be sufficiently expansive for any emergency?—It would be impossible, because a battalion or a regiment is not formed in a day. The nucleus lasting, you can expand it to any extent, and you can raise a regiment from 400 or 500 or 600 men to 1,000 men with the greatest ease; but if you had to create these battalions of 1,000 men, they would not be fit to take the field for at least a year, and probably more.

1819. Then, to keep these regiments in India upon this war footing, and charge them, we will suppose this same cost per man as we pay in this country is of great advantage, financially, to India?—It might be an advantage to India for the moment, to have the regiments entirely upon a war footing; but I think that India would suffer with the rest of the empire, because the security of India would not be so great; because you would not have the means of expanding that you have at the present time.

1820. At present the regiments in India are about 800 strong, I think, which is 200 more than they are in this country?—Yes; and there is no question that regiments in India ought to be stronger than at home, but they ought to be on a peace establishment to a certain extent, and have the means of expansion; and I think it would be a great mistake if you had the Indian regiments on a war footing, and had not the means of expanding them as you have at home; expanding them I mean to a more limited extent, because a regiment is required to be stronger in India, owing to the various duties devolving on it.

1821. But in so far as the Indian regiments include a larger number of men than the English regiments, in so far India gains an advantage by the English establishment, as she only pays in the same proportion?—Most assuredly.

1822. Has your Royal Highness any opinion to offer with regard to the question of the artillery in India; we have had several opinions given here as to the head-quarters of artillery brigades going out to India?—I think it would be a great pity if you altered the present system; you have a very large regiment; you may say the unit is the battery, I admit it; but with so large a regiment, if you do not divide it into a certain number of brigades, so as to get them into a more pliable form, you destroy in my opinion all the *esprit de corps*, the very thing which I desire to preserve; the unit is the battery, but I still contend that the brigades are essential, in order to keep up the *esprit de corps*.

1823. Then is your Royal Highness of opinion that any change could be made with advantage to India or England in the present system?—I think it would be a great mistake if you did; and if you at all look at the organisation of continental nations, you will observe that in every continental nation there are a very large number of regiments of artillery. Now the brigade of artillery is the regiment, and we send the batteries according to the number required; but still we keep up the brigade system in order to keep up that *esprit de corps* which is found

Chairman—continued.

necessary in other armies, and which I do not think we can do without in ours.

1824. Has your Royal Highness considered the difference which short service will make with regard to this question of India; the point is the short time in which the men will ordinarily remain in India compared with what they used to do?—That is a very difficult question, and one which I hardly feel justified in giving an opinion upon; first of all, I have not the necessary local experience, and in the next place I think time alone can show what effect it will have; but certainly, in the abstract, to my mind it appears that the short service will be more expensive; but at the same time there are great authorities, such as Lord Sandhurst, who, in the House of Lords stated the other day distinctly that he did not think that it would have that effect, but the reverse; of course I should be sorry to give any opinion under these circumstances.

1825. Lord Sandhurst's idea was that there were so many deaths and so much invaliding in regiments formerly when they were out for 10 or 12 years, that under the short service system the difference will be very much less than appears at first?—There would be a very simple way of dealing with it; if it is found to be the case, you have only to prolong the service in India; let every man if he likes continue his service for any given number of years, not by force but by voluntary enlistment or re-engagement; and you would never have any difficulty in finding those men, I believe.

1826. And from your Royal Highness's experience you know, of course, that the Indian service is a popular service?—Extremely popular.

1827. And that there is not much difficulty in getting men to volunteer now for Indian service?—No difficulty at all as far as I am aware.

1828. And, in fact, the question of re-engaging in India is simply a question of bounty, but not of men?—Certainly.

1829. And of course there would be an advantage, would there not, in men coming back, and after a short time at Netley being available for the service, rather than coming back used up altogether?—No doubt; at the same time you know there is no doubt also that many men come home from India with impaired constitutions who go on serving, and those men stay at home, and then, *pro tanto*, the home service suffers by the men being sent back from India fit only for home service. We find that to be the case very much with the artillery.

1830. Is that the effect of lengthened service in India?—No, not of lengthened service; but men are sent home from having contracted disease in India; if they are not fit to go back to India they do not go back, but they go on serving, and those men have to be put into batteries or battalions at home, and, *pro tanto*, they are not as efficient men as the men who, not having been in India, and not having contracted that disease, would have been serving either in a colony or at home, and would have been efficient in every point of view.

1831. Not bad enough to be discharged?—Not bad enough to be discharged, but not sufficiently strong to bear the exceptionally hot climate of India.

1832. But I suppose in future those men will ordinarily

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ordinarily be placed upon the reserve, will they not, under the new arrangement?—That depends upon their period of service; if they have served their six years they would, but not if they have not.

1833. Then the average of the Indian service, if the men come home, I presume, will be now from two to three years instead of from five to six years?—It depends upon the time at which they were sent out. If a man goes out after one year's service, he will be five years in India, even under short service for six years; but if he goes out after two or three years' home service, of course his service in India will be only three years.

1834. I suppose a very large number of the men who go out as recruits become invalided or leave the service, have their discharge purchased, or leave from some cause or other, and then their places are filled up by drafts from England of men who have not their full time to run?—That depends upon whether they go out as newly enlisted men, or as men transferred from another battalion; and of course if they had been serving some time in the other battalion they would to that extent lessen the number of years that they would have to be in India.

1835. And that, I presume, is very much a matter of accident?—That is a matter of accident.

1836. Is there any other point which your Royal Highness would wish to give an opinion upon with regard to the general question?—I think it very desirable that I should state very decidedly that I think there has been a misconception upon the point of the officers. I think that four officers for the depôt, two captains and two subalterns, is a very small number indeed, because we have very largely reduced the number of officers in India. We have no reserve of officers in India whatever. The whole of the native army is now put upon what used to be called the irregular system, and which is now the adopted system of seven officers per regiment, and the result is that there is no reserve of officers in India. Consequently I contend that these four officers at the depôts at home form the only reserve which you have of officers for India; and I am greatly alarmed at the idea of the want of officers which we should be suffering from if any emergency arose in India, or anywhere else, because we are so reduced in the number of officers.

1837. Are you referring to the officers in the depôts in England?—The officers in the depôts in England form, I contend, the only reserve that we have of officers for the whole army of India, including the native army; and there is another consideration which ought to be taken into account; many officers suffer in health like the men; if they come home, and can get a turn at the depôt, they can do depôt work, and then return to India; if they could not get a turn at the depôt, they would have to be sent on sick furlough, and you would have to increase, I believe considerably, the number of officers in India, in order to enable a portion of them to be always on sick furlough in Europe; therefore, virtually these officers are actually doing Indian duty, though they are at home, in that point of view.

1838. It is your opinion that the officers of the depôts at home are practically the reserve of the officers in India?—Certainly.

Chairman—continued.

1839. And that since the native army has been reduced to the numbers of the irregular forces, there has been a very much less reserve of officers in India than there formerly was?—No reserve whatever.

1840. That, in fact, in India there are not more officers than enough to do the ordinary daily work, and that in case of emergency you must send from England a considerable number of officers, and that the only reserve from which they can be sent are the officers at the depôts?—Certainly.

1841. And, looking at it in that point of view, the expense of the depôts is very fairly apportioned between England and India, you think?—I think in every calculation of expense that ought to be taken very fairly and fully into account.

1842. And when you say that India should only pay for what she uses, that possibility should not be lost sight of?—Certainly.

1843. Is there any other point of which your Royal Highness thinks as one on which you would wish to express your opinion?—Not that I am aware of; there were some questions raised in the former Committee which I might answer; but I believe you do not go into them; you confine yourselves to other questions, as I understand.

1844. Our order of reference is, "To inquire into charges payable in this country for which the revenues of India are liable," and it was agreed by the Committee that the meaning of that, so far as military charges are concerned, is this: assuming that India requires such or such an army, whether that army has for Imperial purposes, under the direction of the department at home, been rendered unnecessarily expensive to India?—I have nothing more to say on that point.

1845. I have already asked a question which Lord George Hamilton has suggested, but I might ask it again in conclusion. In all those cases in which there is a difference of opinion as to how charges should be apportioned between India and England, I mean a difference of opinion between departments of State, your Royal Highness has already stated, that as far as the Horse Guards go, there is no indisposition to consider all these cases upon their own merits, and to give India every advantage that can be consistently given in the matter of charge?—Most assuredly.

Sir *Henry Havelock.*

1846. Your Royal Highness has answered almost every point which I desired to ask, but there is one thing which I should like to bring out a little clearer. A great deal of reference has been made in the correspondence from the India Office to the comparative merits of the former Warley system. As between such a system as that and the system now in force, I suppose your Royal Highness would have no hesitation at all in giving the preference to the present system?—Certainly; in my opinion the other was no system at all.

1847. It caused a large number of recruits to be congregated in depôts where they were under very few officers; whereas now, from the moment the recruit enters the depôt he comes under the supervision of his own company officers and non-commissioned officers?—Yes. I believe everything

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thing which could be done was done at Warley, that the authorities did as much as they could. I have been down there, but I never had anything to do with it; but it was merely a question of getting the men, furnishing them, and sending them out as fast as they could; there was no organisation of any sort or kind.

1848. Your Royal Highness considers that the present reserve system, which keeps at home a reserve numbering now about 39,000 men, and which will increase every year, is, of course, of immense advantage to India, by enabling a reduced force to be kept there in ordinary times?—Most assuredly; and therefore I have always contended that the regiments in India should not be on a war footing in time of peace, though it should be on a considerably increased footing for ordinary peace purposes in India, as compared with what its strength would be at home.

1849. And it is also a fact that at the present time India does not contribute any portion of the expense of that home reserve; although she benefits by it, she does not contribute to it?—No.

Sir *George Balfour*.

1850. Your Royal Highness has declined expressing any opinion with regard to the influence of the short service system upon the finances of India; but it has been justly remarked that it is very easy to induce men to volunteer for service in India. Is your Royal Highness aware of any obstructions at the present moment to menvolunteering for service in India?—Not that I am aware of.

1851. Your Royal Highness remembers the recommendations of the Committee over which Lord Dalhousie presided?—Yes.

1852. That Committee went very carefully into that question, and it showed that the Indian Government had always the power to give bounty to men volunteering; but the power as regards men re-engaging was fixed by Royal Warrant?—Yes.

1853. Your Royal Highness would remove all obstructions to men volunteering to extend their service?—I am not aware that there has been any obstruction put in the way.

1854. But if any obstruction does exist with regard to the Royal Warrant, your Royal Highness would see no objection to modifications being made as regards India?—Most assuredly; I think it would be an advantage.

1855. Your Royal Highness is aware that men very freely volunteer from one regiment to another, on their own regiment being ordered home?—Yes.

1856. And that large supplies are obtained for regiments remaining in India by means of that system?—Very large, and the best.

1857. Then, practically speaking, the short service system is a question of expense to India, and nothing more?—I should have fancied so, I confess.

1858. Your Royal Highness mentioned that the present system is infinitely better than the system at Warley. Would you be good enough to state in what the superiority of the present system consists?—The present system is that the men are organised into soldiers as soon as you can possibly get them sufficiently advanced to be so; whereas at Warley they were merely taken as recruits; everything that could be done was done at Warley, but inasmuch as there were no

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officers, and no organisation whatever excepting that of keeping them in order, and cleaning and dressing them, and drilling them as far as you could; in fact, they were sent out merely as so many recruits to join their regiments, when of course they had to become soldiers.

1859. Then your Royal Highness assumes that the men who go out at the present moment, and for the last few years past, have been properly trained?—They ought to be; but I know that a great many are not, because we have not the means of keeping them long enough to train them; and it is one of the things which I have regretted, that we have not had authority from the India Office to train men sufficiently long. We do not get authority sufficiently early to raise men for the next year's draft. I contend that we ought to get it at least six months in advance, and nine months would be better, and then we could give efficient men.

1860. If I mention that out of 13,640 recruits to India in the last four years 3,930 were short trained, that number would not surprise your Royal Highness?—I cannot answer for the number, of course, but it is very possible, and for the reason which I have given; and I know that I have frequently expressed the strongest regret, as far as I could without, of course, interfering, that we had not authority to get these men for the Indian depôts in time for the next year's recruiting season.

1861. If your Royal Highness remembers the period, the period for training is 10 months for the cavalry soldier?—Nine months.

1862. There was one month which your Royal Highness added on, for some reason; then, when I mention to you that a very large number of cavalry soldiers during the last four years have gone out to India with exactly one half the period of training, would that surprise you?—I have no doubt it is true, and I very much regret it; but it is because we cannot get authority to raise the men earlier.

1863. Then your Royal Highness would not be surprised to find that some men have gone out with even less than a month's training at the depôt?—I have no doubt that may have been so, and I regret it most deeply, and should like to see it improved. If the authority comes to us at the proper time, we shall be prepared to send the men. There is a difference, it must be remembered, between a conscript army and an army which you are obliged to raise in the market. If you have a conscript army, you say all men of such an age are to come and serve for such a time, and you get them to the day. If you go into the market, you have to find out where you can get the men. Very often it is in summer time, the worst time for the purpose, that we have to raise the recruits for India for the next season; whereas, if we could raise them in the winter, we should have all the men properly trained; but we are not allowed to get them then.

1864. Your Royal Highness is prepared to hear that out of 2,273 infantry recruits whose rolls are available there were 1,345, or more than half of these, that went out to India with less than three months' training?—I could not answer for numbers, but I know there were many more men sent only partly trained than I could have wished, because I should not like a single man, if I could help it, to go out under those circumstances. Then I should like to state to the Committee another point with

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reference to this subject. We are very much pressed in this way. For instance, we are called upon for an estimate, I believe at this moment, as to what amount of transport we shall require for the number of men that we want to send out to India next winter. We give the estimate, as far as we can; and perhaps when the time comes we cannot get the recruits; the transport ship is consequently 40 or 50 men short. The India Office says, "We cannot allow this; you must fill the vessel up"; and we are actually obliged to telegraph down, at 24 hours' notice, and say, "Take every man you can lay your hand upon, and fill the ship," because otherwise a difficulty is made on financial grounds.

1865. I hope your Royal Highness will allow me to say that, in asking these questions, I fully concur that it is not desirable to live on the hand-to-mouth system, and that I hope that one of the results of this Committee may be to render the system more efficient; and, as your Royal Highness said, efficiency and economy are synonymous?—I wanted to explain how it is that, whilst I advocate sending out the men efficient soldiers, it has happened that men have been sent out who, in my opinion, ought not to have been sent out, for the reasons which I have given.

1866. Your Royal Highness has expressed a decided opinion connected with the strength of the present depôts; the depôts have varied very considerably during the last 16 years?—Yes.

1867. Will your Royal Highness let me recall to your recollection the depôt strength before the mutiny, which was only 16 in number for each depôt; it was one company if your Royal Highness remembers?—It was one company, one captain, and three subalterns; so that, virtually, there were no more officers then than there are now, only now there are two captains and two subalterns, whereas then there were one captain and three subalterns.

1868. At that time the regiments were close upon 1,000 rank and file strong in India, and yet upon the statements which have been published, I refer particularly to the War Office, it is quite clear that the regiments with that small depôt were kept far more complete than they have been with the larger depôt?—I cannot conceive how that can have been done. I think they must have had some other mode, by volunteering or otherwise; it is utterly impossible, it seems to me, that it could have been done in any other way, though I am not prepared to answer that question.

1869. I see that up to the war with Russia the regiments of cavalry had supernumeraries in India except for two years; in one year they were two deficient, and on the 1st of January 1854 they had 254 deficient; that was owing to the Crimean war?—I can only speak from my own experience, and I can only say recruiting must have been very different in those days from now. It is utterly impossible to do it now.

1870. Supposing my statement to be correct, the fact is that with that small depôt the regiments in those days were kept more complete than they have ever been of late years?—As I say, I cannot account for that, because my experience is exactly the reverse. If it is so I can say nothing against it beyond the fact that you cannot do it now.

1871. Then with regard to the last 10 years, your Royal Highness will be prepared to hear that the army in India has been upwards of

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4,000 men, upon the average of years, below its establishment?—I cannot answer for those returns at all; I do not know what those returns are.

1872. They are returns which were published in the War Office Estimates for a series of years, and ceased to be shown from the 1st of January 1854?—That only strengthens my argument, give me time to get the recruits and you will never be a man below the establishment.

1873. Under that system to which I have referred your Royal Highness will remember the practice was to disregard the fixed establishment, and to allow recruits to be obtained for the army in expectation of their being needed?—Exactly so.

1874. Then I understand your Royal Highness's views would extend in the same direction?—Certainly; I think that we ought to be allowed even to go beyond the establishment. If we cannot get recruits prepared in time for the recruiting season on the present system, I think we ought to be allowed to take men in excess in order to be prepared when the recruiting season comes to keep up the establishment in India to the full strength.

1875. Having the cadres for the depôts, and having the cadres for the regiments in India, your Royal Highness considers that the mere pay of the recruit is a very small addition to the expense in comparison with the great degree of efficiency which would result from having the regiments always complete with men?—I think it is essential that the Indian regiments should be to a certain extent on the cadre system, as are the regiments at home, but to a less extent, as I explained before, because I conceive that the duties in India are always considerable, and that, therefore, a very weak regiment would be very misplaced in India; but I say that to have a large regiment, merely because it is cheaper, in time of peace, would be very bad policy for India or any other portions of Her Majesty's empire.

1876. But whatever establishment may be fixed upon for actual service in India, your Royal Highness insists that that establishment ought to be maintained complete and effective?—I think it ought to be maintained complete and effective, if we are allowed to recruit men at the proper time in order to get them; but if we are not allowed to recruit men except in the summer months, I believe you will find it will be impossible ever to keep those regiments up to their strength. Summer is the very worst time for recruiting; the autumn, spring, and winter are the best, and we lose all that, and we are not allowed to take men till within six months of the time of their going abroad, which begins about the 1st of October.

1877. Your contention is that it would be in the interest of India and of economy to allow that extra number of men to be enlisted and prepared for service abroad?—Yes; and if you were to give every man all round, infantry and all, a year's training, I do not think it would be too much (though you can turn the infantry soldier out in six months), not necessarily for the purpose of making a soldier of him, but I think he would be a more efficient man, and you would then keep up the strength of the regiments.

1878. Your Royal Highness mentioned that you do not think that the present depôts could be improved. May I recall to your Royal Highness's

Sir *George Balfour*—continued.

Highness's recollection the alteration of the depôts, which you assented to in 1861, from 220 to 120, while the depôt was calculated to train 80 recruits per annum?—I think that was a good establishment, 120, and I think it is a great misfortune that we have gone off from that.

1879. When I mentioned to your Royal Highness that, instead of 80 recruits having been trained per annum at each of the depôts, the average of all the depôts has not come up to more than 40 recruits for each, that is a considerable difference?—I cannot tell you as to the numbers, for I have not got the statistics before me.

1880. Supposing that to be the fact, your Royal Highness will admit that the work done by the depôts has not been equal to that which was calculated upon?—No; but for the reason which I have given, because you have not given us time to do it properly. If we have time to do our work properly, we can do it; but if we are stinted in time, only beginning to recruit six months before embarkation, because you do not get the men in the six months recollect, you cannot carry out the object which you have in view in the period.

1881. When I mention to your Royal Highness also that, practically speaking, the average number of men turned out by the cavalry depôts has not exceeded 10 during the whole period, your Royal Highness will admit that either the recruits have been too few, or that the depôts have been too strong for the work done?—Certainly; at the same time, I am perfectly astonished to hear that, for I am in the habit of seeing the cavalry depôts for India every year, and I generally see 700 or 800 men there.

1882. The statement from which I have taken my figures is one which has been given to this Committee. In the seven years there were 753 cavalry recruits sent to India, which gives you upon the average 93 per annum, and during that period there were 11 regiments in India, which makes nine per regiment?—I cannot account for that. Of course, if I had been aware that these questions would have been put, I would have gone into the matter.

Mr. *Stanley*.

1883. I should like to ask your Royal Highness whether it is not the case that in some years there are no demands made at all for men to fill up?—That is so.

1884. And, therefore, an average taken over a term of years would hardly be fair as representing the producing power of the depôts; whereas in one year perhaps comparatively few men are required, in another year you would want to send out a very large number of men?—Certainly; it depends entirely upon local circumstances, first of all the climate; but even supposing that the climate, on the average, was much of a muchness, there is the question of volunteering; one regiment coming home may give a great many volunteers to the regiments going out; if they do, we do not want to send out so many recruits; and it is possible in those instances that very few have been sent from that cause.

1885. Therefore the number of men furnished only show what the Indian requirements of the moment are, and they do not show in any way what the total producing power of the depôts is?—No, I think they do not.

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1886. But in the year 1862 the established strength was 60,041 men, the effective 58,438, and so on with every year for the whole series, until in 1867-8 the establishment was 65,292, and the effective strength was 56,831; so that we were in that year nearly 9,000 men below the establishment?—It is possible. I cannot answer for the Returns, of course, but it is very possible that it may be so. All I can say is, if it is so the only way to account for it is either that recruiting generally has been very bad, or that we have not had time to raise the men and to send them out at the proper period; and, as you know yourself, we are not allowed to send the men except at proper periods, when the climate as regarding the health of the men admits of it.

1887. I myself distinctly recommended that the establishment should be increased at home in order that the establishment in India should be maintained in that way?—Certainly; and if we could only have authority, as I said before, to raise the men at the proper time, I think you would find that there would be very little difficulty in keeping up the establishments; but we cannot do it unless we have full time to raise the men.

1888. I would ask your Royal Highness in reference to the question of the honourable Member the Financial Secretary; your reply might be understood to mean that no demand was made from India for recruits, and therefore they were not sent out?—I cannot answer how that has arisen, but it is possible that it may have arisen in that way, because, of course, there are years when fewer men are required than in others.

1889. The importance of the question is in this respect, that India pays England for all expenses at the rate of 13 *l.* 10 *s.* for every man effective in India; during the nine years the establishment was 547,389 men; and the effectives were 508,401; that is for the years from 1861 to 1868-9; so that your Royal Highness will see that during that period India could have been supplied with more men if your Royal Highness had been furnished with the means of supplying them?—As I said before, I cannot make myself responsible as to how that has arisen, because I know nothing about the circumstances; if I had had time I might have looked into it. If it is so, that we had not the men to send, no doubt that is the explanation, but I cannot answer for that being so. It entirely depends upon what was the cause of so few men being sent out; and it is possible, as has been suggested by one of the Members of the Committee, that there may have been a less demand for recruits in one year than there has been in another, which frequently happens, for the reasons which I have given.

1890. But your Royal Highness being thoroughly acquainted with the army would know that, if in every year the effectives have been far below the establishments, it would follow that the recruits might have been sent out if they had been actually available and ready for service in India?—If they were available and fit for service, I have not the slightest doubt that they would have been sent if they were there. Therefore if they were not there there must have been some specific reason why they were not; but I cannot answer for what the reason was.

1891. I will ask your Royal Highness's attention again to a return which Sir William Mansfield, now Lord Sandhurst, obtained and published to the

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the world in his speech in the Legislative Council at Calcutta; he obtained it in March 1870, and it was prepared with the usual care, and by that it appears that the establishment at that time was 61,634 men, and that the actual strength was only 55,333, being a deficiency of about 6,000 men in the strength of India?—It depends upon dates. It may have been before the trooping season, or for some reason of that sort. That statistical return may have been given in during the summer, when there had been a great drain, and the men would be preparing for going by October, and possibly at the end of the year all those may have been filled up; I cannot say how that was; but I certainly cannot understand that you should have been so short of men continuously in India.

1892. I have since verified that return, and I find that the strength was drawn up from returns dated February, so that the very time at which the returns were taken was the very time when it might be supposed that the strength in India was more complete than usual?—Drafts are sent till the month of March; and allow me to make the remark, that it frequently happens that drafts in India are a long time before joining their regiments. They are on the march up, and it takes a long time before they join. There may have been a discrepancy in that respect, though I cannot say that this was the cause.

1893. I was anxious to put these questions to your Royal Highness with a view to the future, and at the same time to beg your Royal Highness's consideration to the fact that a system was in force for 10 years called the capitation rate of payment, and that payment was to be made upon the effectives in India, and that in consequence of these effectives being kept so much below the establishment the War Office have lost 550,000 *l.* during the nine years that it lasted. It was with that view that I wanted your Royal Highness to say whether other arrangements, and better arrangements, could have been made by which that great loss might have been saved; therefore a small expenditure during that period to have enabled your Royal Highness to obtain men in time for recruiting would have enabled you to have swelled up the regiments to their full strength?—I am quite sure that if more latitude can be allowed to us as regards the period of recruiting up it would be a great advantage, and I believe in the long run it would be found an economy.

1894. I am not about now to praise the Warley system; it is a defunct system, and there is an an end of it; but still, as a mere matter of truth, I would mention to your Royal Highness that whilst the men apparently during the period that Warley was kept up were supplied to the East Indian Eropean force in India, after an average period of four months' training, it would appear from a casual statement that the time of the men at Warley was fully 90 days, or three months; therefore the discrepancy between the two systems, as far as detaining men at the depôts is concerned, was not very great?—I know nothing about the arrangements at Warley, though I have been there, because they were not under me.

1895. We have had a great deal of evidence given with regard to the comparative popularity of the Indian service. Your Royal Highness has already mentioned that that service is exceedingly popular?—I think it is very popular.

1896. Your Royal Highness will remember,

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that when the mutiny broke out the recruits came in, as your Royal Highness termed it, by shoals for service in India?—Yes.

1897. The infantry, especially, was raised up to a higher establishment than it ever attained during the Crimean war?—Yes.

1898. And you found great facility in obtaining recruits at that period?—We had no difficulty as far as it went; men had to be got in a great hurry because a large number were required, but a very large number were recruited.

1899. Your Royal Highness stated, did you not, that it would have been desirable to have militia recruits available to send out to India at the time of the Mutiny?—Militia reserve men I said, not the recruits. There is now a system of militia reserve, I said, that if you had those reserve men who are available for a time of emergency, you could have sent out any number which it was thought desirable, to increase the regiments in India, which you could not do then except by recruiting.

1900. Your Royal Highness would have been very glad to increase the Indian regiments early in 1857?—Yes.

1901. When I mention to your Royal Highness that with the two regiments of infantry withdrawn from India for the Crimean war, and with the numbers deficient in our Indian army, there were upwards of 6,000 men wanting to complete that establishment on the 1st of January 1857, your Royal Highness would have been glad to have raised up that strength to the full establishment?—It would have been much better if they had been there, of course. I think it is a great mistake ever to reduce the garrison in India to such an amount as to endanger the security of that country; and therefore when it is put forward that it might be considered possible that you would take European regiments in India as a reserve for Europe, I say that you might, to a certain extent, do so for general purposes; but I do not think that any Government would be justified in denuding, or would assume such a responsibility as to denude India of troops to any extent whatever; indeed, I should prefer never to see a man removed from India, from the ordinary Indian garrison of European troops.

1902. But your Royal Highness is aware that two regiments of cavalry and two of infantry were withdrawn from India in 1854, in spite of the earnest and urgent remonstrances of the Governor General?—That is a great question of policy, which I hope the Committee will not require me to give an opinion upon; but I may have my opinion on it, and I have said before that I would never denude India of troops at all, of European troops most assuredly not, nor of troops in general.

1903. At the very time when the mutiny was progressing 5,000 men were absent from India in Persia, which still more denuded India of European troops?—As I said before, that is a matter of policy which I do not think I am called upon to give an opinion upon; but I again repeat that I never would denude India of European troops.

1904. Having regard, therefore, to the interests of India, and bearing in mind that there were 6,000 wanting to complete the establishment, could you call to recollection how it was that the supernumerary men who came back from the Crimea

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Crimea were not called upon to volunteer for India?—I did not know that it was so; but I take for granted that the Indian establishment was up to its strength when they came home; but I should imagine that if they were not up to their strength at that time, they would have called upon them. There may have been some financial reasons, but I cannot tell what they were.

1905. The question which has been put with regard to the artillery organisation had reference to the great expense of the colonels and fixed officers of that corps, in consequence of the head-quarters of brigades being there?—I think that India ought to share in what is considered the organisation of artillery, as well as any other part of the service. You might as well say that a regiment should only go out by companies instead of by battalions. It might be cheaper to do that, but that would be no military organisation. In the same way as regards artillery, if it is thought advisable for organisation purposes that the artillery should be divided into brigades, and if a certain expense attaches to the head-quarters of those brigades, India should take its share as well as England.

1906. But looking at the large amount of pay and allowances to the officers of high rank in India, does your Royal Highness see any mode by which India, whilst sharing in the proper expenses connected with organisation, could yet be spared some portion of that vast expenditure now incurred in consequence of the large number of field officers?—No; I think that India ought to take its share. As to allowances, that is a local question. I presume they are not in excess of what is thought proper; and if they are large, of course India must bear the expense; but that is no reason for an alteration of organisation in India.

1907. The question was rather a financial question, whether you saw the means by which the number of colonels and field officers now employed in India could be reduced to the number actually necessary for the command of the artillery force there?—Certainly not, because if you do not pay them in India you would have to pay them at home, and the home Government would have to pay more than they required, because in that case the Indian Government would not pay their share. If the organisation is bad, change the organisation. I contend it is good, and therefore I say do not change the organisation; and therefore you must put upon India that portion of the expense due to her according to the amount of artillery she maintains; and you must bear in mind that the artillery in India is large, only relatively, because the European artillery is the only artillery in India, and supplies the requirements for the whole army; in war you take account of the whole bulk of men, and if you take that into account, you must take the native troops into account as well as the European troops.

1908. But I am not gainsaying the proportion of guns to the force in India, because I myself go fully with the higher proportion; neither is it for the purpose of India evading any portion of that expenditure which she ought to bear in proportion to the share which she has; but with reference to the detention of some of the colonels and field officers at home, and paid for by India, instead of being sent to India in greater numbers than the wants of the service require, and where they are receiving nearly double the pay which they would receive at home?—The only answer to that is, that you would have to reduce the superior ranks in the artillery in order to do it, and if you do that you upset the whole organisation, and you will get into a worse state as regards promotion. Now you know one of the difficulties is to get a flow of promotion in the artillery, and if you reduce the upper ranks of artillery for these purposes, you *pro tanto* diminish the chance of a flow of promotion throughout the corps, and I think on that ground alone I should say it was quite justifiable to leave India to pay her fair share of the expenses deemed necessary for the artillery at home or abroad.

1909. It is more a limitation of the number of colonels and field officers that I am now going on; we are anxious to know whether it is possible to locate some of the colonels and field officers belonging to brigades in India in England, instead of in India, still making India pay?—No; because that would be assuming that you do not want these officers, and I say that you do want them; then the next step would be, of course, that if you did not want the officers you would not maintain them; you would not maintain officers at home doing no duty at home; my own opinion is, that that would be a much more unreasonable proposal than mine, which is to send a full complement of officers to India, and make India pay her due share of such officers, rather than upset the organisation, by which you would upset the organisation, not only in India, but of the corps for all purposes at home and in India.

1910. Your Royal Highness has seen to the distribution of officers, and it is within your Royal Highness's knowledge that two or three field officers have often been at the same station with only one battery?—I think there has been great want of good arrangement in that way, but I do not think that the system was very much appreciated, and the result was that it never was carried out properly; but if I had had my way I confess that I should have placed them in a different position; but as I never interfere in those matters, leaving them to the local authorities, I only say that different arrangements might have been made, and that the *nuances* which have now come out in rather peculiar form would not have come out if the officers had been posted in accordance with other views.

1911. Does your Royal Highness remember that report drawn up by the present Lord Sandhurst, and into which your Royal Highness entered with great care and minuteness in your reply?—I was referring to that when I made my reply just now. I think if I had had the manipulation perhaps I might have placed the officers in a different position; but, at the same time, it is very delicate ground for me to give an opinion upon, because it is entirely a local question on which I do not like to give an opinion. As to locating the field officers in India it is not my province or my business.

1912. Still your Royal Highness's opinion, which is so valuable for the guidance of the Secretary of State, was called for on that occasion?—I gave my opinion, and I think I did say that I thought the officers might be somewhat differently located; but I am not quite certain whether I said that.

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1913. Still, under any circumstances, if your Royal Highness had had the supervision of the distribution of the army in India, changes would have been made? I think that it would be very easy to make an arrangement which would meet the difficulty. I have had to do it here, and have never had much difficulty in carrying it out, and I see no reason why it should not be done in India.

1914. We have also had before us a statement connected with the promotion of the first captains of artillery to the rank of major, and the Secretary of State, who made that change, expressed his opinion strongly that he considered the command of a field battery the proper command for a major. Does your Royal Highness concur in that?—Of course in modern times there is a great deal to say for it. I do not say it is absolutely necessary, but I would certainly not give any adverse opinion to it. No doubt the batteries have become much more important; they are stronger; there is a great deal more scientific knowledge required, and the position of an officer commanding a battery is a very important one, and I think we are justified in having a field officer to take that duty.

1915. Your Royal Highness may have heard that an increase of cost to India to the very large sum of about 40,000 *l.* has been occasioned by that change?—I understand so.

1916. Does your Royal Highness consider that the command of a garrison battery with 75 men is the proper command for a major?—There is the difficulty, and that is the reason why it is a question that may have two sides: but you cannot make a distinction between the two services, field and garrison artillery; every officer passes through the college, and they all start on an equality, and you try to get them to pass through the regiment on an equality, and if you do not you get discontent and heartburnings; and as you do not wish to sacrifice the garrison artillery to the field and horse artillery, it is essential that they should be kept on a footing of equality; if you say the garrison battery shall be only commanded by a captain and the field battery by a major, I am afraid that you would find that would lead to such intense dissatisfaction and ill-feeling, that it is better to make the sacrifice of a little expenditure, even if the necessity should not be quite clear.

1917. I agree that contentment is very necessary, but looking at the great expenditure borne by India, and the heavy burden on her, the Committee have in this and previous Sessions been considering in what manner these burdens could be lessened. Does your Royal Highness think that taking a garrison battery with five officers, one of them being a major, and having 75 men only, some economy could not be effected by doubling up these batteries?—I think you ought not to alter the organisation. I think the organisation that is proper for home service is also suitable in India.

1918. There is no virtue in 75 men for a garrison battery?—Seventy-five men is not the establishment at home; it is very much larger now, but it fluctuates according to our wants; but I presume that the wants of India generally require 75 men to a battery.

1919. But your Royal Highness has never given your special attention to the question as to what the proper complement of a garrison battery should be in India?—I conceive that it should be whatever the local requirements demand. In time of peace I think 75 men for a battery would be a very fair proportion; of course, in time of war that battery would at once be increased to 120 or 150 men if you required, with the same nucleus of officers and non-commissioned officers; whereas if you had to raise that battery, and form these officers and non-commissioned officers, it would take you years. I have just been reminded that the garrison battery in India is 87 men now.

1920. Is that all ranks?—Yes; with reference to that question about five officers in a battery, I can only tell the honourable Member that the complaints which we have from India of the want of officers for batteries are such that constantly we hear of batteries with only one officer, such is the drain upon officers.

1921. Then it would be advantageous to double up these garrison batteries, and by that means have more field officers with them?—I would not double up any batteries at all; that upsets all the organisation; the point which I dwell upon most is, adhere to your organisation; if the organisation is bad, amend it, but do not have a different one for home and for India.

1922. Your Royal Highness insisted, 12 years ago, that the organisation of the regiments at home and in India should be similar in all respects?—Yes.

1923. But your Royal Highness will bear in mind that, on looking over the Army Estimates for the last few years, you count 38 different establishments of infantry of the line during that period?—I am sorry to say it does fluctuate very much; but it is a very bad thing that it should do so; we have had a great many changes, but I hope we shall have no more, and if we can avoid it it will be a great advantage.

1924. Your Royal Highness will bear in mind that on the war with Russia breaking out it was distinctly intimated to the House of Commons (the first time that such an intimation was made) that an infantry company should be 125 rank and file, and that the regiments embarked for the Crimea were of that number?—But if you have that establishment in peace, you have no means of increasing it for war; and the great object is to have such an organisation that whilst in peace you keep up a very small nucleus, that nucleus is so arranged that at the moment of a war breaking out (and wars come very suddenly now-a-days) you can increase the establishment and be in security; whereas, if you have large establishments and no cadres, it is of course destructive of everything; and it is the principle on which every army in Europe is being formed; and if those conscript armies are so formed, surely it is much more necessary with ours, because we have to go into the market and bid for men. The only men we can really put our hands upon are these 30,000 militia, and the reserve, calculated to amount at present to 6,000 or 7,000.

1924*. Does your Royal Highness remember that in the war in the Crimea the infantry establishment was raised up to 160,000 rank and file, and that the whole expense was incurred by the country for that establishment; and yet the infantry never came up to within 40,000 men of that establishment?—That is exactly what I find fault with. But if you have such a system that you

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you have not the means of filling up cadres, you really have no security, whereas if you have cadres and the means of filling them up, you have a security; and it is on that ground, and that ground only, that I say, give me cadres during peace as low as you can have them, in order that you may fill them up when an emergency arises at a moment's notice. In the case of the war in the Crimea, we were not in that position, and consequently could not get up our numbers rapidly.

1925. Your Royal Highness remembers that we had 49 battalions in the Crimea, and these never mustered more than 33,000 rank and file. Those 49 regiments never came up to more than two-thirds of the whole strength?—I could not say as to the exact number, but I have no doubt they never did.

1926. Your Royal Highness has answered very decidedly that bounty for re-engaging and bounty for volunteering is quite an allowable measure by which men may be induced to give their services in India?—Yes.

1927. May I ask has your Royal Highness ever interfered with the volunteering of the artillery batteries; has your Royal Highness forbidden bounty being given to those men belonging to a battery ordered home who are willing to remain in India?—I could not answer this question offhand. They are the same regiment, and therefore it is quite possible that you do not give bounty. You give bounty when a man volunteers from one regiment to another, but as the artillery form one regiment, I think the men are transferred without bounty. I could not, however, answer the question offhand.

1928. But, in a military point of view, would you see any objection to bounty being given to those men?—I think it is objectionable, because in the artillery we have a very large regiment; we are obliged to make up batteries suddenly, and transfer men; and if you at one time transferred men, and at another time gave bounty, the men transferred would think that they had a grievance; so that it would amount to this, that every transferred man would expect a bounty.

1929. You think it would cause inconvenience?—I think it would cause great inconvenience in the corps; in fact, it would really do away with the power of transferring men. If you give bounties you cannot transfer, for no man would understand the difference between transferring and bounty; they see one man getting a pound and the other nothing; and they do not understand why that is.

1930. In the infantry, however, there is not that objection?—Because men volunteer from one regiment to another. If you take a man from the 10th into another regiment, you cannot force him to that; but you can in the other case of transferring men, as in the artillery.

1931. In the course of our inquiries at Aldershot, on the Recruiting Commission, we reported that it would be easy to induce nearly the whole service to volunteer for India with a bounty?—No doubt.

1932. And a small bounty has been occasionally paid for men to volunteer from regiments?—I have no doubt that you could get any number with a bounty. Bounty has been now more or less abolished, because men are transferred; but if now you were to take men from one regiment

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or from one brigade depôt to another, you would have to give them a bounty.

1933. Would your Royal Highness see an objection to a bounty for men volunteering for India from regiments in preference to allowing untrained lads to be sent out?—I am afraid it will happen, if we do not take care, that we shall have nothing but an inefficient army left in England. If you only draw in that sort of way, and send all the weeds home, you will have no army at home at all, and none but the efficient men in India; and that would be very dangerous, I believe, for the empire.

1934. Looking at the small number of recruits required for the infantry at home, about 1,800 or 2,000 every year, would that number, withdrawn from regiments by volunteering, be a serious objection?—I think it would be objectionable, and I think that India ought to take its share, and every regiment ought to have a certain proportion of older, and a certain proportion of younger, men; and provided those men go to India in an efficient state, they ought to take their due proportion of recruits.

1935. But, as a fact, the service of the men in India is much longer than the service of men in the battalion at home?—Yes, I think so.

Chairman.

1936. One question I wish to put to clear up a doubt. I think you said that you were not allowed to recruit except in summer?—It is not because it is summer, but we are not allowed to recruit for Indian purposes until six months before the period of the trooping season, which begins in the month of October. If we are only allowed to begin then it is the worst time of the year for recruiting, because it is the harvest time, and during that time we get very few men; and if we could recruit in the winter, no doubt we should get many more, and a better class of men.

1937. When your Royal Highness says that you are not allowed, I suppose it is because you are not allowed to keep them in the depôts more than a certain number of months?—That is the reason. We ask authority to get men for the recruiting season of the next year, and when we get it we begin to recruit. We have occasionally (I do not say it is so now) got the authority as late as the end of May, and that has been a most objectionable arrangement.

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1938. That difficulty will not arise in future under the present system, by which a man is recruited for a brigade of two battalions?—To a certain extent it will not, but, as you are aware, you must treat that system very cautiously. I hope that by degrees it may come into operation, but at present the men have a very great objection to be transferred from one regiment to another; of course the transfer only affects the younger men. The older men you cannot deal with in this manner, because they are enlisted for a particular regiment, the younger men you can; but even in these cases I should be very tender as to how I applied the new system. You have the power and would exercise it, no doubt, should the necessity for it arise.

1939. A man is enlisted for a brigade; after he has completed his preliminary drill at the depôt, he will be transferred to the home battalion?—He goes to the home battalion.

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1940. So that when you come to make up the drafts for India, you can make them up from the home battalion generally?—You can; but still I am of opinion that you must not rely too much upon that; I still think you would take care that the great bulk of the men to be sent out would be men who were originally told off to the service battalion, and you would try if you could to take those very men, and send them to India, taking care, of course, that no objectionable recruits, such as men of one month's training, should go.

1941. In the earlier period of their service, at all events, they would not have become very closely identified with either of the battalions?—No.

1942. Of course your Royal Highness would not think it a safe or proper plan to take all the old soldiers from the home battalion, and send them to India, leaving nothing but recruits for that home battalion?—Nothing could be more objectionable.

1943. But, so far as it can be worked, that system will act in mitigation of the evils which you have alluded to?—Yes, certainly, and as a principle it is very sound; but, as we have not conscription, we are obliged to see how we can get men best, and if they will not come on one principle we must adapt ourselves to the principle on which we can get them.

1944. Even under the circumstances to which the honourable Member for Kincardineshire has alluded, when so many men with less than what is considered the proper amount of training have been sent to India, the report from India on the recruits has been favourable rather than otherwise?—Certainly, it has been favourable latterly.

1945. I do not know whether your Royal Highness has seen the letter which we have before us in the correspondence from the Indian Government, in which this passage occurs, "In comparing the present with the former cost of recruits, it is admitted that those now sent to India are, for the most part, more perfectly trained, and consequently more valuable than the half-trained recruits formerly sent to India"?—Certainly; that I believe is a perfectly sound view of the case, and it entirely bears out my view of the training of recruits before they go out.

1946. If I mistake not the medical reports on the health of the army in India have also latterly been more favourable than they were before?—Very much more favourable.

1947. Even with regard to recruits, the younger men?—Certainly.

1948. I think your Royal Highness stated your opinion that while rules have been laid down in accordance with the resolution of the House of Commons, as to 20 years of age being the limit for recruits to go to India, the same object is attained if a younger man is enlisted and kept in a regular life and on good food, and in a healthy mode of existence for about a year?—My own impression is (and I think I may say it is borne out by the medical view) that a man is a better man in that condition than a man whom you take at 20, because the generality of those men that you take at 20 are decrepit in some way; they are broken down men either morally or physically, and they are not the same description of men that you get at 18 or 19, when they are fresh and young and hale; and if those men get a certain amount of good food and keep, they are better men as early as 19, or even 18, than a man at 20; though I admit, on principle, that the resolution was a very prudent and judicious one, and that a 20 years man would be the right man; and if you had conscription and could make men go to India at 20, I would make men go to India at 20; but as you have not got it you must accept the other arrangement.

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1949. With regard to the force in India being below the establishment, there was one point to which I think no allusion was made; is it not the case that when a regiment is coming home your Royal Highness sends out no drafts for some time previously?—Yes.

1950. Even as long as two years before?—Two years I think it is.

1951. So that, if at the time alluded to there were five regiments a year brought home, that would be 10 regiments which were purposely kept below the establishment for that reason?—Certainly; and that would account for a considerable diminution in the aggregate number.

1952. And, in fact, under that state of things, which still continues, for the reduced number of regiments brought home now the nominal establishment in India will always be above the actual establishment on that account?—No doubt.

1953. That would account for some portion of the discrepancy?—No doubt that would account for some portion of that discrepancy.

1954. Some questions have been asked with regard to the organisation of the artillery; that question was raised, I think, in 1870, by the Government of India?—It was in 1869, I think.

1955. They made certain proposals with reference to the infantry and cavalry, and with reference to the artillery, and others with reference to the native forces?—Yes.

1956. Now, with reference to the infantry and cavalry, I think your Royal Highness advised the Secretary of State for War to object to certain parts of the Indian Government's proposals, but to substitute other proposals, which have been carried out, and which are, in your Royal Highness's opinion, more conducive to the efficiency of the army, and at the same time quite as economical for the Indian Government?—I did so. I gave advice which was rather adverse to one point that I have stated here, which is that the whole organisation of the army should be on the same principle; because I then advocated that there should be seven troops of cavalry only in India, instead of eight; but I did that on this ground, that we could not have reduced them without reducing one or more regiments, and it was considered so very objectionable (particularly as the regiment would have been one of the Indian regiments) to make that reduction, that rather than take so harsh a step (because it would have amounted to that, it would have ruined the officers), I suggested that we should reduce a troop of all cavalry regiments in India, which brough down the expenditure to the extent required by the Indian Government.

1957. And with reference to the infantry, what was done?—With regard to the infantry, every battalion was reduced by two companies.

1958. The artillery question was more complicated?—Yes.

1959. Is it not the case that with reference to the organisation of artillery there is very considerable

Mr. *Campbell-Bannerman*—continued.

considerable difference of opinion?—Very great difference of opinion.

1960. That, in fact, distinguished officers, well acquainted with the subject, differ?—Certainly. There are many officers who do not like the brigade system, and who wish merely to have the battery unit. My argument has been the other way, based on the opinion of many distinguished artillery officers, certainly very strongly confirming my own, that in a very large regiment, of between 20,000 and 30,000 men, it is a very great advantage to have some breaks, and you can only produce them in the way we have done it; whether you call it a battalion or a brigade makes very little difference, but it produces a break, and that is what is wanted.

1961. But although that diversity of opinion, and the consequent difficulty of arriving at a right conclusion on the subject, led to some delay, yet ultimately a modified proposal was submitted by your Royal Highness to the Indian Government, and that has been accepted by them?—Certainly. There was a reduction of 11 batteries, and the number of men per battery was increased, because Lord Sandhurst dwelt strongly on their being so weak that he could not bring more than four or five guns per battery into the field. Now the horse artillery are 157, non-commissioned officers and men, and there are 157 for the field batteries, and 87 for the garrison batteries. That is the new establishment consequent on the reduction of those 11 batteries, but retaining the full complement of men that were, represented by the aggregate, including the 11 batteries.

1962. So that as regards the two divisions of the subject on which your Royal Highness was immediately interested as looking after the interests of the British army, reductions have been made which have been accepted by the Indian Government as satisfactory?—I believe so; reductions have certainly been made, and I have every reason to believe that they were considered satisfactory by the Indian Government.

1963. And is your Royal Highness aware whether the reductions which were at the same time proposed in the native Indian army, with which this country has nothing directly to do, have yet been introduced?—I believe they have not, but of course that is not in my province.

Sir *George Balfour.*

1964. But reductions have been going on from year to year since 1861, which have reduced the number from 73,000 and upwards to 60,000 at the present moment?—I do not know what period you refer to; but I do not think those reductions to which Mr. Campbell-Bannerman refers were carried out then.

Mr. *Campbell-Bannerman.*

1965. Your Royal Highness is well acquainted with the relations between the War Office and the India Office, and the mode in which communications are kept up?—Certainly.

1966. There never has been any disposition, has there, on the part of the War Office to conceal anything from the India Office, or to take important steps without fully consulting their interests?—Certainly not, that I am aware of. I never heard of any such thing in any form or kind; in fact, I do not see how it is possible. I consider it is essential that there should be the most entire accord and mutual reciprocal interchange of thought when anything in the shape of a change is intended or proposed.

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1967. Of course when an idea is entertained by the authorities of the War Office in an embryo form it is not possible at that very early stage to take the India Office into consultation; but the moment it approaches a more definite shape, it is the first duty and desire of the War Office to consult the India Office?—Certainly, that is my impression.

1968. And there are constant methods of doing that through your Royal Highness's assistant military secretary, or the estimate clerk, or some one acquainted with what is going on?—Anything military goes through the military secretary; of course in our portion of the department we have nothing to do with the actual finance, and of course those questions that are connected with finance would go from the financial branch of the War Office to the financial branch of the India Office, and how that is conducted of course I do not know; but the purely military portion is entirely carried on through the assistant military secretary.

1969. Does your Royal Highness happen to remember (to take an instance) what occurred with regard to the promotion of captains of artillery to be majors?—There was a great deal of personal intercourse between General Pears and the Secretary of State for War, and also I think with myself; but I am satisfied that there was also a great deal between the Secretary of State for War and General Pears; and I assume that all that was reported by the General to the Secretary of State for India, and that he got such directions and expressed such views on the part of the India Office as they thought advisable.

1970. Does your Royal Highness remember that he put forward a sort of alternative proposal?—He did.

1971. And that the actuaries employed at the War Office dissected that proposal?—Yes.

1972. And produced a paper for the information of your Royal Highness and the Secretary of State for War, before any announcement was made in the House of Commons upon the subject; that is to say, before the War Office was committed in any way?—Yes, certainly.

1973. With regard to the general question, I presume your Royal Highness is of opinion that India is a source of great difficulty to this country in regard to military organisation?—Of course it is a difficulty, because the service in India is very exceptional, and what might be very advantageous for European arrangements would not suit India. As I said before at the outset, I conceive that India is part and portion of the empire, and when we take into account how we are to organise the military forces of the empire, we never lose sight of the fact that we have India as a very large portion of the empire, that it must be defended, that it must have European troops, and that our organisation must be such as to be suited to it as well as to ourselves.

1974. It is not only that, as in the case of a colony such as Canada, we have to contemplate the duty of defending it in time of emergency, but there is the additional duty of maintaining a garrison of a very large strength in an unhealthy climate?—We have to garrison India

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quite as much and more than we have to garrison England, and therefore in that respect it is quite distinct from any colonial possessions. Of course we give garrisons to large places, such as Gibraltar, Malta, and so on; but there are other colonies that have no garrison at all, or a very reduced one; and therefore the questions of a garrison for a colony and a garrison for India are, in my opinion, quite distinct.

1975. And if the connection between this country and India were less close than it is, it is conceivable, is it not, that greater facility would exist for both raising recruits and maintaining an efficient army for the purpose of the defence of this country and the colonies in other parts of the world?—Certainly.

1976. We could in that case maintain the elastic army which we require without having so large a portion of it as we have at present at the full strength?—Most assuredly.

1977. And then, as we should require fewer recruits, we should have less difficulty in getting them?—Certainly.

Chairman.

1978. I am asked to put one question to your Royal Highness which is hardly within your experience perhaps, but it is as to whether the short service does not militate against re-engagement in India, inasmuch as the men would not be long enough in India to form Indian tastes and habits?—That is one of those points which experience alone can prove, and it is possible that it is so. All I can say is, that hitherto the service in India has been a very popular service, and we have every reason to think also that the long service is far more popular amongst the men than the short service. If that is so, then if you give a bounty no doubt the men would stay in India willingly; but of course that is a matter which can only be found out by experience, and that experience we have not yet arrived at.

Mr. *Fawcett.*

1979. Your Royal Highness is aware that a correspondence has been frequently referred to which has taken place between the authorities at the War Office and the Horse Guards and the India Office, in reference to military expenditure, and that a letter was written from the India Office in April last, containing one from the present Governor General of India, making certain comments on the charges which India had to bear. Is an answer being prepared to that letter?—It would be the Secretary of State for War who answers those letters, and it would be, of course, for the Secretary of State to give an answer to the question. I do not answer those letters. Any point that required a military reference would be referred to me for an opinion, and I should give that opinion if asked, and the Secretary of State for War would embody that in a letter to the Secretary of State for India.

1980. Has that letter from the Secretary of State for India and from Lord Northbrook been yet referred by the Secretary of State for War to your Royal Highness?—I think not; I do not remember that it has been; I should say not.

1981. I understood that you said that you felt yourself scarcely competent to express an opinion upon the financial effects on India of the short service system?—No, I do not, because I conceive that is a question which is with the Finance Department.

Mr. *Fawcett*—continued.

1982. Then when your opinion was asked of that system at the time when it was contemplated being introduced, you simply considered it in its military effects both upon England and upon India, and not at all with regard to its financial effects upon India?—Mainly on its military effect; but I understood that the question had been discussed between the Secretary of State for War and General Pears, or some of the Indian authorities, and that they were not indisposed to the arrangement being carried out as proposed by the Government at that time.

1983. Of course, one very important element in deciding whether that short service system ought to have been introduced or not was to consider what effect it would have upon the health of the men in India. Are you aware that Sir William Muir stated that, to the best of his knowledge, none of the medical authorities in India were consulted as to the short service system before it was introduced?—I daresay it was the case; I presume that they were not consulted; I do not believe they were; but it was a question as to military organisation which was deemed essential, and it was then, I believe, discussed with some authorities, with, I believe, General Pears and probably the Duke of Argyll himself, as regards the Indian view that might be taken, and I understood that they were not inimical to the change.

1984. But so far as the effect of this change on India was concerned, leaving out of consideration the financial aspects of it, on which you do not wish to express an opinion, it was very important as one element of the military efficiency of the change to consider what effect it would have upon the health of the army in India, and the natural persons to consult on that question would be the medical authorities in India, would they not?—Certainly; and I am perfectly aware that there are those who consider that the fact of men going young to India is a great disadvantage; on the other hand, there are others who say that too long service in India is a great drawback; so that probably the question is rather a balanced one between the two opinions, and if the men go for two or three years' service they are probably efficient men; they do not stay long enough to deteriorate in health, unless they volunteer for long service, when they fall into the habits of the long service soldier, who remained for the whole period of his service in India.

1985. But so far as the effect of this short service system on India is concerned, it must have been very important, before coming to a conclusion to adopt it, to have all the elements which affect the decision before the authorities, and would not one of those elements have been, what effect was the system likely to produce upon the health of the army in India?—Certainly, and I am not prepared to say that that was not done, because I do not know that it was; of course, if done it would have been done by the Secretary of State for War, and it may have been done by the Secretary of State, but I am not aware of that.

1986. When it was proposed to abolish the local European army in India, that proposal was most strongly objected to by all the members, I believe, of the Council of the Secretary of State for

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for India, on the ground that it would increase the home charges, was it not?—I believe so.

1987. And, so far as their expectations that it would increase the home charges are concerned, it was very soon proved, after the amalgamation took place, that the home charges were increased, was it not?—The home charges may have been increased, but I am strongly impressed with the belief that the efficiency of the army has also been increased; and if so, probably the advantage in one respect has counterbalanced the loss in the other.

1988. But still, taking the years immediately after the amalgamation, and taking one item of expense, namely, that of recruits, that charge for recruits was increased something like sevenfold for several years after the amalgamation; what the recruits were obtained for for the local European army before it was abolished?—Yes; but I doubt very much whether you could have got the recruits in the old way for so large a body of men as you have now, because, when you got the recruits in the way that they were raised and sent to Warley, and passed on from there, the local army was very small compared with what the European army in India is now.

1989. But for several years, so far as I understand the Return, they recruited something like 60 or 70 per cent. at Warley of the number of men who were afterwards recruited under this more expensive system for the Indian army; therefore the fact you refer to could not have increased the cost in that proportion, could it?—I think that was a very exceptional recruiting, it was during the mutiny; and you will always find that during war the recruiting is very free, at the commencement particularly. I do not suppose many of those men stayed more than three or four weeks at the depôt. I doubt whether you would have found that great difference if it had been the ordinary recruiting which existed up to the period of the mutiny, or which would have gone on after the mutiny had been suppressed.

1990. But for these years after the amalgamation took place India had to pay a very greatly increased sum for recruits, namely, 170*l.* instead of 26*l.* 5*s.*, which is the figure given to us, but as that does not include a number of small items, we may say 28*l.* or 30*l.*, so that she paid 170*l.* where before she only paid 30*l.*; and yet, costly as was the system, your Royal Highness is probably aware that after that system had been in operation for a considerable number of years, Lord Sandhurst wrote a very strong remonstrance, to use his own language, against the extremely ineffective recruits, costly as they were, sent out to India?—Yes; but the reason of that was, that after the very heavy recruiting we had for the mutiny, the recruiting became difficult, and the consequence was that we did not get recruits at all at first, because, after a great effort, there is always a reaction, and, therefore, those years would be very unfavourable in comparison with the permanent normal condition of recruiting; and I think we ought, in considering this point, to look rather to normal than to the exceptional years, such as those that followed a great effort like the mutiny in India.

1991. But the time I am referring to is 10 years after the mutiny; I think the date of that despatch was in 1868?—If it was so, there may have been some exceptional reason why there was difficulty in getting recruits, but I am not aware what period was referred to; but I think at that time there was great difficulty in raising men in the time allowed for the purpose, and the consequence was that we were called upon to raise men in a very short time, to send them out for the trooping season; those men went out inefficient, and in such an unformed state as I should deplore to see them go in, whereas, if we had been authorised to take those men at the proper time, they would have been properly drilled and efficient men by the time they had to go out. Consequently it appears as if very heavy charges had been made for very inefficient men; but the real fact was that we might have had efficient men if we had only spent a little more money in raising the men, and done it in proper time. And that is what I contend, that it is very often real economy to spend a little more money; and I think if you were to raise the men in proper time, and give them really a fair time to be made into soldiers, you would economise in the long run.

1992. But still, as I understand what was done, the cost of these recruits was calculated, and India was charged what was supposed to be the cost. In charging her 170*l.* per head for them it is supposed that she is not charged quite enough, that they even cost England more than that; but still, so far as India is concerned, it seems to me to come to this, that you make India pay 170*l.* for a recruit, whereas before she paid 30*l.* for him, and because she did not pay more still than 170*l.* the recruits that went out were extremely inefficient men?—If I may use such an expression, and compare a man to a thing, the article sent out was not, in my opinion, a good article, whereas if the man is drilled it is a good article. I contend, that if a man is drilled, and you go to the expense of drilling him at home, you get more out of the man, and a better article, than by doing as formerly, when you sent him through Warley, and when he was merely taken, clothed, and sent out as soon as you could get rid of him.

1993. But, so far as the Indian taxpayers are concerned, whether the cause rested with the India Office or with the War Office, this fact is now forced upon our attention, that they paid 170*l.* for their recruits, and those recruits, for some cause or another, were extremely inefficient?—It is possible that it may have been so in many instances, but that I say was from a faulty arrangement; but I am sure that the principle which I enunciate is a sound one; that is all I contend for; I do not in the least deny the fact, because the fact as stated is probably correct; but I say if the principle which I contend for were carried out in its integrity you would get a more valuable article, and more advantageous for all Indian purposes than doing it in the other way, which is cheaper, but which, in my opinion, does not give you so valuable an article.

1994. When these views of yours, which I have no doubt been expressed to the India Office, have been stated to them, why do they object to carry out these suggestions of yours with regard to giving the military authorities in England a longer time to get those recruits?—I have always understood that it was on the ground of expense, that you would keep the man longer at home than

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than they would wish you to keep him; and of course if you could prevent that it would be an advantage, but you cannot.

1995. So that, in the first instance, if these suggestions of yours were carried out, they would necessarily involve a greater cost, which you think would be compensated for by greater efficiency?—I think it is very likely that they would cause greater cost for the moment, but that they would produce so much better a result that in the long run it would be positive economy.

1996. But still the immediate effect, looking upon it immediately as a financial question, must necessarily be an increase of expense?—That is very likely.

1997. Before the amalgamation of the army took place, when the local European army was in existence, of course before the institution was abolished, the most careful inquiries were made as to the desirability of abolishing it. Now, are there any returns which show that that local European army was in any way less efficient; it is proved to have been cheaper, but is there any reason to suppose that it was less efficient than the army supplied to India by England at that time?—The reason for the change is obvious, because up to that period the East India Company had a local army of its own. When the East India Company was abolished the authority under which the local army served ceased to exist; it became an Imperial army, and the question then arose whether it was advisable to keep up two Imperial armies. There can be no two opinions that one army is more pliable, more available than two, and on that ground alone I should have said that it would have been undesirable to continue the local service. But, in addition to that, there were incidents which occurred that I would rather not refer to; but I may just refer to the difficulty about the artillery. That alone showed that there was a peculiar spirit manifested, which would probably disappear if it were one army, and I believe that even the men who were in favour of maintaining two distinctive armies from that time thought it more prudent to make the change; and I confess I think it would have been very deplorable if we had not made that change.

1998. With regard to artillery recruits, I understand that there is no Indian artillery depôt at the present time?—There is a general depôt; it is not Indian, but inasmuch as the great bulk of the artillery abroad are in India, you may assume that the great proportion of that depôt is for Indian purposes.

1999. Then there is not so much reason, as there is one general depôt, why artillery recruits should be sent out imperfectly trained as there is why infantry recruits should be sent out imperfectly trained, because your Royal Highness states that they do not give you sufficient notice as to when these infantry and cavalry recruits will be wanted?—No, there is not; but the fact is that we have had difficulty in recruiting for the artillery more than for other corps, and at that time we had very great difficulty, and we were obliged to send out drafts from every battery in England at the last moment, when great pressure was brought to bear to send these men out, and some men were sent that ought not to have gone.

2000. It is some years ago that this happened, I suppose?—No, this last year. That was a thing that I hope will not occur again. At the same time, as I explained before, it is impossible to tell how we may get through our difficulties in the labour market; but if we have great difficulty in raising men we must disorganise the whole force of the artillery at home in order to send thoroughly trained men out to India, and that is a very serious matter.

2001. Of course it is impossible for anyone to control the labour market; but again, looking at it as a financial question, this may happen; for all the artillery recruits which were sent to India, India has to pay the same as if they had been trained for nine months, and if the difficulties of the labour market increase, as they very possibly may, India has no security that for what she will pay for men supposed to have been trained for nine months, she will not actually get, as she got this year, a great many who have only been trained three, two, or one month?—I think it has been a great misfortune, as I said before, and one which I deplore more than any man, that men should have been sent under those conditions; but I hope that by degrees we shall get into such a good groove that it will not happen again, but it must take some time to bring about that result.

2002. I am not presuming, of course, to lay the smallest blame on the War Office or on the Horse Guards; I have no doubt, and we will assume, that everything has been done that can be done to send out the best recruits possible; but as you say recruiting depends upon causes which it is impossible for the military authorities to control, namely, upon the general state of the labour market and the demand for labour; but bearing that in mind, it is quite possible, is it not, that if the difficulties of the labour market are increased, however anxious the military authorities may be to send out properly trained recruits to India, India will have to pay for men who ought to have been trained nine months, and who have only been trained three, two, or one month?—As I say, it may occur, and I am afraid it has occurred; but if the recruiting is at all such as we hope and anticipate, I do not think with proper arrangements that ought to happen at all, and I cannot help hoping that it will not occur again. But I am sorry to say that the recruiting for the artillery has been very difficult. The difficulty has arisen from this fact, that all that class of men whom we require for artillery purposes, strong, tall, and powerful men, find such facility for employment in various ways that we do not get that description of men as easily as we used to do, and therefore with regard to the artillery we have great difficulty in getting the men. As a fact it is known that they are higher paid, but we cannot get the physique of the men, and that has been our difficulty.

2003. After all that has been said and all that is known about the great popularity of the Indian service, might it not be fair to conclude, that supposing it was possible for India to recruit for her own army, to have a separate European army, she would not find this difficulty about getting artillery recruits press so heavily upon her as it does upon England?—I do not think it would make the least difference; on the contrary, I think the competition in the market for recruits would

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would be very objectionable; and one of the reasons why I for one always thought the double army was a very objectionable arrangement, was that there were two great armies contending in the market against one another.

2004. But the service in India, I think, is more popular than the service in England?—So it may be, and I am one of those who believe it to be particularly popular; still I think if you were to have two systems contending against one another in the labour market, it would make recruiting more difficult than having it under one organisation.

2005. In regard to the amount that India has, after the capitation system, been charged for recruits, I understand it to be made up in the following ways: take an infantry recruit, 30 *l.* is charged for his maintenance and pay for seven months; 17 *l.* is charged for the depôt charges; and then these two sums were added together, and one third of the aggregate amount was taken and added in order to represent the charge for deaths, desertions, and invaliding; that would represent about 33 per cent.?—Yes.

2006. Now, none of the army statistics show, do they, that the loss from deaths, desertions, and invaliding with the ordinary class of recruits amounts to 33 per cent.?—That is not a matter that comes within my province; that is a financial question, in the finance branch of the department, but I apprehend that nothing ought to be charged that is not reasonable with reference to the proportion of European troops for India; and I think that that is matter of adjustment which, of course, ought to take place between the two departments, so as to put no undue pressure of charge upon India more than she ought legitimately to bear.

2007. In speaking of some of the general charges which were borne by India I understand your Royal Highness justifies them on the ground that she has, in the case of emergency, the whole English army to draw upon?—Certainly.

2008. She has our reserve and our militia, you would say?—Certainly.

2009. But, then, reasoning of an exactly parallel kind would justify us, would it not, in obtaining some contribution from the colonies, because in a time of emergency they have our whole army of reserve and our militia reserve to draw upon?—Yes; but as I said before, I look upon India as positively garrisoned by European troops, just as Portsmouth, or Plymouth, or any portion of our country at home. Well, if that is so, that is a permanent charge. Now, with regard to the charge for the colonies, with the exception of such colonies as Gibraltar or Malta, which are also military, and are, of course, entirely on the same footing as the home stations, I look upon the colonies as having a very different connection with us; and whilst Canada is not having a single soldier except for Halifax, I do not think that you could charge Canada for anything on the ground that there is a reserve here when an emergency arises. India, on the other hand, being permanently and largely occupied with European troops, one-third of the army, I consider that she is in exactly the same position with reference to reserve as is the home country with the cadres and reserve; and therefore it was that I said that the home army was really a reserve quite as much for India as was the reserve army at home for the portions of the troops actually serving in the United Kingdom.

Mr. *Fawcett*—continued.

2010. But India has on many well-known occasions constituted a reserve for England, and she has more frequently done that than England has constituted a reserve for her; is not that so?—I think that all those questions must stand upon their merits; but if you allude to the wars in China and Abyssinia, I think nobody can deny that those questions were of as great importance to India as they were to the home country. For instance, the trade with China, no doubt, is very largely with England, but also it is largely mixed up with Indian interests, and therefore I say it is shared and shared alike by India and home. I contend that all our considerations should be Imperial, not at all home, and not at all Indian, but imperial; and that each should have its relative proportion according as you can make out that it is specially an Indian question, or specially a home question, as to charge I mean.

2011. The Abyssinian war and the Chinees war were wars which were essentially Imperial, were they not; India was not consulted about whether they should be waged or not?—India may or may not have been specially consulted, but that is a great Imperial question, which of course it is not my province to give an opinion upon; but at the same time I believe it must be admitted that the interests of the empire in those parts were so mixed up with the interests of India, that what was good and advantageous for one might be fairly considered as being advantageous for the other, and therefore I do not see why both should not take their share.

2012. In considering the financial relations between India and England with reference to military expenditure, have you taken into account at all that a portion of the effective strength of the English army in England is always being maintained at the depôts?—I think it is not so; you cannot rely upon the depôts for any real duty; of course if any emergency arises you must lay your hands upon every man, and then no doubt the depôts of the Indian regiments would come in; but, as a rule, I should say that the depôts for India are so young as regards the age of the men, and so inefficient that they really do no duty at all. I admit that when we had depôt battalions they did garrison some portion of the country; but that is done away with, and you merely form a body of recruits to be drilled and sent out, who are available for any sudden emergency, if you like, but so inefficient in respect of military training that you cannot look upon them as men to be relied on for any real duty.

2013. Still they are trained for three months, and under the present plan they will be passed on into the depôt battalions?—Yes, that is with a view of making them good soldiers; it is with a view really of making them useful when they go to India, because a man who has been three months in the ranks at home will be a much better soldier than a man who has come straight from the depôt.

2014. Still, as a matter of fact, suppose there are 4,000 or 5,000 men in the Indian depôts at the present time, or men who have been passed on to the battalions, for these four months whilst they are maintained by India, what really happens is this, that those men are classed in the Army Estimates as constituting a portion of the effective strength of the army in England?—Well, candidly speaking, I should never put them under that class at all; I should consider

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them as recruits and as non-effectives, and so they are.

2015. But if the Secretary of State for War, or anyone, were asked how many soldiers there are in the United Kingdom at the present time, he would indubitably include those men?—He probably would; but I as a military man, I would certainly exclude them; and I think the country would really know its position better if they were excluded, because we often hear that there are 70,000 men in the country, whereas 10,000 of them may be perfectly useless; and yet you require to have them, because if you have not them you are not training them to become soldiers; but you cannot rely upon them as so many available men. I think all these statistics are apt to mislead when you take them *en bloc*. You ought to take them *en détail;* you ought to take effectives and non-effectives, and it would be astonishing to see how many are non-effectives out of those that are given as effectives. I look upon all those men for the purposes of India as non-effective men at home.

2016. So that you agree in the opinion that the strength of the army is not at the present time regarded as the strength in England, stated in such a way as is statistically correct?—I think it is very apt to lead those who do not understand the details to believe that we have a larger force at home than we have.

2017. But the opinion that Lord Sandhurst the other day distinctly expressed, as I understood, was that as Commander in Chief in Ireland, if he had not these Indian depôts he would feel that it was necessary to have more men to increase the strength of the army there?—Well, I should doubt his being anxious to rely very much upon the value of these men. They are so many men, no doubt, but they are not soldiers; and if you say that you want to have 150 men at, say, Templemore or Buttevant, there may be 20 of them who are recruits; they go for 150 men, but they are not soldiers; and therefore, really and truly, they are not what I should call available men; in fact, I look upon all those men at Indian depôts as essential as necessary, and yet as non-effectives.

2018. With regard to the improved health of the Indian army, the statistics have to be considered with this correction, that there is a great deal more invaliding now than formerly, is not that so?—I am afraid there is; because there is no doubt that we have of late years got younger men, there is no question about that. I do not think that the recruits have deteriorated, but I think they are younger, because I think the means of getting employment have so very much increased that a lad comes earlier to the point of making up his mind whether he will become a soldier or enter upon any other profession or calling; and the result is that you get younger men, and, *pro tanto*, less physically strong men; and if those men go to India, or even to any other tropical climate, you will find that the physique does not keep up to the mark; they are invalided, and they throw a great weight of expenditure upon us in having to send them back again; there is no doubt of that.

2019. They throw that weight of expenditure upon you and also upon India?—Well, I think upon both home and India. Of course, home suffers quite as much as India. It is owing to the fact that the men are taken too young in physique, and it is one of the most difficult things to deal with, because you ask for no baptismal certificate, and you must guess the man's age; and if a lad is a likely one, the officers are so anxious to get him that they will take him. Of course, he will say that he is 18, when very likely he is only 16.

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2020. In reading therefore the statistics comparing the health of the Indian army now as compared with what it was some time since, we must remember that there is more invaliding now; that should be taken into account, in seeing the sanitary condition of the army?—Yes; but at the same time every regiment going to India is thoroughly inspected, and every man with the least screw loose is put back and does not go, and another is put in his place; so that, as I said before, my fear is not for the army in India; I think you will keep that army efficient, if we have the means of raising men at the proper time; but my fear is for the army at home; I think there is much more risk of having weedy men at home than of having such men in India; and I know that at this moment there are many men in the artillery who have been sent back from India who do for home service in peace, but if there were an emergency a great many of them would not be fit for active service, and the consequence would be that we should find ourselves in great difficulty; and I am much more anxious for the army at home, as far as physique goes, than for the army in India. I mean that as bearing upon the question as to the article sent out.

2021. Have you any records (I suppose they are at the War Office) of the amount of invaliding?—There is a record at Chelsea of all the invaliding, which goes afterwards, I believe, to the War Office.

2022. You have a general impression that that has been increased?—I have that impression.

2023. Your Royal Highness has pointed out that you think about 18 or 19 is the best age to send recruits to India if trained?—I do think so, if the man has been kept long enough to be sure that his physique is good, and if he has been well fed so as to insure his having had good keep.

2024. And a time comes when it is inexpedient, if it can be prevented, to send out men to India, I mean as they get on in middle life?—Just so. I think that those men who go out to India in middle life are probably broken down in some way, probably indifferent as to character, or somehow or other they have been unsuccessful in life, and they took to soldiering in preference to any other occupation they had commenced; whereas if you get a lad at 18 or 19, he is a lad, and has not started in life, and that is the sort of man that makes the better soldier; whereas a man who has been in some trade, and says, "I will go in for soldiering," though physically an older man, he is more set in his habits, and is not near so good an article as the lad of 18 who comes in fresh.

2025. Considering the nature of the Indian climate, it would be a more serious disadvantage to India; would it not, to have a very old recruit enlisted than it would be to England?—Decidedly; the young recruit is the best of the two, no doubt. At the same time, if I could positively ensure a good recruit at 20, I quite admit that that is the proper age.

2026. With regard to drafts, it now often happens, does it not (I am again simply speaking of

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of it as a financial question, of course I have no opinion on military matters) that a man is sent out as a draft to India, when the Returns show that he is even as old as 40, 45, or 50, and when he is, according to your Royal Highness's opinion, far too old for the Indian service, and he is charged to India as a recruit?—I think nothing like that age ever is sent out as a draft. There may be men of a certain age as non-commissioned officers, who go out with regiments or drafts; the man would go out with his regiment to finish his time, but I should doubt any man being taken as a recruit up to 30; he has no business to be enlisted, and if he is there is some default. Any older man must have been one sent out again; I mean having been an invalid, and having recovered his health, and then sent out, and it is possible that those men would go out with the drafts; even in that view they would not be drafts, but they would go with the drafts, because it would be the only way of sending them. But that would be the only way, as far as I can understand, in which that could happen. If it has happened, I entirely concur in the opinion that anything above the age of 22 or 23 for a recruit is very objectionable, because when the recruit is above that age you cannot form him into a soldier at all.

2027. Except that the War Office and the Horse Guards will do all that they can to send out recruits of the proper age, India has no security, has she, that she will receive recruits at the right age?—She has just the same security that England has, that we get the best article to be obtained in the open market. As I have often said before, if we had got conscription we should only have to say, "We will take so many men of a certain age," and we should get them, because then the law compels them; but when you have to go into the market you must get the article at the easiest rate for yourself, and the best that you can get; and I believe there would be no particular difficulty in getting them, provided you do not take them too old; but I believe that the limit of 20 years is a disadvantage in getting the proper description of men, although I admit that 20 years of age is the proper age for a man to go to India.

2028. You stated, in your evidence, that India had no reserve of officers; but are there not a great number of officers in India, for instance, to refer to one class, colonels, who are waiting for a pension, and who are doing nothing?—I believe you must take the present state of things as very exceptional; we are still in the transition state from a local army to an Imperial army, and from a native army on the regular system to a native army on the irregular system, the one with many officers and the other with few. We have not arrived at the point of getting rid of all the superior officers who have arisen under the former state of things, which is a great disadvantage to India, because the sooner you could get rid of those officers the better for India, the better for the finances, and the better for every military organisation; and a large outlay, in my humble opinion, would be an advantage in order to accomplish that point; but once accomplish that point and you are very much under-officered, because you have no reserve whatever. So much is that the case, that when you had the Abyssinian war the Looshai expedition, and the expedition to China, the first thing they had to do was to cast about everywhere for officers, and they could not get officers for the native regiments; and you may depend upon it that when an emergency arises there will be a great want of officers for India. It is a most serious question, and I cannot press it too much upon this Committee; you have not got any reserve. Lord Sandhurst (I believe it will be found in some of his writings) regretted that the arrangement which existed before Lord Hardinge's time, of having a very much larger number of officers in European regiments had been changed. Formerly there were four officers with 10 companies, now you have eight companies only with three officers to a company, and they are so put to it that many companies are in the charge of sub-lieutenants at this moment, in time of peace; what will it be in time of war? it is a very serious matter.

2029. What is the under-officering of the Indian army at the present time due to; is it due to recent military changes?—Decidedly. First of all, the great reduction of officers which took place in Lord Hardinge's time, then the reduction of two companies which took place, I think Mr. Campbell-Bannerman said, in 1869; and then the system now adopted in India (to which I take no exception, I do not say it is not a good system) of having only seven officers for a regiment of infantry or cavalry. When you had a full complement of European officers for a native regiment you always had the proportion of officers you might require in reserve; whereas now the seven officers are all that you have got, and you have no reserve at all.

2030. In referring to these colonels, who you said were very costly to India, you seemed to hint that it would be advisable to do something to get rid of the system. Do you mean something financial?—I think that, in every point of view, it would be a great advantage, because, though I speak with great diffidence, having unluckily not been in India myself, I firmly believe that there is not that flow in the junior grades which enables the proper *esprit de corps* and feeling in the native army to be kept up. They are all superior officers; I consider that a great disadvantage; I think that there ought to be a certain number of captains, subalterns, and field officers; now they are almost all field officers, and I consider that a most serious and objectionable mode of dealing with the army which always ought to have a certain flow from below so as to keep up the spirit, the *esprit de corps* of the service. Therefore I say if you could get rid of the large number of senior officers that you allude to, I believe in the long run it would be a great advantage to India.

Mr. *Onslow*.

2031. Does your Royal Highness think that India is at the present moment getting full value, as regards the recruits, for the money which she pays?—Well, that, of course, is a very difficult question to answer; she ought to receive the full value, and I think, with good arrangements, she would receive the full value; but I think there have been some little difficulties thrown in the way of recruiting which perhaps have prevented her getting the full value; but I think the arrangements would enable us to give her full

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value if we could get over those little obstacles which from time to time have been thrown in our way.

2032. You hope that in a year or two those little difficulties may be overcome?—I do, and that it will come all right.

2033. Will not one of the effects of the short service be this, that a soldier will go out to India, and will be paid for wholly by India during the whole time of his service, and that he will then come home to England and be put on the reserve, and will be in the English Army Estimates as efficient; the whole cost of that man having been paid for by India, he will be in England practically employed for Imperial purposes? — Of course, if his services have been entirely in India, his actual services with the colours, then his actual soldiering service will have been entirely Indian; and then he will come back upon the reserve army, and become to that extent of Imperial value; but that, again, is modified, because I say the reserve which we are trying to create is just as much, in my opinion, a reserve for India as for England; supposing at the mutiny you had had 60,000 reserve men, or even these 30,000 militia reserves, the first thing the authorities would have done would have been to take the whole of those men and send them out bodily, and distribute them in the regiments there, or to send a proportion of them and other regiments in addition, with these reserve men to fill up; therefore, virtually, these reserve men are for the empire, and they come in for Indian as well as for home or Imperial purposes.

2034. Would not another effect of short service be this; say a regiment comes home from India 300 strong; this regiment has immediately to be recruited in England to a very large extent; it stops in England five years, and is again sent out to India with a large number of these men, having one year or less to serve; these men leave India as soon as they possibly can, not liking the climate or the country, and India will have to go to an enormous expense in having to fill up these gaps?—That is one of the things that I have suggested as showing the difficulty of giving an opinion as to what real effect the short service will have upon India. If that were the case which you point out, no doubt it would be very disadvantageous; but in the present arrangement the idea is that the regiment would remain at home much longer than it used to do; instead of five years it would be 10 years; 10 years abroad and 10 at home; and during that time these 300 men that had enlisted at one time would probably, from casualties and other causes, have much diminished, and others would have taken their place; and by that means you would have a greater dispersion of years than you would imagine, from the fact of bringing a regiment home, and getting all men of one age and one length of service; but if it were to go out again after five years, no doubt what you suggest might be the case.

2035. Is it possible under the present system to call for volunteers for India, well trained volunteers from other regiments?—There is no reason why you should not call for them now as you did before, paying the bounty, because of course if you take a man from one regiment to another, you pay the bounty. Now, you do not pay a bounty from one linked battalion to another, but you do from one regiment to another.

Mr. *Onslow*—continued.

2036. If, therefore, those volunteers were called for, India would have, in addition to the payment for the recruit, to pay for the bounty?—In that case she would pay for the bounty, certainly.

2037. As regards the number of recruits for which India applies, it is practically impossible, is it not, to know beforehand how many she may want; it depends a great deal upon whether the season is healthy or not?—Yes.

2038. And she only knows at the end of what is called the hot season how many men she has lost during that season?—Yes; and yet we are called upon now, at this time of year, to say what amount of transport we require for the recruits that are to go out during next winter; and if we make any mistake, I do not mean really a mistake, but I mean if there is anything different from what we anticipate in accordance with what you have just stated, we are suddenly called upon to fill up vacancies which we do not know how to fill up, because we assume certain things, and find that more men are required. That is just our difficulty.

2039. Do you think that, considering the large sum paid by India for her military establishment, the Viceroy in Council should be consulted on all important organic changes before effect is given to them?—No, I think that is out of the question. There is the Secretary of State for India in Council at home; he is a Member of the Cabinet, and no large organic change can be adopted at home without the Cabinet, in which there is a representative of India; and, of course, without knowing in the least what passed, I apprehend that this question of the short service was all discussed fully in the Cabinet, that the Duke of Argyll, then Secretary of State for India, was present, and that if he had had any objection to make he would have made it. Therefore I cannot see that Indian interests were not thoroughly guarded. As to details, that is another point; but the general principle of any great change must be accepted by the Cabinet, of which the Secretary of State for India is a member. Therefore nothing can take place of any consequence, financial or organic, that is not really known, or ought not to be known, to the proper authorities in India. Of course, in a case of that sort, if there is any point that the Secretary of State for India would not like to give an opinion upon himself, he must tell his colleagues that they must wait until he has consulted the authorities in India; he has the power to do that.

2040. But, practically, judging from what has happened, I believe there has been no time for the Secretary of State to apply to the Viceroy in Council, or get his opinion?—Of course, if the Cabinet think it essential to come to a decision on very short notice, I assume that the Secretary of State for India considers himself justified in taking the responsibility. If he does not, he will say, "No, I will not take the responsibility; I must confer with the Government of India."

2041. If it is a fact that there is now more invaliding than formerly, is not one reason of it that at the present time doctors are much more inclined to send invalids to England than formerly?—I think the facilities have caused a great number to be invalided, and that many more men are

Mr. *Onslow*—continued.

are sent home, not for discharge, but for change of air. Formerly they were never sent home for change of air, and I am not sure that it is not a good plan to send them home, just as officers frequently go to the depôts, who are not inefficient, but have temporarily become so for Indian purposes, and by the time they have had their turn at the depôt, they are quite efficient again for India.

2042. I think you said just now that you thought all persons would agree that the interests of India were mixed up with Abyssinia?—I did say that.

2043. I know that, in England it is what is called a popular idea; but, as a practical fact, are you aware that India has no more to do with Abyssinia than with Ashantee?—I think, if the prestige of our name had been injured in that part of the world, it would have been a great loss to our interests in India, and therefore I contend that India had a great interest in that war. I think, if there were any loss of prestige to the Imperial interests in that part of the world, it must be a serious loss to Indian interests.

2044. But, as a matter of fact, the natives of India no more knew where Abyssinia was than they knew where Ashantee was?—I was talking of English interests in India; I am assuming that English interests combine native and European too, and in that point of view I think you would find that it had a great bearing upon India.

Mr. *Dunbar*.

2045. Since the recent changes is it not the fact that a very large number of colonels in the army escape duty?—Yes.

2046. You do not consider them such a reserve of officers as you would like to fall back upon if a disturbance took place?—No; the reserve of officers I refer to was in the junior ranks, and I say that whilst we are very much over-stocked in India in the upper ranks, I believe we are very much under-officered in the junior ranks; and that any arrangement by which we could get a considerable supply of officers in the junior ranks would be a great advantage.

2047. Some of the witnesses have told us that one of the advantages to India of the present centralisation scheme is this, that if a draft is going out, and there are not a sufficient number of men properly trained, the number can be made up from the limited battalion. I understand your Royal Highness not to agree to that?—I do, and I do not; I agree on the principle that, theoretically, that is the case; but I say that, militarily we must see how the men take the new system of being transferred from one linked battalion to another. I dare say you are aware that there has been a great deal of feeling shown on that point; it may wear out, and if it does it will be a great advantage. We are in a tentative state, and I should not like to risk, militarily, an opinion which might not be borne out; but I hope it will be as I have said.

2048. I understood your Royal Highness to say just now that the mode of recruiting could not be altered with advantage to the empire. I suppose the present system your Royal Highness considers the most economical and efficient for providing recruits for the general service of the empire?—With regard to the system of recruiting as a system of going into the market, I do not see how you could apply any other system than the one you have now. I certainly did say that I thought it would be very detrimental to have two systems running side by side, bidding against one another for the same class of men for two services, which really are intended for one.

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2049. I will direct your Royal Highness's attention to the subject of the organisation of the brigade depôts and linked battalions, and ask whether you consider that the most efficient and the most economical to provide for the whole wants of the empire?—That is a very large question, which time alone can prove; if the new system succeeds, I cannot help thinking that it will probably be the best that can be adopted, but it is very tentative. There is no reason at present to suppose that it will not answer, but I cannot say that I should be prepared to affirm that it would.

2050. I suppose, if your Royal Highness simply had to provide a certain number of recruits for India, you might do it for less per head than now?—No doubt if you took the men in bulk, without reference to their being trained, you could get the men as under the Warley system, clothe them, and send them out; but I think a man so raised is not a soldier, and I contend that we ought to send out from home soldiers to India; and I think that every one of those men, whatever the establishment is, ought to be fully efficient, and to do that you must have depôts, and you must have them, not on the system of having so many men only, but they must go out thoroughly trained.

Lord *George Hamilton*.

2051. Your Royal Highness has been asked a question concerning Warley, and perhaps I might just explain before I put the question which I purpose to put to your Royal Highness, what the contention of the India Office is. The representatives of the India Office have not contended that the recruit who was trained a month or perhaps two months at Warley was as efficient a soldier as the recruit who is now trained seven months, but their contention was that the great difference which they had to pay between the cost of the Warley recruit and the present cost was scarcely compensated by the increased efficiency. Now the question I should like to ask your Royal Highness is this: If we pay an additional sum for increased efficiency, and if there be a great difficulty in getting recruits at the right time of year so as to give them that more efficient training, would you think it fair, or would you think it unfair, that India should, in the case of those recruits not fully trained, pay the cost of their actual training, and not the cost of the training which they are supposed to have undergone, but have not undergone?—That is a very delicate question to answer; it depends upon how this has arisen. I have always understood that the reason why we were not allowed to recruit in proper time was that it would add to the expense; I have no doubt it would, but it would only add legitimately to the expense; and if an obstruction is put in our way I do not think it is fair to charge the Imperial Government with that. I think the Indian Government should give us authority to recruit the men in proper time, and in the long run I believe it would be found to be a cheaper arrangement.

2052. Sir Seymour Fitzgerald wishes me to ask whether it would be possible for the Indian

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Government to intimate to you in time what their requirements would be for the ensuing year?—If we had an intimation of what the requirements would be in proper time, of course we should be able to give an approximate estimate of the length of time that we should be in raising the men, and of course you could judge by that means whether they would be long enough at the depôt to make them efficient.

Sir *Seymour Fitzgerald.*

2053. Does your Royal Highness think it would be possible for the Indian Government to let you know in proper time for your purposes; what their exact requirements would be?—No, for the reason stated by the honourable Member for Guildford, who said that it depended on the seasons; the hot season is the period, and that is just the time when we ought to have the men, and to be prepared to send them out for the ensuing autumn and winter; and the difficulty is to get that information which we require in time to raise the men. I think it would make an immense difference if we had a little more latitude given in this respect, and it would be real economy; I admit that it is susceptible of being more expensive, apparently; but I really think in the long run it would be found to be cheaper.

Lord *George Hamilton.*

2054. Your Royal Highness is aware that under the old system a lump sum was paid, called the capitation rate?—Yes.

2055. Under the present system India pays actual charges, which are arrived at by assuming that a recruit undergoes a certain amount of training, and in these charges any charge connected with the depôt which is capable of being reduced to an arithmetical test is included, and the result is that one office, the War Office, of course, includes as many items as possible; whereas the India Office tries to exclude as many as possible. Do you not think, Sir, that if some agreement could be arrived at by which a lump sum could be annually paid, your Royal Highness, as Commander in Chief, would be more free, inasmuch as you would then be able to take any course which you considered would secure better recruits, and you would know exactly the sum which you would get from India?—Of course it is all a matter of account how you value the services of a man to India, and how much of his services you value towards the force at home; but I cannot imagine that there would be any such great difficulty in giving a fair estimate of that account between two offices, and then putting a liberal average for both; if that were once adopted, of course it would have from time to time to be changed, because the cost of everything increases, and therefore the cost of a soldier increases; look at all the institutions you have now; you have got gymnasiums and musketry instruction, and every sort of advantage, all very essential, but all adding largely to the cost of the recruit; that which was a fair average 30 years ago is not a fair average now; it must fluctuate therefore to some extent; but I think if every ten years you could make a fair average as to what ought to be charged to India, and what to England, that would be a much better way of dealing with the question, and much better than any differences between the

Lord *George Hamilton*—continued.

two offices, which I deplore immensely, and think very unfortunate.

2056. I put that question with a view of suggesting a lump sum that should be paid even for a less number of years than 10, say five; because it seemed to me that you, Sir, as Commander in Chief, could then make any alterations which you might think expedient, and you would be able to know exactly the cost of these alterations, and would know exactly the sum which India then, under any circumstances, would have to pay?—Certainly; what I always say is, that though I quite think that we could not ask the India Office into council as to the original views that we might adopt as to organisation, there is no doubt that we ought not to make any great change in organisation, without taking full counsel with the Government of India; and I apprehend that no Government would ever dream of doing such a thing. It seems to me an impossible thing to do. If it has been done, I do not understand how it can have happened; certainly it never has been done by me.

2057. Your Royal Highness would not object to some system of lump payment, such as I have indicated, because you think it would, perhaps, give greater latitude to the War Office?—I think anything that would give greater latitude to the War Office, so as to adjust the charge fairly and liberally to both sides, is what I should adopt. What that should be I am not prepared at this moment to say; it is a very difficult question.

2058. But the present system does rather engender distrust between the two offices, does it not, inasmuch as an actual charge is arrived at by a large number of small items?—I think if you could get rid of small items, and get a lump sum, it would be an advantage. In making up the lump sum, you ought to be very cautious and go fully into detail about small items; but when once you get to the proper sum, I think then I would leave out all small items. Once arriving at that point, it would be far better to have a lump sum than go into all these small items.

2059. If there is no difficulty in arriving at the actual cost of the recruit, it seems to me there is no difficulty in arriving at the lump sum to be paid annually?—I cannot see what the difficulty is. I have always thought that it was a matter which might be adjusted; but, of course, I should not like to give an opinion offhand, because the financial part of the question does not rest with me.

Mr. *Stanley.*

2060. With regard to that last question, I think I understood your Royal Highness to say, that even if a capitation rate were agreed upon changes must be made from *time to time*?—Certainly, it must be so.

2061. I do not know whether your Royal Highness's attention has been directed to some evidence given by Sir Thomas Pears as one of the representatives of the India Office the other day, in which he stated, in answer to a question, that he considered that in the event of any reduction being made in the total expenses, India would probably claim a corresponding reduction in the capitation rate; whereas he did not so clearly admit that India would assent to a corresponding increase, if a total increase of expenditure were necessary. I should like to ask your Royal Highness whether, assuming that the

principle

Mr. *Stanley*—continued.

principle of readjustment was to take place from time to time, it would not be merely a transference of the burden from one kind to another, if you would have to consider whether a question became one of organic change, and therefore affecting the capitation rate, or merely one of detail, which did not affect the capitation rate?—That, no doubt, would be a delicate and difficult subject to deal with. For instance, take gymnasiums; the India Office may say, "Why should we have gymnasiums at all; have we been consulted; no, we have not been." I think in these cases we ought to take a liberal view, and assume that none of those improvements have been adopted for the army that are not essential for the portion of the army serving in India or elsewhere, and I think that should be taken as a necessary increase of expenditure just as meat may increase in price from year to year. The fact of the soldier having to be trained in gymnastics, or in musketry, no doubt causes an additional expense, but at the same time it gives a better article. Therefore you must assume that that is as essential for a soldier serving in India as for one serving at home. I think that would be the proper mode of viewing the case. A question of difficulty is where you have to raise the pay of a soldier, for instance; that is a great organic change. If you propose to pay 2 *d.* a day more at home, I think the Indian authorities ought to be made aware of it before that is done; but I apprehend that in those cases it always is so.

2062. I think your Royal Highness has already stated, that in the usual course communications may be made either in the Cabinet or through the financial branches, or with reference to the effect of minor details information may be got through the assistant military secretary?—Yes.

2063. I suppose your Royal Highness would be disposed, with reference to the assistant military secretary, to say that his functions would be limited to those of information as to administrative points, and would not extend in any respect to finance?—He has nothing on earth to do with finance, and, in fact, the Commander in Chief has nothing to do with the India Office directly whatever; but there is, and must be, so much dealing of a military character between the India Office and the War Office in consequence of the very large number of troops in India, that it is a great advantage to have a military man who interchanges thoughts between the two offices on every occasion; and the assistant military secretary for Indian purposes is employed on that duty. We have found it the greatest possible advantage; we have always had the most cordial feeling between the two offices, and I attribute it in a great degree to the fact of our having such an officer, and to the very satisfactory manner in which those duties have always been performed. We have had that now ever since the amalgamation took place. There is not a single thing that takes place, where India is affected in a military point of view, in regard to which the military secretary is not requested to go and tell the authorities at the India Office what we think about it and to learn their views, and if there is any difference of opinion, in nine cases out of ten it is arranged without further trouble; but if we think any reference is necessary then, of course, we should have to refer the point officially. Otherwise the arrangement made is communicated in the ordinary way.

Mr. *Stanley*—continued.

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2064. Two opposite views, as perhaps your Royal Highness is aware, have been put before this Committee; the one is that every expense should be dealt with as a strict matter of account and charge, division being made in most minute detail; the other is that the policy of India paying the uttermost farthing should be abandoned, and that, in fact, the Indian Government should have the recruits supplied to them at no greater cost than the actual pay, and food, and clothing of a recruit. I suppose I should not be wrong in interpreting your Royal Highness's views to lie between those two extremes?—I am between the two; I do not go either one way or the other; I think there ought to be a fair and liberal adjustment between the two offices; I think no advantage should be taken either on one side or the other, but that what is fair and reasonable should be charged, whether for home purposes or for India.

2065. And I suppose that your Royal Highness would look at the question as one to be guided by questions of Imperial rather than of local policy?—Entirely Imperial; I do not know what Indian policy means unless it is Imperial, or what home policy means unless it is Indian in military questions. I consider it is the empire that we must look to.

2066. And it would be in that light that your Royal Highness would look at the financial questions which are connected with the army?—Certainly; the army is an Imperial question, and must be dealt with as such; and therefore I contend that it must be fairly and liberally arranged between the two departments.

2067. With regard to the officers at the depôts, I think your Royal Highness has stated that many of those officers now come back from India to do duty in England, being unfit for service in India, but perfectly capable of doing duty at home, and that in that way they recover their health?—It frequently happens.

2068. Then if instead of their being at the depôts they were on sick furlough would it not be the case that their pay would be wholly and directly paid by India?—They would be all paid by India; but what is more, you would be obliged to have additional officers in India to make up for the deficiency of men on sick furlough; whereas now you are not obliged to do that, but you have merely the ordinary complement of officers. I contend that if you had not this means of making many of these men who come home on sick leave available for India, you would require to have more officers in India in order to give leave to those who are in India.

2069. With regard to the question which your Royal Highness was asked about doubling up batteries of the artillery, would it not very greatly affect the question of relief?—Very largely, of course; in fact, it would affect everything; it would entirely upset the organisation as it at present exists; you would have to re-organise the whole force to that extent, reduce the number of batteries, and so on, therefore making the relief different from what it is at present.

2070. I suppose the matter of adjusting the roster for foreign service is one at all times of considerable difficulty, which would be very greatly complicated by changes in the establishment?—No doubt.

2071. With regard to the linked battalions, your Royal Highness has spoken of some diffi-

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Mr. *Stanley*—continued.

culty which is believed to exist in getting men to transfer their services from the one battalion to the other; there is some difficulty in getting men to enlist who think that they may be so transferred?—There is such a feeling, as I understand, amongst the men; that is what I have gathered from what I have heard amongst the recruiting officers.

2072. It has been the common practice in past times, has it not, in the army, for a man to be transferred from one regiment to another, on the application of a brother?—Certainly.

2073. And I suppose that if such reasons are recognised as influencing a man's transfer from one battalion to another, awkward questions might arise if a man, having been transferred from one regiment to a linked battalion of another regiment in order to join a brother, was afterwards transferred from that linked battalion to the corresponding linked battalion?—Of course the man would not like it at all.

2074. In continental armies I think the organisation is almost always approaching to the brigade or the regimental system in artillery; I think no continental army is organised simply upon the unit of the battery?—None, that I am aware of.

2075. And all your Royal Highness's experience has proved that in all large armies the organisation has been so arranged either in regiments or in a larger unit, at all events, than the battery?—Always, as far as I am aware.

2076. With regard to the question which your Royal Highness was asked by the honourable Member for Guildford as to a reserve man who, having served wholly in India, would have been trained wholly at the cost of India, would not the fact be that India would pay for the service which she had taken from the man, and that England would pay for the reserve service which she had taken from the man; each would pay in their own proportion for the fair amount of work which the man had contributed?—So it appears to me.

2077. Has your Royal Highness's attention been directed to a paragraph in Lord Northbrook's letter, enclosed in a letter from the India Office to the War Office of the 14th of April last, in which, at paragraph 30, Lord Northbrook in Council recommends, "That the charge for the home depôts of regiments serving in India should be divided into two parts, the one representing the value of the presence of such troops at home, and of the general service rendered by them; the other, representing the value of the labour of raising and training recruits for the battalions in India. The latter may be fairly charged to this country, while the former should be borne by Imperial revenues." Might the Committee ask if your Royal Highness has any opinion to express upon that point?—I think that is a very fair way of putting it; I should not object to that.

2078. The second recommendation is, "That the charge for the cost of training the infantry recruit should be limited to three months, during which he remains at the depôt"?—That I take exception to, because I think that no man could really be considered a trained man unless he had been six months at the depôt.

2079. We have had it quoted as your Royal Highness's opinion, and as an accepted fact, that the recruit's training should occupy a certain number of months at the depôt according to the

Mr. *Stanley*—continued.

arm of the service in which he was placed; but we have not had any statement as to what that period of service is based upon. I presume that the period of service now occupied by the recruit's training is occupied by duties which were not in existence at the time when Warley was the Indian depôt?—No. There was no musketry instruction in those days, and no gymnasiums; all those are novelties since the days of Warley. I do not think the men were armed at all at Warley, or very few of them.

2080. Is not the period mentioned for the training of a recruit carefully considered, with reference to the various considerations which are necessary to make him effective?—Certainly; for instance, as to merely setting him up and making him supple in that way, and then the gymnasium, and then the drill with arms; I do not think you could say that a man is drilled with arms under three months. Then comes the shooting and then the battalion drill; so that six months is the very shortest time that you can consider sufficient to make a man a soldier; but if a man was to land in India with six months' training, he is fit to take his place in the ranks, and he ought to be able to take his share in the duties of the field, if necessary.

2081. And the same thing applies to the mounted service, I suppose?—The period of training for recruits for the mounted service is nine months; there are men who can get through their drill quicker, but that is rare.

2082. And there is a difference between them and the field batteries?—We allow a month for that. The gunners do not ride at all; they have other duties to learn. We allow eight months for the field batteries, and nine months for the horse artillery.

2083. If we assumed the cost of a recruit to be estimated at a certain sum for a certain training, and if we made a corresponding reduction for so many months' less training, would not your Royal Highness consider that we ought to make a considerable increase in the cost, if a man was kept over the normal time?—Of course. There is no doubt, as I said before, that it is likely to lead to an apparent temporary larger expenditure; but you get so much better an article, that I think it is quite worth it.

2084. And, finally, I think I understood your Royal Highness to express a very decided opinion in favour of a number of cadres as against the small number of large battalions fully up to the strength?—Quite so. I should think if you had not cadres you would not keep up an army at all, because, in that case, really to keep up an army such as you require would be to maintain it at such an enormous expense that the country would not stand it. I think India ought to bear its share of that expenditure. Of course, I admit that the Indian establishment in rank and file ought to be considerably larger than the home establishment, but it should be on the same organisation as regards battalions or regiments, with a larger number of men, because the ordinary daily duties and the requirements of soldiers in India are distinctly more important and greater than they would be in time of peace at home.

Mr. *Fawcett*.

2085. I understand your Royal Highness to express an opinion, that upon all questions affecting military organisation, it is certainly most expedient

Mr. *Fawcett*—continued.

expedient that the Indian authorities should be consulted?—I am of the strongest opinion that they ought to know thoroughly what is going on. I do not think it is wise to take too many into council when questions of this sort are first mooted, but when certain principles are deemed essential on military grounds, it is right, before any action is taken or any decision is actually come to, that the bearing of the question on Indian finance and Indian arrangements should be taken into account, and that opportunity should be given to the Indian authorities, and the India Office at home, in some shape to give their opinions freely; and then, of course, it is for the Government to hear both sides, if there is a difference, and decide the matter.

2086. Are you aware whether any consultation was had with the Indian authorities before the pay of the army was raised?—I apprehend that was a Cabinet question, and that, of course, the Secretary of State for India was present, and I conceive that he is an authority who is able to put in his views on those occasions should he be doubtful as to how it would affect India. Of course, if he says nothing, one must assume that there is nothing to be said against it.

2087. And you would say that he should, if necessary, obtain the opinions of the Government in India?—That of course must depend upon the policy of the Government at home, as to whether there is the power or not of putting off such a question. If you find that you cannot

Mr. *Fawcett*—continued.

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get men in the market without raising the pay, it is just as important to have men to go to India as to have men for the army at home; and in that point of view probably the Government would say, "This is so palpably evident, that we will not consult India; common sense tells us it must be done." I have no doubt that on any question on which time might be given, consultation might and would take place with India; but I do not think that you would sacrifice great principles, and great interests, merely to get an opinion from the Indian Government, which probably you might obtain to a great extent at home.

Mr. *Onslow*.

2088. The noble Lord has put to you one or two questions about receiving a lump sum for recruits; now, if you received a lump sum, that must be a fluctuating charge, must it not?—Yes.

2089. And, therefore, it would be only an indirect way of calculating according to the price of each recruit; you must come to that in order to get at the lump sum?—What I thought of the lump sum was, that it had this advantage, you might fix it for a cycle of years, say five, or whatever the term might be, and then the financiers of India and at home would know what they had to calculate upon. If you had a cycle of five years, say, the give and take is such that I do not think it would make much difference; on that ground, I think the lump sum has its advantages.

Friday, 26*th June* 1874.

MEMBERS PRESENT:

Sir George Balfour.
Sir Thomas Bazley.
Mr. Birley.
Mr. Campbell-Bannerman.
Mr. Stephen Cave.
Mr. Dalrymple.
Mr. Beckett Denison.
Mr. Dunbar.
Mr. Fawcett.
Lord George Hamilton.
Sir Henry Havelock.
Mr. Sampson Lloyd.
Mr. Onslow.
Mr. Eustace Smith.
Mr. Stanley.

THE RIGHT HON. STEPHEN CAVE, IN THE CHAIR.

The Most Honourable ROBERT ARTHUR TALBOT, Marquess of Salisbury (attending by special permission of the House of Lords); Examined.

Marquess of *Salisbury*.
26 June 1874.

Chairman.

2090. WE know that you are Secretary of State for India, and you held the same office in the year 1866-67?—For eight months.*

2091. Our inquiry here is into charges payable in this country for which the revenues of India are liable; and two points seem to have been pressed upon us by different witnesses, the first being that the India Office is not sufficiently considered in this country; and, if you please, I will take that point first. It is stated that in consequence of the Secretary of State for India being one, and the other members of the Cabinet being several, India has not a fair chance of representing her interests in the Legislature of the country; do you agree with this?—I have never seen, in my short experience, anything to justify that view. In the present Cabinet of course there is the peculiarity that three of its members are, or have been, Secretaries of State for India, so that India has a considerable representation.

2092. You would say then that, generally speaking, there is no disposition in the Cabinet to take advantage of that superiority in numbers?—I have not seen the slightest trace of it; I am speaking of course only of what I have seen; I know nothing of what has taken place in other Cabinets.

2093. The point that arises out of that is a difference of opinion as to certain financial questions between the India Office and other departments of the State, such as the War Office and the Admiralty; perhaps your Lordship is aware that in the course of this inquiry a good deal has been said regarding the effect of measures of army organisation adopted by the War Office upon the finances of India; could you give any general opinion upon that point?—There is no doubt that the policy of this country has been adopted on military matters without any special reference to the interests of India; and it has occasionally happened that measures have been taken by the War Office which have largely affected the English army, and have necessarily at the same time affected the military service in India, and have consequently affected the Indian exchequer, and that those measures have been taken without any previous consultation with the authorities at the India Office; but I do not imagine that those cases happen very often, or that they are productive of any very large practical inconvenience.

Chairman—continued.

2094. Still those are questions, are they not, in which India suffers, if I may use the term, from the accident of her being part of a very large empire?—And also from the policy of amalgamation which was adopted in 1860. If the armies are under the same organisation, and are affected by the same measures, of course necessarily the interests of England and her vast empire must be considered in the first instance, and India may occasionally suffer by that necessity.

2095. Would you say, as a set-off against that answer, that India benefits very much by her connection with England, or the reverse?—On the general question do you mean?

2096. On the question of the amalgamation that you were mentioning just now?—Well, it is rather, perhaps, out of my province to express an opinion on what was done in 1860, but I should certainly decline to express myself in favour of that measure.

2097. But I imagine that, with regard to the general question, your Lordship has no difficulty about expressing an opinion as to the general benefit which India has received from her connection with this country?—India owes to England that which she has wanted for centuries, the inestimable benefit of order; and that appears to me to outweigh any accidental disadvantages, even were they tenfold greater than they are.

2098. Then the questions between the War Office and the India Office are chiefly minor questions arising out of Imperial policy?—I can give one or two instances. There was the case in 1866 of the raising of the pay of the soldier; General Peel raised the soldier's pay twopence, and that was done without any consent with the India Office, and of course it imposed a charge upon the revenues of India. I think this Committee

Chairman—continued.

mittee has already been informed of a question that is pending now, not a very large question, namely, the effect that the permission to retire into the reserve after three years' service has upon those soldiers who, at great cost, have been taken out to India. Of course, if they are allowed directly or very shortly after they have got out there to go back into the reserve, that imposes upon us two very heavy transport expenditures, with a very small corresponding return; but that matter is under discussion, and the War Office, I believe, is prepared to satisfy us entirely in that respect.

2099. We have had evidence upon that point that the probability will be that many of those soldiers will re-engage in India, and that the short service will not have the same effect that at first sight it would appear likely to have?—That is what we hope. I cannot imagine that the short service will be entirely without a disadvantageous effect on the Indian Exchequer; but there are many set-offs, and I trust that that effect may be reduced to a minimum.

2100. Is there any question between the India Office and the Admiralty of any consequence?—There has been one since I have been in office. The Admiralty have found it necessary, or thought it necessary, to keep our transport ships at the full complement of men during the dead season, and this, of course, involved a heavy expenditure upon us; we represented it to them. As long as the matter was discussed in the ordinary official way we made very little progress; but as soon as the chiefs of the departments met and discussed it, it was settled very briefly. The Admiralty have been quite reasonable, and an alteration has been made by which a saving of 20,000 *l.* a year will be secured to the Indian Exchequer. I do not think that now we have any reason whatever to complain.

2101. Then, is it your opinion that serious inconvenience has resulted, or may result, in the future for want of any better defined system of communication between the different offices, the India Office, the Admiralty, and the War Office, for example?—If such a system could be devised it certainly would be an advantage; but I do not see my way to securing it by any positive enactment or rule. In 1863 I think it was, at the instance of Sir Charles Wood, it was agreed that all Royal Warrants should be immediately communicated from the War Office, and that was acted upon for some time; but when great changes in the *personnel* of the War Office took place, two or three years ago, that rule was entirely forgotten, and I believe that they never send the Royal Warrants now. That shows how difficult it is to make a merely departmental rule permanent in its action; it is apt to depend upon the memory of the officials.

2102. And probably you would say, from experience, that the permanent officials of these offices are less inclined to frequent communications with each other than the Parliamentary heads of the offices would be?—It is the business of the heads to be friends; I do not know that the subordinates always look upon their duty in the same light.

2103. That was exactly what I meant; I wished to know whether your Lordship could guide the Committee in any recommendation to facilitate the communication between offices upon any other system?—I do not believe that any fixed rule would be attended with any advantage; a strong expression of opinion from a Committee of the House of Commons will always be of advantage, and would probably secure the attention of the officials for a considerable time; but beyond that I have no recommendation to offer.

2104. You know, of course, that Committees have been sitting, composed of the departmental officials of each department, for the purpose of considering these questions; do you think such a committee would be of advantage as a standing committee, provided it could have some head as an arbitrator between them, some one of consideration, I mean?—The proviso would be absolutely necessary, because a committee equally composed of permanent officers of two departments that were at issue would result in nothing but presenting the points of difference in a very clear light; they could hardly be expected to come to any very close agreement; but if you could find some arbitrator who was willing permanently to adjust such differences, and the arbitrator was competent for his task, and commanded general confidence, I have no doubt considerable improvement in the mutual action of the departments might result; but I am afraid that a man who had such distinguished qualities as those would look for employment in higher departments of the State, and that you would not retain his services very long.

2105. Such committee would be elastic, and adapt itself to changes which frequently take place in the policy, would it not?—Yes, I suppose it would; assuming that the head of it, the arbitrator, was not committed to any particular line of policy too strongly.

2106. For instance, taking the question between the War Office and the India Office, which depends so very much upon what is at present problematical, the success of the new army system, would it not be very difficult for a committee to lay down any hard and fast rule by which the relation between the offices should be fixed at the present moment?—Impossible.

2107. And probably two or three years must elapse before anything of the kind could be hoped for?—I suppose the whole of our military policy at the present moment is tentative, and the side of it that relates to India must necessarily be tentative too.

2108. And therefore if some committee could be formed, such as I have mentioned already, to carry us on till the future should be a little more certain would not that be a way, at any rate, of tiding over a great many difficulties which exist at present?—If you think that the difficulties are sufficiently pressing to require such a solution. One of our greatest difficulties is at present submitted to a committee of the character that you have sketched out; and I do not know that there is anything of a nature sufficiently important to require so elaborate a machinery between the offices at present.

2109. That, of course, is an extremely important answer when we consider the letters that have passed (and that have been laid before this Committee and the House) between the two Departments of State, the War Office and the India Office, from which it appeared that the difficulties were almost insurmountable?—Those are precisely the difficulties now submitted to such a committee as you have spoken of. I do not

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Chairman—continued.

not know at present of any difficulty approaching in magnitude to the size of that one pending between the two offices.

2110. Such a difficulty, for instance, as the charge to be made upon India for the cost of recruits?—That is the point in question. We have difficulties with the Foreign Office, and difficulties with the Treasury, but they are matters that I think we shall settle by negotiation.

2111. This, perhaps, is a mere matter of detail that such a committee ought to decide upon rather than your Lordship; but have you formed any opinion whether it is of advantage to go into every department of expenditure, and make a debtor and creditor account on each side, or whether it would be better to make a rough estimate and charge a lump sum for these disputed charges?—That rather depends upon the matter you have already glanced at. The tendency of officers of two departments to be animated by an *esprit de corps*, and to fight out everything to the last, makes it very difficult to come to an agreement if you have too many items of detail to settle; and in the view of that tendency I should prefer to recommend the lump sum; but there is no doubt that the rigid abstract justice would be better satisfied by investigating each item in detail.

2112. Such a lump sum must be arrived at in the first instance in that way, must it not?—Yes.

2113. And the advantage would be that you would fix it for a certain number of years, and then when there were circumstances which made a change necessary you could have a fresh account?—That would probably be the most convenient mode of doing it.

2114. I do not like to ask your Lordship a great many questions which we have already asked other witnesses, though you are, of course, fully competent to answer them; but the other point on which we have had evidence is that while the India Office is not sufficiently considered by the other departments, India itself is not sufficiently considered in the India Office; and Sir William Muir gave evidence that with regard to the short term of service, which was a point bearing very much upon the health of the army, the medical authorities in India were not consulted. Now, of course, that is some time ago; but your Lordship might probably tell us generally whether in any important point a decision is taken in the India Office without consultation with the heads of the Government in India?—Almost universally, in all executive matters of the slightest importance, we refer to the Governments in India before coming to a decision. Of course we do not bind ourselves to adhere to their opinions if we see good reason for believing that those opinions are wrong; but with scarcely an exception we take their opinions before we act.

2115. In some cases, possibly, you might have authorities at home sufficiently capable of giving opinion upon these matters, which might give rise to an idea in India that people with Indian knowledge were not consulted?—That might be so, and especially in the case of special knowledge. It must be obvious, for instance, that medical knowledge might very possibly be obtained to greater advantage in this country than in India.

Chairman—continued.

2116. It is of great consequence, of course, that there should be no impression in India that she would be put entirely on one side, and that you would rely too much upon information which you get in this country, and too little upon local information?—I have never heard that suggested, and I do not believe that it can be said that on any matter on which local information is of importance the India Office neglects to obtain it.

2117. And of course in these days of telegrams time would be no element whatever in such a question?—I am not very favourable to obtaining opinions by telegraph, if it can be avoided, because the necessary brevity of telegrams is apt to cause them to be misunderstood.

2118. Then, as a sort of summary of your Lordship's evidence, I may say that you do not consider that the India Office suffers unduly in relation with other departments of the State in this country, nor that the India Office itself neglects to consult the authorities in India upon important matters?—I would rather put it that the India Office has in the long run generally succeeded in obtaining justice from the other departments in the State; but I should be sorry to leave the impression that there was not a danger which it requires constant vigilance to guard against of other departments in the State somewhat encroaching upon the rights of the Indian Exchequer. With regard to the second portion of your question, I do not believe that the India Office ever neglects to obtain local information when it is necessary.

2119. Then with regard to the first part, the remedy you appear to suggest is, first, that it is better that the heads of the departments should talk over these matters and settle them among themselves?—Yes; and the remedy which really will be the most potent of all is a knowledge on the part of the departments that there is a considerable sympathy for India in the House of Commons. As long as that knowledge exists I do not think there will be very much difficulty.

2120. And then as to matters of detail, you see no objection to a sort of standing committee, for the purpose of investigating matters of account, such committee being presided over by some one who can bring their labours to a practical conclusion, instead of leaving them merely, as your Lordship put it, simply with the question stated on each side?—Such a man would be an essential portion of any such tribunal; and no doubt when there are issues of sufficient magnitude demanding such an intervention, that form of the intervention would be the best.

2121. And it would be especially applicable in the present time, when there is so much doubtful and problematical with regard to the alteration of the military organisation of the Empire?—I daresay that may be so.

Mr. *Campbell-Bannerman*.

2122. I understood your Lordship to say that you thought there would be advantages in charging a lump sum for recruits. In what way would those advantages appear?—Only that the officers of the departments would have less opportunity of difference among themselves.

2123. The lump sum would be fixed by a calculation of details, would it not?—No doubt; and over those details there must be a conflict

Mr. *Campbell-Bannerman*—continued.

a conflict, but it would be a conflict once for all, instead of a conflict recurring every year.

2124. In what respect does that differ from the system pursued at present, by what is known as Mr. Seccombe's Committee; they calculate the actual charges, and on that calculation fix a price for the recruit which is laid down for a period of years, although hitherto that period has been a short one, owing to the changes that have been going on?—I was answering the abstract question with respect to any future settlement, whether it would be desirable to arrive at a treaty between the War Office and the India Office, in the shape of an agreement on a number of items, or an agreement on a lump sum, and I thought that there would be less opportunity for friction if a lump sum were taken; but I do not, of course, say that to a considerable extent that result may not be already arrived at.

2125. I do not exactly understand what is the constitution of the committee to which your Lordship said certain questions were referred at present?—Two gentlemen from the War Office, two gentlemen from the India Office, and Mr. Bouverie.

2126. Does that supersede Mr. Seccombe's Committee?—It is Mr. Seccombe's Committee, *plus* Mr. Bouverie.

2127. And that committee will consider all the questions that have hitherto come under the review of Mr. Seccombe's Committee?—Exactly so.

2128. Will they consider, also, other questions more involving matters of policy?—Any other questions that may be referred to them, but I think, at present, the reference is confined to the matters in the correspondence that has been published between Mr. Cardwell and the Duke of Argyll.

2129. You said that of late years Royal Warrants have not been sent to the India Office?—So I am informed.

2130. You do not state it unreservedly and without qualification, I suppose?—No; what I mean is that the uniform sending of them has been abandoned; I am, of course, speaking from the information of others, because this lies outside the range of my own experience; but up to within two or three years they were uniformly sent, and then, I think, the practice got more lax, and I believe it is not now looked upon as a necessary rule to send them to the India Office.

2131. They were sent in draft, of course, before being issued?—Before being issued.

2132. Not merely after issue, for the information of the India Office, but before issue, in order that the India Office might make any observations?—Yes.

2133. The Royal Warrants do not run in India, do they?—They affect the soldiers in India.

2134. A Royal Warrant, affecting the pay of the soldier in this country, does not apply to the soldiers in India, does it?—No; but of course we have to alter accordingly.

2135. It may be so?—Yes, of course it may be so; but it very often does happen so.

2136. Did I rightly understand your Lordship to say that there has been a want of proper communication between the two offices, an indisposition on the part of the War Office?—No, I said nothing of that kind; it is rather a matter of forgetfulness than any indisposition to communicate; for instance, this matter, which has been under discussion before the committee, of the three years' men joining the reserve, only reached the India Office because the military secretary happened to hear of it; it was not sent as a matter of course from the War Office.

2137. Does it necessarily affect India?—I am afraid so, until modified, which I believe it will be.

2138. It was a recruiting circular of a permissive kind, enabling commanding officers to transfer men, where they were willing to be transferred, to the reserve, after three years' service?—But a circular of that kind does practically set up a vested right in the soldiers, and unless there is some personal objection to granting him this privilege it creates a very sore feeling if the commander was to say, "Oh, no; I cannot grant it, because we are in India."

2139. Any such step as transferring a man from the line to the reserve can only be taken with the permission of the Adjutant General, and after reference to him; your Lordship is aware of that?—Yes.

2140. So that it would be quite possible for the Adjutant General, acting in concert with the military advisers of the India Office, to check that process, as far as he thought advisable?—Well, we may be wrong, but we are always a little nervous about anything that can give discontent to the European soldier in India, and such a plan might have an operation of that kind.

2141. But your Lordship does not imply that the India Office should have a potential voice in all matters of organisation relating to the British Army?—No; of course, it would be impossible; we can only have a consultative voice.

Chairman.

2142. This is one point which I omitted to ask your Lordship with reference to the Foreign Office. In case of a war in which this country is engaged, how is it settled whether India has sufficient interest in it or not that she should pay or not, or in what proportion she should pay?—I have never been actually engaged in such a conjuncture, and so I cannot tell you practically; but the theory is this, that the Secretary of State in Council is absolute on the point as to whether the revenues of India shall contribute or not, absolute, that is to say, failing an Act of Parliament.

2143. That, in fact, if he refuses against the whole of the Cabinet to admit that India is interested sufficiently in the war to make it just that she should pay, India would not pay?—India would not pay. But there is a stronger defence than that; because, perhaps, the Secretary of State could not resist the opinion of his colleagues. The Council can outvote him, and if the Council refuses to the Secretary of State and to the Cabinet the co-operation of India in a war, their decision is final.

2144. And England would have to pay the whole cost?—And England would have to pay the whole cost. I do not mean to say that I believe in practice it would ever come to that, for probably an Act of Parliament would dispose of the question.

Mr. *Onslow.*

2145. Cannot the Secretary of State veto the decision of a majority in the Council?—The India Office is a two-headed office. The Secretary of

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State has an absolute veto, and the Council has an absolute veto in all questions; but for the purpose of doing anything involving expenditure they must agree.

Lord *George Hamilton.*

2146. About two years ago, I think, Lord Cardwell issued what is termed free rations to the soldier in England?—Yes.

2147. Of course, that would not apply directly to the soldier in India, but I believe the Indian Government have considered it necessary, in consequence, to increase the pay of the Indian soldier?—That is so; the Indian Government must practically give to the Indian soldier a corresponding privilege to every privilege granted to him here, and usually a little more.

2148. You stated that you were somewhat in favour of a lump sum being paid for certain charges; would not one of the advantages of paying a lump sum be that it would give a greater latitude to the War Office, who would be able then to make any little alterations that would either increase or decrease the cost of recruits without consulting the India Office?—No doubt that would be more convenient. There are many little changes which from time to time the War Office would find it convenient to introduce, and to introduce without a preliminary discussion with the India Office.

2149. And which changes, if they were likely to increase the charges on the revenues of India, they would feel it necessary to consult the India Office upon, and which the India Office might object to on the ground of increased expense?—Yes.

Sir *Henry Havelock.*

2150. Your Lordship said it was the practice to submit the Royal Warrants in draft to the India Office before issue?—That has been so.

2151. That would be, in your opinion, probably the most convenient form for them to be submitted in, because it admits of an opinion being given from the India Office before they take final shape?—Yes.

2152. Then with reference to the Army Circular which has been issued lately, which may make some alteration in the terms of service in India, I think your Lordship said that no reference had been made to India before that was issued?—No.

2153. And that has been issued, I believe, since the present Administration came into power?—That is so.

2154. In that Circular there is nothing, as far as your Lordship is aware, to prevent soldiers renewing their service in India as heretofore, either by re-engagement or by volunteering, is there?—I think there is as the Circular at present stands; I have not got it in my mind, but I think that there is some hindrance to re-engagement.

2155. There is nothing in the terms of the Circular that gives that idea?—Well, that may be so; I have not got the Circular before me.

Lord *George Hamilton.*

2156. I think there was another Circular issued not very long ago from the War Office, by which men who had to complete 12 years' service were not allowed to complete their whole service with the colours, but an exception was only made in the case of those who were likely to prove good non-commissioned officers musicians?—Yes.

2157. And that Circular applied to India would no doubt have very much affected us, as it would have prevented the men from re-engaging to serve with other regiments with the colours?—Of course it is a great object to get all who are physically fit for any purpose.

Sir *Henry Havelock.*

2158. From what your Lordship said with regard to the action of the Indian Council, in any case in which the Indian finances may be concerned, I conclude that we may infer that in every case in which the finances of India have been made chargeable for imperial wars, as they may be called, that has been with the concurrence of the Indian Council?—Yes, necessarily; it could not have been done without.

Mr. *Beckett Denison.*

2159. Does that refer to the case of Abyssinia too?—It must be so; a sixpence cannot be imposed upon the revenues of India without the formal consent of the Indian Council.

Sir *Henry Havelock.*

2160. We may infer practically that the Indian Council has concurred in every such case?—Yes.

2161. As regards the committee of Mr. Bouverie's to which you have referred, is that a permanent committee?—No; it is appointed for this matter of the recruiting.

Mr. *Stanley.*

2162. I should like to ask your Lordship with regard to the lump sum about which there has been some discussion. If there was a capitation rate, which I imagine is meant by that lump sum, it could only be arrived at by a periodical adjustment of the charges which were to be made, and would have to be governed, would it not, by following up each man's effective services whilst in India; in other words, you would fix the charge for every man serving in India, but you would equally have to follow up each man's effective services whilst in India?—You would pay for him before he went there; so you could hardly adjust the sum to what he was intending to do.

2163. Am I to understand that the proposal would be to pay for a certain number of men whether they were there or not?—I understand the proposal would be to pay a certain amount for every man who was recruited and who went out. I do not suppose that the payment would be cancelled or given back because the man should happen to die.

2164. That is the point which I wished to ask about, because under the former capitation rate I believe it was necessary to follow up each man's effective services, and that was found in account to give a great deal of trouble?—I should not call that a lump sum; I should say it was one of the most objectionable forms of item paying.

2165. With regard to some questions that were addressed to Sir Thomas Pears when he gave his evidence before this Committee he was asked whether, in such proposal for the payment of a lump sum adjusted from time to time, if any change were made at home which caused the actual cost of the recruits furnished to India to be less than it was at the time of settlement India would be likely to claim a corresponding reduction

Mr. *Stanley*—continued.

tion in the capitation rate, and he answered that it was possible that such a claim would be made; but I did not understand him, on the other hand, to admit that a corresponding increase would be given if, through unavoidable causes, the cost of a recruit at home should have risen, whilst the period was still running. Would it, in your Lordship's opinion, be a fair arrangement that the diminution should be given in favour of India while no corresponding increase was allowed in favour of the Home Government?—My impression of a fair arrangement would be that there should be an agreement for a term of years, and that whatever happened to the prices both sides should abide by that while it lasted.

2166. Amongst the questions which have come to the notice of this Committee I believe some have had reference to charges for officers. Assuming the education of officers to be included amongst those charges, would your Lordship think it fair that India should be called upon to contribute to any general system of education, assuming that such were adopted for all officers before proceeding to join their regiments in India?—I am rather nervous of answering that question, for it may contain the germs of a larger financial concession than I may see my way to.

2167. At the present moment your Lordship is doubtless aware that officers who are gazetted to regiments on the Indian establishments, proceed to the depôts of their regiments at home, and are subsequently trained during the period of their sub-lieutenancy under garrison instruction in India; whilst it is now proposed that officers at home shall complete their training at Sandhurst before joining their regiments. Assuming that it was desirable on general grounds to place the education of officers upon a common footing, would there, in your Lordship's opinion, be any objection, as a matter of principle, that the Indian Government should be asked to share the expense of that by which they profit?—If the Indian Government asked for the change it would be fair that the Indian Government should pay; but if it is a change adopted from Horse Guards reasons, and not at the instance of the Indian Government, I think it is fair that the Imperial Government should pay.

2168. Assuming that the Indian Government received the services of an officer who was fit for duty instead of only partially trained, would not your Lordship admit that they received a better article, and an article for which therefore the Home Government might be entitled to consider they might charge a higher price?—Well, it depends whether they want the better article or not. My impression is that at present they are very well satisfied with the quality of the article they get; I have heard no complaints; and of course if you press upon them a better article than they want it is hard to press upon them to pay for it.

Mr. *Campbell-Bannerman*.

2169. They would be relieved of a considerable charge connected with the garrison instruction in India, would they not?—I am not acquainted with the plan to which Captain Stanley is referring, so that I am perhaps answering rather widely, but of course if it is a matter of financial adjustment between the two Governments if

Mr. *Campbell-Bannerman*—continued.

would be fair enough, but that must be a matter of negotiation in which everything depends upon details.

Mr. *Eustace Smith*.

2170. I believe it is very often the case that drafts of recruits going to India have to be supplemented by volunteers in order to make up the quantity of men at the proper age; that very often volunteers have been taken at different times from other regiments?—If you mean volunteers on the spot, yes, very often indeed. There is a large portion that volunteer.

2171. Then if it was generally understood in the army that there was some understanding between the Adjutant General at home and the commanding officer in India, that a man who went to India would at all forfeit any rights or privileges which he would enjoy by remaining in England, that would tend very much to check volunteers from going out to India, might it not?—It might be the case.

2172. I am speaking of such a case as the power of the man's retiring into the reserve at the end of three years; if it was understood that he forfeited that in practice by going to India it would be a check upon volunteering, would it not?—I am afraid I misunderstood you; I understood you to refer to volunteers of regiments already in India. I am not aware of a large number of volunteers from this country.

Sir *George Balfour*.

2173. From your Lordship's replies, I understand that the broad principle would be adhered to, that whatever the India Office had a voice in and considered right and proper for India to require, India is quite prepared to meet every charge that can be properly made against India?—Certainly.

2174. That would be the guiding principle of your Lordship's administration?—No doubt what India thought necessary for herself, what the Indian Government demanded, the Indian Government must be prepared to defray the expense of.

2175. Now, I will bring to your Lordship's notice this important fact; we had important evidence from His Royal Highness with regard to the necessity of Indian establishments being made uniform with the Imperial establishments; the consequence is, that instead of a few regiments, as in former years, existing in India, we have got many more regiments than what the old establishments would render necessary for the service in India; your Lordship is well aware that the mere pay and allowances of a regiment are in themselves only a portion of the great expenditure incurred for the European force?—Yes.

2176. Does your Lordship consider that India ought to have a voice in fixing the establishments of regiments?—That is a very difficult question. It is obvious that the Amalgamation Act has produced a certain amount of dependence of India upon the Imperial Government, and that India ought certainly to have a consultative voice. I am not prepared to say that in all matters her refusal must be final.

2177. When I mention to your Lordship that a cavalry regiment during the mutiny, and before the mutiny, consisted of 606 privates, and that it consists of 384 at the present day, your Lordship will at once see the great increase of expenditure which this multiplicity of regiments

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must cause, and that India therefore is keeping up many more cadres than what the actual strength in India would require. In that case does not your Lordship consider that India ought to have a voice in settling the number of cadres composing the force which India needs?—I should say that the Imperial Government ought to pay the greatest attention to any remonstrances which it may receive from India.

2178. Now a question was asked also with reference to the capitation rate. Your Lordship is aware that it was divided into two rates; the one being 3 *l.* 10 *s.* to cover non-effective charges, and the other 10 *l.* to cover effective charges, and that the conditions of these two kinds of expenditure were entirely separate and independent?—Yes.

2179. Seeing, therefore, the importance of getting rid of all disputes between the two offices, is it not possible to come to a conclusion different from that which formerly prevailed, that simply the charge for its recruits themselves should be agreed upon. Your Lordship is aware that 10 *l.* covered every description of charge, the pay of officers on leave, the colonels at home, and a variety of other expenses connected with the troops at home, and that the settlement of these items has been the real cause of the difficulties between the two offices?—And I understand your proposal to be, that one lump sum should be taken, without reference to the items it is composed of.

2180. That you should separate the two, and keep your attention closely to that one transaction, where any difference of opinion alone arises?—No doubt a lump sum would tend to the more easy co-operation of the departments.

2181. Now your Lordship is aware that it was the War Office who put an end to the capitation payment between India and the War Office?—I was not aware of that.

2182. It was on account of the losses sustained by the War Office. I will mention to your Lordship that the agreement upon which the capitation rate was made was that each regiment should receive 80 recruits every year from the depôt; but instead of receiving 80 recruits every year from the depôt they barely received 40 recruits; consequently the expense of that depôt having been calculated to supply 80 recruits, the increased cost for the 40 recruits is very considerably lessened?—Yes.

2183. Is it upon that basis now that, practically speaking, India is called upon to pay these expensive rates for recruits?—That agreement is no longer in force.

2184. It was upon that basis that India might proceed to fix precisely what the real cost of recruits should have been if the number of recruits agreed upon had been actually supplied?—I should be rather sorry to express on a matter pending before this Committee any definite opinion as to the precise mode in which these details are to be handled, because of course it might be to some extent embarrassing.

2185. Still, if an impartial body of men could be got together by which these details could be investigated, it could show that it is what has been the practical working of the past system, and not the defective nature of the capitation rate, which has led to all this difficulty?—I dare say that would be the case.

2186. I would remind your Lordship that the

Sir *George Balfour*—continued.

payment of 3 *l.* 10 *s.* upon the effectives in India, on account of the non-effective charges, was in substitution of the payment of 60,000 *l.* which was agreed upon in 1823 to be paid to the Imperial Treasury to cover these charges?—Yes.

2187. The Act of Parliament then provided, "that all items issued by the Paymaster General on account of the forces serving in India, or for raising and supplying the recruits for the same, shall be repaid by the said united company, and that the actual expenses only which are incurred for the support and maintenance of the said troops shall be borne and defrayed by the said united company." These were the conditions on which that 60,000 *l.* was given?—Yes.

2188. This was a compromise at that time in settlement of very heavy claims which were made by India against England, and, on condition that India then waived many of the claims, this compromise of a lump sum for the non-effective charges was actually made; seeing that India has since that been paying nearly 200,000 *l.* every year, is it not right that if the former agreement was made in settlement of former claims, India should be entitled to come upon England and say distinctly a compromise was made in 1823 in settlement of all claims, and that the two Governments should adhere to it?—I am afraid that I should be rather trenching upon the matter which is to be decided by this Committee, of which Mr. Bouverie is president, if I gave an answer to that question.

2189. As to the question which the honourable Member the Financial Secretary was asking you as to re-engaging, if it should be found that any Royal Warrant exists by which the re-engagements of men in India are limited, your Lordship would certainly claim on behalf of India a fair consideration, and to have that limitation removed if necessary?—We have already received from the War Office assurances that every facility will be given to us in that respect; it is not the intention of the War Office to interfere with re-engagements in India.

2190. I will mention to your Lordship that in the year 1863, by the evidence obtained by the Recruiting Commission of 1866, there were no fewer than 3,193 men re-engaged in India, and that, of course, the money which was paid to the soldier for re-engagement all came out of the finances of India. Now, in that case, India was put to some considerable expense by the change of conditions which had taken place in the former mode of enlisting soldiers?—The necessity of re-engagement involved some bonus to the soldier.

2191. Under these circumstances it becomes of great importance that India should be fully alive to the changes made in the conditions of service of the men?—Certainly it is a vital question.

2192. Now your Lordship is aware that the expense of sending men backwards and forwards is very considerable?—Very large; I think about 20 *l.* a man each way.

2193. And that with a variety of other charges it approaches nearly 100 *l.* altogether?—Yes.

2194. Considering the limited period for which men go out, surely India has a right to expect from the War Office that before soldiers are embarked for India they should be certain that the men will serve more than two years, which

Sir *George Balfour*—continued.

which is the present limitation?—It would be very desirable, indeed, if such an assurance could be obtained.

2195. But considering that service in India is very popular, that almost any number of men can be obtained to go to India, would it not be right for the India Office to be able to retain the service of those men by a small bounty even?—I regret to say that my information does not support the conditions of your question. I am told that though in old days the service in India was remarkably popular, it is not quite so popular now, and that there is some little difficulty in furnishing us with the recruits that we need.

2196. There has been no evidence obtained since the inquiry which was made by the Commission in 1866 to show that the service in India is not popular, is there?—No; and I should be sorry to make any statement so positive as that; but as far as the opinions of practised persons would lead me to judge, it certainly is not so popular as it used to be in the old days of the East India Company.

2197. But that was because men then knew distinctly that they were going to serve in India, and would not be liable to serve in England?—There is no doubt that the popularity was very great, and not very easily intelligible, considering the conditions of the service. I do not affect to give a reason for it; I have heard it said that there was a general idea in those days that everybody going to India made his fortune.

2198. But we have it in evidence from His Royal Highness that the service in India is still popular?—Then I withdraw the opinion which I gave; I only stated what has been stated to me.

2199. Your Lordship has said that any demands made upon the finances of India for any Imperial measures which might be deemed to affect India are now fully considered by the Secretary of State, and that no such demands could possibly be made without the distinct sanction of your Lordship in Council?—The auditor would refuse them; they could not be made.

2200. Does your Lordship consider that the conditions are now different from those which prevailed in the times of the East India Company?—In that respect? My impression of the theoretical working of the old system is, that the President of the Board of Control had the power of ordering much what expenditure he pleased, but that as a matter of practice he hardly interfered with the East India Company.

2201. But Sir John Hobhouse stated that he had sent out a Despatch to order the Affghan War to be undertaken?—Yes.

2202. And therefore that war, which led India into a heavy expense, was incurred by an order from the President of the Board of Control?—Yes.

2203. Your Lordship is aware that the pay and allowances of the troops in the first China War were agreed to be paid by the Imperial Treasury, but that after long discussion a positive refusal was given to pay that money?—I was not aware of that.

2204. Your Lordship does not consider that any such condition as that could arise at the present time?—It would be absolutely impossible; the Viceroy has the power of declaring war without anybody's consent if he shall judge it necessary for the immediate safety of India; but, as no doubt the Committee is aware, it must be brought to the notice of Parliament on the earliest opportunity.

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2205. To that extent, therefore, as far as any orders go emanating from the Imperial Government at home, no such demand could be made on the revenues of India without the distinct sanction of the Secretary of State for India in Council?—Certainly not.

2206. Take the Persian War, for instance; the agreement was that a moiety of the extra charges on account of that war should be paid by each Government?—Yes.

2207. That was a distinct agreement between the Governments, and adhered to?—Yes.

2208. Then, with regard to the Abyssinian War, it was agreed upon by the two Governments that the ordinary pay and allowances of the troops in Abyssinia should be borne by India, and the extra charges alone by the Imperial Government?—Yes.

2209. The condition being that any troops raised for the defence of India should be paid for by the Imperial Government?—Yes; raised during the currency of the Abyssinian War, that is to say.

2210. Your Lordship is aware that native troops were raised by the Government of India?—I was not aware of that.

2211. These troops would fall under that category of being paid by the Imperial Government?—Yes.

2212. A question was asked as to the free rations to the soldier in England; your Lordship is aware that the system now in force in this country is practically the one which has been in force since 1840 in India?—Yes.

2213. And that, therefore, India has now been obliged to increase the pay of the soldier in that country, on purpose to enable the Secretary of State for War to make that arrangement in England which has been in existence in India for 30 years and more?—We have had to increase the soldier's pay.

2214. To that extent, therefore, Imperial measures have entailed upon India an extra charge on that account?—That is so; there is a considerably extra charge in respect of military payments, which has recently been caused in the same way by an alteration of the rate of exchange in reference to Ceylon. Regiments going from Ceylon to India of course could not be treated differently; the Treasury chose to alter their rate of exchange and we had to follow suit.

2215. Therefore, in these ways extra expenditure is caused to India by measures which are adopted by this country?—Yes.

2216. And your Lordship would consider that India might object to these payments?—They may be necessary, but I think it better that India should always first be consulted; though I am not saying that the necessities of India could govern the policy of the Imperial Government, but only that India should be heard.

2217. Your Lordship is aware that a very important change was lately made in the army by which the first captains of artillery and engineers were made into majors?—Yes.

2218. And that whilst the increase in the cost to England on account of that promotion was very slight, the increased cost to India has been very considerable?—Yes, that is so; I do not know whether we can fairly charge that on the

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Imperial Government; it was an inevitable result.

2219. If your Lordship should approve of that extra charge, still your Lordship would consider that any changes made in India on that account, in order to lessen the drain upon the finances of India, should be met by the War Office, if possible?—At all events, it would be better that the War Office should consult us. I do not say that in those matters the War Office must bear the whole expense; that would be unfair.

2220. Still, if extra charges are now incurred on account of the organisation of the artillery, you consider that the War Office should meet the India Office, and enable them, if possible, to make changes in the organisation to diminish the expense?—Yes.

2221. Your Lordship is aware that the artillery is an expensive organisation at the present moment; a major is in command of a garrison battery of 70 men, whereas no such command as that devolves upon a major at home?—Yes.

2222. In that case your Lordship would consider it expedient that the War Office should, if possible, change the organisation?—That is a matter of too great detail for me to venture to offer an opinion upon.

Mr. *Sampson Lloyd*.

2223. Your Lordship has said that no direct charge is made or can be made on the Indian revenues without the consent of the India Office. The impression would appear to exist from certain questions that have been put in this inquiry to the witnesses, and from their answers, that the Indian revenues have suffered, or may possibly suffer, owing to some recent army reforms which the Imperial Government have thought fit to introduce, notably the system of enlisting for short periods of service; my question is, whether the India Office, in your Lordship's opinion, were sufficiently consulted before those changes were made?—It is outside my own experience, but my impression is that the India Office were not consulted. But perhaps I may supplement that answer by observing that the expense which falls upon India must always be the subject of the consent of the Indian Council, though by such changes a moral pressure may be put upon the Indian Council which it cannot possibly resist.

2224. Perhaps I may ask, if your Lordship would think it better, that the India Office should be consulted, where possible, when any important change of that kind is made?—In all changes that may possibly involve expense upon India I am certainly of opinion that the War Office should first take the opinion of the India Office.

Mr. *Fawcett*.

2225. You are not aware of any records to show that the India Office were consulted when the short service system was introduced?—I am not aware of any, but I have not examined them for this purpose; I should be sorry to make any definite assertion to the contrary.

2226. Your opinion is that the India Office should distinctly be consulted on every change that can affect their finances; although it does not follow that their opinion should prevail, it should be one element taken into consideration, you think?—I think the Secretary of State in Council ought to be heard, before any such change is made. But I wish to guard myself

Mr. *Fawcett*—continued.

from indicating that any final veto could be given to him, because that would obviously be inconsistent with Imperial policy.

2227. But if they do not consult him, and carry out a certain change, when the change has been carried out, although the Secretary of State has the power of refusing the expenditure, he is morally and virtually bound to accept the expenditure?—He is put in that position, that greater evils would result from his refusing than from his accepting.

2228. Frequent reference has been made to the correspondence that has taken place between the India Office and the War Office in reference to certain military charges. The last letter in that correspondence is signed by Sir Lewis Mallet, and is a document sent on in April this year, for which your Lordship is responsible?—Yes, no doubt.

2229. That letter encloses a document from Lord Northbrook on the same subject?—Yes, I see it does.

2230. And the whole tenour of that despatch is, in the first place, to show that you generally agree with Lord Northbrook's views on that particular subject?—Yes.

2231. You refer in that despatch (and Lord Northbrook does the same) to many charges which you think have been and are improperly borne by India?—Yes.

2232. But then, as many of these charges have been in operation for a good many years, and India has, according to your own showing, unjustly to bear them, it really comes to this, does it not, that if an unjust charge is pressed with sufficient pertinacity upon her she has no power in the matter except one of protest?—Well, "unjust" is perhaps rather a strong word. Some of these charges, undoubtedly, ought rather to be borne by the Imperial Government; but, of course, with succeeding administrations different opinions prevail; and I cannot answer for it that the Duke of Argyll, and Sir Stafford Northcote, and Lord Ripon, and Sir Charles Wood all held the same opinions.

2233. I should be sorry to use any expression which is too strong; but there are very much stronger expressions in that correspondence than simply "unjust;" "unjust" is, on more than one occasion, preceded by a very strong adverb?—I am afraid there is no doubt of that.

2234. Then it comes to this simply, without saying whether anyone is justified or not in doing it, that throughout the existence of an administration the Secretary of State for India is aware that India is being unjustly charged; that he protests and protests, again and again; that the thing goes on, and apparently no remedy can possibly be obtained for India unless the Secretary of State is prepared to take up this line, and say, "I will not submit to it any longer; I will resign"?—It is hardly so strong as that, because the Secretary of State, if his Council goes with him, can always pass a resolution that such and such a payment is not to be made; but, of course, any Minister shrinks from such a course, because it stops the machine.

2235. You have these alternatives; you must either stop the machine, or you must resign, or you must go on tacitly submitting to what you consider to be an injustice?—Well, I should accept that statement, barring the word "tacitly"; I should go on submitting with loud remonstrance.

2236. Taking

Mr. *Fawcett*—continued.

2236. Taking existing facts, what has occurred is, that the Secretary of State has gone on submitting with these loud remonstrances. It is difficult to conceive, I think, of stronger remonstrances written by one member of the Government to another member of the Government than are contained in that correspondence?—Well, I would not venture certainly to write any stronger myself.

2237. Then what I understand your Lordship to mean is this, that, after all, the great security for India to obtain financial justice is this, that India should have a Secretary of State who should do all in his power to secure her justice, and that he should out of doors be supported by the public opinion of the English people, and by the sympathy of the House of Commons; that that is his great strength after all?—That is undoubtedly his great strength; and if the House of Commons will keep a sufficiently sharp eye over these matters, I do not imagine that there is any serious danger of India being oppressed; but there is a constant tendency, of course, on the part of the departments at home, which have such enormous inducements to save, to get money where it may be had without resistance or difficulty.

2338. And of course the best security that India could possibly have is this, that English public opinion should be so improved that a Government would find that it rather lost than gained popularity by saving any money to the English taxpayer by making unjust charges to India?—Yes, I think that is undoubtedly the case. Of course you must bear in mind that there is always the collateral danger, that in trying to excite up to the point of integrity the English public opinion, you may excite to a higher point a more dangerous public opinion in India.

2239. But there is a great deal of room, is there not, for the instruction of English public opinion?—A great deal; at present, I think, there is not much harm to be done by irritating it on that point.

2240. Then, speaking as Minister for India, you attribute the greatest possible importance to the constant watchfulness of the House of Commons over the various English departments which affect Indian expenditure?—Undoubtedly it is the duty of the House of Commons, because it is the pressure of the House of Commons upon the Budget which creates this difficulty for India; and therefore the House of Commons is bound to make the corresponding pressure to see that India does not suffer from such a spirit of economy.

2241. As some one has expressed it, "One of the great dangers that India is constantly liable to is that she should be sacrificed to the exigencies of the English Estimates"?—That, no doubt, is a very great danger.

2242. Were you a member of the Government at the time of the Abyssinian War?—No, I was not; it was after my resignation.

2243. Your Lordship has said that you should not like to express a very positive opinion about the advantages or disadvantages which resulted from the amalgamation of the two armies, and therefore I will not press you upon that point; but do you think it would be possible, supposing it was proved that the amalgamation had been extremely costly, and supposing it was thought

Mr. *Fawcett*—continued.

desirable, to return in any way to the old system?—It would be an undertaking of enormous magnitude; and without considering it very carefully I should be sorry to give an opinion. There is no doubt that it would require the pressure of circumstances of great emergency to justify so important a retrogression.

2244. The amalgamation was carried out almost entirely against the wishes of those most interested in India, was it not?—I imagine against the opinion of almost every available Indian authority.

2245. But in a case like that, suppose the Council had stood firm, would it have been a case in which they could have prevented it?—The Council stood as firm as Council could stand; I think they nearly all voted against it, but they were overruled by Act of Parliament.

2246. Then although the Council have this power, as you have described it, of absolutely voting any expenditure which would fall on India, yet in a very important case like the amalgamation of the army their unanimous wish was overridden by the decision of Parliament?—Of course Parliament must be supreme; you cannot imagine any system in which it would not be so.

2247. Your Lordship was Secretary of State in 1866-67?—In 1866-67, for a few months.

2248. At that time there probably came under your notice the enormous difference that India was paying for her recruits compared with the sum which she paid for her recruits under the Warley system?—The question was not brought under my notice at that time. Of course I saw it directly I came into office this time, because it had been the subject of such very animated correspondence between the two offices. It may have been brought under my notice, and I may have forgotten it; but I do not remember at present to have paid any particular attention to it.

2249. Reverting to a question addressed to you by the Financial Secretary for War, I understand that you have laid down this very important principle of policy, that if any military change or any military reform, such, for instance, as educating the officers in England, is forced upon India against her wish and against her will, then India ought not to be charged for it?—That is what I should say, reserving always the supreme judgment of Parliament.

2250. Of course you would admit this very important consideration to be borne in mind, with regard to questions of expenditure affecting England and India, that England is a far wealthier country than India, and that the amount of extra revenue which could be at any moment raised in England is practically unlimited within several millions; whereas India is so very much poorer a country that a question of increased expenditure becomes very much more serious to her?—Very much. The difference between England and India in matters of finance is this, that in England you can raise a large increase of taxation without in the least degree risking the security of your institutions, but you cannot do so in India.

2551. Therefore, with regard to the army, you have two parties as it were in partnership, one of whom is very much wealthier than the other; an extra million, or two millions, or three millions to the one who is very wealthy is a matter of infinitely little consequence as compared with the

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Mr. *Fowcett*—continued.

same amount of extra expenditure imposed on the poorer one?—That is undoubtedly true; but you must at the same time remember that the larger number of risks are incurred by the poorer partner, and not by the richer one.

2252. But considering simply the financial view of the question, increased expenditure is almost incalculably a more serious thing with regard to India than it is with regard to England?—That is so undoubtedly.

2253. Are there any disputes at the present time pending with the Treasury?—At the present moment we are raising the question whether it is right that we should continue to pay the contribution which we make to the consulships in China, and to support the charge of the establishments at Aden and at Zanzibar; and also whether it is right that we should pay so large a sum as we do without any share in the appointment to the Embassy at Teheran.

2254. And the answer that you gave with regard to the question in dispute with the War Office would, of course, apply to these matters, that it would greatly add to your strength to be supported by public opinion out of doors, and by sympathy in the House of Commons?—No doubt; but I should be sorry while the discussion is going on to prejudge the case in any way, because we have not got our answer from the Treasury yet; in fact, we have not completed the representation of our case to them.

Chairman.

2255. Would you consider that such questions as those could be referred to such a committee as the one already mentioned?—Well, they involve considerable questions of policy occasionally, because the question of payment must always be connected with the question of appointment; and whether we or the Foreign Office ought to have the appointment to the Embassy at Teheran, or some other diplomatic appointments, of course would involve some very important questions of policy.

2256. You would consider that they would be Cabinet questions rather than questions of detail to be settled by subordinate committees?—I should say so; and I wish especially to guard myself from prejudging any question which is practically now under discussion.

Mr. *Dunbar.*

2257. I do not know whether your Lordship has had your attention directed to the evidence of Sir Thomas Pears in regard to the recruiting Circular. In answer to Questions 770to 780 he states that that Circular would not work well in India; and he suggested that there should be an alteration with the sanction of the higher military authorities; have you had any communication with the War Office on that subject?—Our communication has been of a more general character, requesting them to remedy the evil which we pointed out; and the last communication which we received from them was a communication which manifested great willingness to meet our views in that respect. The matters of detail will be settled between Sir Thomas Pears and some official in the War Office, and when it is arranged it will come up for our sanction, but I have no doubt that in this matter the War Office desire to meet our views.

Mr. *Onslow.*

2258. I was going to ask your Lordship about Aden; but, as the question is now under consideration, perhaps I had better not do so. The fact of the matter is, is it not, that at the present moment the English Cabinet can, by action on their part, add to the expenditure in India?—They can do it in this way: that they can produce such a state of things that it would be highly detrimental to the public service if the India Office were to refuse to follow the lead of the Imperial Government; but there is no absolute power on the part of the Cabinet to impose the expenditure of a single farthing on India.

2259. But they did when they added 2*d.* a day to the pay of the British soldier; that was practically done by the Cabinet?—But if the Indian Council had stood upon its strict rights it might have said, "We will not pay that 2*d.* a day." Of course, as I said, that would stop the machine; but it had the strict legal power to do it.

2260. The Duke of Cambridge the other day, in answer to a question with regard to Abyssinia, stated this: "If the prestige of our name had been injured in that part of the world it would have been a great loss to our interests in India, and therefore I contend that India had a great interest in that war." That argument might apply almost to any Oriental war which England was engaged in, might it not?—No doubt it is a dangerous argument, liable to extension; but in itself it is a just argument; there is no doubt that any weakness on the Abyssinian question would have injured us in our relations with the Asiatic powers that border upon India.

2261. I presume that as Secretary of State you can of your own authority appoint officers to any appointment connected with India in England?—The patronage of the Secretary of State is very strictly limited by Act of Parliament; he has the seats in Council here, and the seats in Council in India, and the governors; and he has the appointments in the India Office itself.

2262. But I am talking of fresh appointments; are you aware that under the last administration fresh appointments were made in the India Office without any consultation with the Government of India?—Yes; we do not, for the purposes of the India Office, require to consult the Government of India; in fact, they have no power of judging whether we want additional staff or not; if an additional clerk is wanted in the India Office the Governor General in Council at Calcutta could not say whether the demand was just or not.

Mr. *Dunbar.*

2263. Has not your Lordship all the legal appointments in India also?—Yes; I have the legal appointments in India.

Sir *Thomas Bazley.*

2264. I am very glad to observe that it is reported that a great increase in the railway system has been sanctioned; and I wish to ask whether it will not be possible to diminish the army in India, in consequence of such increase of communication affording facilities for conveying troops?—There is no doubt that every increase in the railway system tends to diminish the number of men that are necessary for the purpose of garrisoning India; but of course, as the honourable gentleman is aware, there are other causes in progress and operation which may constantly tend

Sir *Thomas Bazley*—continued.

tend to increase that demand; therefore you never can be certain whether the effect of railway extension will be to diminish your military establishment in India or not.

2265. Perhaps you are aware that when Colonel Kennedy was initiating the railway system in India he did prophesy that there would be a great diminution of the necessity of keeping up a large force in India?—Yes.

2266. But such diminution did not come to pass?—Unfortunately the mutiny broke in on many dreams on that subject.

Mr. *Birley.*

2267. Reverting again to the question of a lump sum, or capitation rate, it seems to me that there ought to be no very great difficulty in arranging upon an equitable basis such a fixed sum, at least for a time, leaving the Imperial Government to have the advantage of economy, or to bear the charge of increased expenditure; but I wish to ask your Lordship whether there would not be great danger of considerable disturbance of that, either by some alteration in the period of training of the recruit, or the difficulty of obtaining recruits necessary for the Indian service, which would be left entirely in the hands of the Imperial Government, and over which the Government of India would have no power whatever?—I should not think it would be expedient to make any such arrangement for any long period of years, because the disturbing causes would always make any provision difficult.

2268. I mean with regard to the recruits?—There is the disturbing cause of the liability of all English policy to change.

2269. His Royal Highness gave evidence that recruits were sometimes sent out after a very few months' training; the calculation would be based on the assumption that they should have their full time; when that had to be altered it would be left in the hands of the Imperial Government, would it not?—I should think that any agreement between the two offices would involve, as one of its elements, a decision of the amount of preparation which each recruit should possess before going out.

2270. If it became necessary to diminish that amount of preparation, it would be in the hands of the War Office to decide, would it not?—I should think it ought to be done by agreement.

2271. Would there not be just the same difficulty in agreeing then as you now find?—We cannot avoid the necessity for discussion either at the beginning of such an agreement or during its course; but by diminishing the number of subjects on which such discussion is necessary we should diminish the friction which occasionally arises between the two offices.

2272. Your Lordship observes, in reference to a joint committee between the War Office and the India Office, that it would require very elaborate machinery; would it not be possible to have a standing committee without the elaborate machinery, consisting merely of gentlemen who were competent to arrange details?—That would be possible, no doubt, and practically it exists; the four gentlemen referred to here as forming Mr. Seccombe's Committee do meet frequently. But the difficulty in all those questions is the chairman or arbitrator; you must have a person who has no official connection, and no official prejudice, to perform that duty.

Mr. *Birley*—continued.

2273. Mr. Seccombe's is not a standing committee, not a permanent committee?—No, it is not permanent.

Mr. *Campbell-Bannerman.*

2274. The honourable Member for Hackney asked your Lordship a good many questions as to certain unjust charges, as they were called, against which the India Office had unavailingly protested. That injustice is, of course, a matter of opinion?—I ventured to say that the word was a little too strong on that account, because the ethics of the matter are not very definitely settled in the minds of moralists.

2275. The remission of those charges is resisted by the Home departments, because the Home Departments consider them fair charges. It is not as unjust charges that they wish to fasten them upon India, but because they consider them fair?—No doubt the Home Government is not consciously unjust in the matter. There are two theories on which you may adjust these charges. You may say, that the whole of the central expenses of the British Government, from the Civil List of the Queen downwards, ought to be rateably borne by all who share in the benefits that the British Government is able to extend to them; or, on the other hand, you may say that all the central expenses should be borne by the taxpayers of this country, and that only the local expenses should be borne by the various dependencies. The colonies have the benefit of the last theory entirely. India has a sort of compromise between the two theories.

2276. I merely wished to guard against the inference that might be drawn from the use of the word "unjust," which, notwithstanding your Lordship's protest at the time, crept into subsequent questions, and appeared to be accepted as if it were a correct general description of the charges?—I think nobody in India even suspects the Home Government of any conscious injustice towards the Indian taxpayer.

2277. There may be other charges, may there not, which the Home Government consider are unfairly imposed in the other direction, although they may not so loudly declaim against them?—No doubt that is the case.

Mr. *Fawcett.*

2278. But the drift of my questions, I think, would be this. I was putting a certain case. I was asking you what could be done supposing certain charges were thrown upon India which the Secretary of State for India at that time thought to be unjust, and I appeal to your evidence in corroboration of what I stated, and that evidence amply bears out, does it not, the statement that certain charges have been thrown on India which the Secretaries of State for India think were unjust?—No doubt the Duke of Argyll distinctly thought, and I thought, that those particular charges were, at all events, charges that should not be imposed.

2279. But I believe, far from my using stronger language, if your Lordship would refer to the correspondence, you would find that not only did the Duke of Argyll think they were unjust, but in one place he employed the expression that they were "scandalously unjust"?—That is so.

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Chairman.

2280. Of course it is a difficult thing to draw a distinction between the way in which the colonies are treated and the way in which India is treated upon all points; but I suppose if soldiers were sent to any colony for the purpose, say, of putting down an insurrection in that colony, the colony would have to pay for the whole of them?—I wish that that had always been the case. My impression is that the Caffre War, which was in the nature of an insurrection in a colony, was borne entirely by England.

2281. The New Zealand War was a different one, was it not?—The New Zealand War was different; the colony had to bear a considerable portion, not the whole, of the expense.

2282. That would be the policy of England now?—It is the policy towards which we are tending; but a point often raised in India, on which Lord Northbrook himself has expressed an opinion, is that the colonies do not pay a farthing of the expense of the colonial establishment in England, whereas India pays the whole expense of the Indian establishment in England.

Mr. *Fawcett.*

2283. I should like to ask your Lordship whether you can justify that distinction which you have just mentioned with regard to the treatment of the colonies and India; for instance, India pays for her establishment and the Indian establishment in England, and the colonies do not contribute a shilling to the colonial establishment in this country?—I cannot justify the distinction; but I must confess that if I were forced to make an alteration it would be to make the colonies pay for the colonial establishment.

Sir *Henry Havelock.*

2284. In drawing a parallel between the position as to the military expenditure of India and such a colony as Canada, for instance, your Lordship is aware that Canada bears very large military expenses of her own; she trains a body of militia of some 40,000 annually, and a reserve of some 300,000 men, entirely at her own expense?—Yes.

Major General Sir GEORGE BALFOUR, R.A., K.C.B. (a Member of the Committee); Examined.

Major Gen. Sir *G. Balfour*, M.P., R.A., K.C.B.

Chairman.

2285. WE know that you are a Member of Parliament, and a Member of this Committee; what was your position in India before that?—I was the head of the Military Finance Department of India and President of the Military Finance Commission in the years 1860, 1861, and part of 1862.

2286. And what has been your official connection with this inquiry?—In the year 1860, when India was perfectly settled down, or in progress of being settled down, it was then considered to be of the utmost importance to bring the finances into a state of order; the military expenditure, then going on at a very heavy rate indeed, was the first and most prominent question which the Viceroy of India had in his mind; at that time the consideration of the garrison for India was under discussion; but the various opinions which had been expressed connected with the strength of that European garrison had left Lord Canning, the Viceroy of India, in great doubt as to the extent of force necessary to maintain. In the autumn of 1860, in consequence of a communication from Sir Charles Wood, forwarding the proceedings of a Committee, of which His Royal Highness the Commander in Chief, Sir Richard Airey, Lord Clive, and Sir Robert Vivian were members, the Viceroy desired me to take up this question, and consider in what respect the garrison should be settled. The question finally resolved itself into one of finance, and Sir Bartle Frere and Lord Canning, then in charge of the finances of India after the death of Mr. Wilson, decided that the military expenditure in India, should not exceed 12,500,000 *l.* for all the military forces, European and native; I was then directed to report to the Viceroy confidentially on the maximum extent of garrison which India could maintain with strict economy for that amount, and I did so in a confidential memorandum, which, of course, is no longer confidential; I pointed out, that amongst the most important questions the one most pressing was the extent of the European forces, and the heavy charges

Chairman—continued.

which India was then bearing in consequence of the state of those forces. The effective strengths in India were then, and had been from the mutiny, very considerably below the establishment. Consequently India was saddled with an expenditure for cadres, which swelled up the regimental charges to a heavy amount. I then received instructions to take in hand the whole of the military expenditure, with a view to its diminution, with an assurance from the Viceroy that he would give the fullest support to cutting down all unnecessary charges, and that I was quite at liberty, and indeed was ordered then, to report fully to him on all items of charge capable of being reduced.

2287. Are those home charges to which you were alluding?—These were mixed up, both with the charges at home and likewise the charges in India. A prominent feature in the question was that the home charges being reduced would necessarily bring about a very considerable reduction of the military charges in India. For instance, I see, amongst other reports made to the Viceroy, and which have been laid before Parliament, that so heavy were the military charges at home, I calculated then (and I believe upon good foundation), that the home charges for the recruits kept up in depôts in England amounted to fully a million and a half; and was satisfied that, if we had access to the accounts, we could show that the cost of maintaining the British infantry in India, on the 1st of October 1859, was going on at a rate exceeding 150 *l.* per recruit sent to India to keep up the Indian strength. Now it was in relation to these strong depôts that reduction of military expenditure in India was based. The information which had at that time been made public showed that fully 20,000 men were maintained at home in depôts, and the Commissioners for inquiring into the defence of the United Kingdom, in Appendix 10, page 89, of their Report laid before Parliament in 1860, calculated from a Return of the Adjutant General, dated 8 September

Chairman—continued.

tember 1859, that 20,959 men, cavalry and infantry alone, belonging to the Indian depôts were available for the defence of the kingdom, it was distinctly shown by other evidence (for instance, General Peel stated in Parliament about that time) that India was then bearing the charge for 25,000 troops in England.

2288. When you mention that India was bearing the charge for 25,000 troops in England, do you mean that those were trained troops, or merely recruits in the depôts?—It was impossible but what a large portion of that force must have been trained men. The recruits could not have been kept in England so long as they had been, and the regiments in India could not have been greatly deficient so long as they had been, without a considerable number of recruits being collected together and necessarily trained for some time. No doubt every casualty occurring in India necessarily led to the enlistment of a recruit, and all recruits at the depôts enlisted to replace the casualties within three or six months were necessarily more or less in an untrained state. Several communications had taken place, and I found that it was very difficult indeed to ensure a proper supply of recruits for regiments in India. The regiments, as I calculated, were, by the Adjutant General's Returns of Bengal, dated 1 October 1860, as many as 137 non-commissioned rank and file below their establishment, and the number wanting to complete each regiment were necessarily kept at home. (*Vide* paragraph 12, page 131, of Parliamentary Return No. 298 of 1862.) I then proposed to the Viceroy that the Home Government should be asked to accept the responsibility of supplying recruits for the European army in India, on the understanding that the Government of India should pay a rate per head for each man sent out. I was not aware at that time that there was any Committee sitting at home to investigate that very question, but I limited my recommendation solely and entirely to the payment for recruits free from all other charges.

2289. With regard to those 25,000, or whatever the number was, was that calculated at any particular time of the year, because we know that it must be very much larger just before the embarkation season than when the recruits have embarked?—The Report of the Commission on the Defence of the United Kingdom specifies the 8th of September 1859 as the date of the Adjutant General's Return on which that large force was at home. I would ask you to draw a distinction between the numbers which General Peel, in the House of Commons, stated, namely, 25,000, and the 20,000 stated by the Commissioners. From my own experience I should be inclined to state that the 20,000 men then at home were about the average number which had been kept at home during the mutiny; I see that the Commissioners include the cavalry and infantry in the Indian depôts among the whole number available for the defence of the kingdom as well as the embodied pensioners and the embodied militia in Great Britain and Ireland; so that I should be inclined to say that the 8th of September 1859, which is the date of the return, is by no means one which indicates that the depôts were more particularly full at that period than they usually were.

2290. That would be the time of the year, would it not, in which they would be pretty nearly full?—My own impression is that as all the recruits went out in sailing ships at that time, or mainly went out in sailing ships, they would have all embarked before the date of the Return, the 8th of September 1859.

Chairman—continued.

Sir *Henry Havelock.*

2291. You are aware that with regard to that particular time you speak of, that is to say, the beginning of September 1859, the Indian Mutiny had come to a close in about May 1859, and there were several regiments due at home; and on the average there were 300 or 400 recruits per regiment awaiting their arrival in this country?—The first reduction in European garrisons in India was the reduction occasioned by the expedition to the Peiho River; it was in the beginning of 1860.

2292. As a matter of fact, for instance, the five regiments sent to India in July 1842 had all come home to England in 1859, and there would be 400 recruits for each of those five regiments waiting; that would make 2,000?—The answer to that is, that to whatever extent the regiments came home, to that extent no doubt a reduction should be made; but if the returns available are looked into carefully, it will be found that from the time of the mutiny until 1861 the depôts were very full of men, indeed, so that the practice was to retain these men in England for a considerable period.

2293. That arose to a certain extent from the fact to which I drew your attention, that there were a large number of regiments in India which had been detained for the purposes of the mutiny, which would be coming home in the years 1859, 1860, and 1861 at the rate of about five and six regiments each year?—No doubt the expectations of regiments coming home were quite correct; but it was only on the 5th of May 1860 that Lord Canning, writing from the hills, strongly urged that a garrison for India should be maintained at the then high establishment, and the committee to which I have already referred, composed of His Royal Highness and others, had also recommended a garrison wholly equal to, if not greater than, the effective strength in India at that time. Indeed, in the autumn of 1860, so strongly impressed was I with the impossibility for India to maintain that enormous European force for the 12½ millions which Lord Canning had fixed, that I represented to him that it was useless to go on calculating the cost of an army which involved such a large force as that. I think 80,000 was the lowest number mentioned. When in November 1860 I pointed out that he had himself recommended, only six months previous, that enormous force, Lord Canning at once replied distinctly that no one could have expected that India would have settled down in the remarkable manner it had done within so few months, as from the 5th of May 1860 up to the autumn of that year. It was on that occasion that I was instructed to proceed with my labours, with a distinct understanding that, rather than maintain in India an enormous European force, requiring additional taxation, he would risk the safety of India, only keeping up such a force as India could bear the expense of, without additional taxes. The condition imposed upon me was simply that the largest possible European force should

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be maintained which the 12½ millions expenditure could possibly pay. Therefore it is that the state of the depôts at home formed a very material item in considering that question.

Chairman.

2294. When you mention the capitation rates which you recommended, do you mean a capitation rate for every man sent out, or a capitation rate for all the effectives in India at the time?—My own view was then, as it is still, that a much simpler system could have been adopted than was adopted in order to free the War Office from all interference on the part of India with the supply of recruits; that a simple payment could easily have been settled by which the payment on account of soldiers sent out as recruits could have been made out of Indian revenues without the necessity of India interfering, and all that would have been necessary in India would have been that the Commander in Chief in India should have seen to the recruits coming out to India being thoroughly trained and drilled to the extent that might have been agreed upon.

2295. Then, how would you arrive at that price; I still do not understand whether you mean that each recruit should be paid for by a lump sum per head, or whether you are referring to the plan of paying the 10 *l.* for all the effective soldiers in India?—The time I am speaking of was the year 1860, and it was not till January 1861 that the recommendation of the committee which led to the capitation rate of 10 *l.* was agreed upon. The report of the committee is dated "War Office, 31st of January 1861," and my report was written in November 1860.

2296. Then what was your recommendation, that there should be a lump sum for every recruit sent out?—Yes; I recommended that an agreement should be come to; it was following a precedent which we had already in existence. India has all along, from time immemorial, invariably paid to the Imperial Treasury a lump sum for every soldier sent out with a regiment; it is now 27 *l.* 7 *s.* 11 *d.* for the infantry; that has been the rate which has been of late paid for the effective men of every infantry regiment that has gone to India; and India has in like manner been credited with that same amount for every man returned to England; I followed that precedent in recommending that, whatever the cost of a recruit might be, India should pay that cost and for that man alone; I said that by confining the payment to that single purpose it was easy then to prevent difficulties and disputes either as to the amount to be paid or as to the depôt organisation to be maintained in England, or as to the number of men to be kept up; the only thing that India had to care for was to see that the recruit was supplied in an efficient manner.

Sir *Thomas Bazley.*

2297. But are you not referring at the present moment to an exceptional state of things?—No, I am not referring to an exceptional state of things, for this reason, that from time immemorial recruits have always been sent out to India for what may be said to have been a lump sum; the remarkable thing is this, that with an infantry force of a much smaller strength than is at present maintained, that infantry force required, and did receive before the mutiny,

Sir *Thomas Bazley*—continued.

nearly as many recruits have been sent out between 1861 and 1867-8; so that there were no special exceptional circumstances in existence in India at the time that the recommendation was made.

Sir *Henry Havelock.*

2298. Did I rightly understand you to say that the force in India had previously received the same amount of recruits annually that it has received since 1861?—Yes; I was quite surprised myself to find it so, when I came to investigate it. The remarkable thing is that the average strength of infantry recruits sent out in each year between 1861-2 and 1867-8, by the statement laid before this Committee, amounted to 2,161 per annum. The statement shows an average of 2,196 for cavalry and infantry, and I have now stated the number for infantry alone.

Chairman.

2299. Was there any great invaliding or great mortality during that period which would account for a larger number of recruits being necessary?—I am speaking of the years 1852 and 1853 (*Vide* Parliamentary Return No. 217 of 1861, page 5), by a Report from the Military Secretary of the Horse Guards, dated November 1859, it appears that 3,478 recruits were sent out to India in those two years, being an average of 1,739 annually. Of course I need not say that there is always something going on in India; India is hardly ever quiet; and if you remember the second Burmese war had then taken place, but the European force in India was not very great, nor were the casualties by any means very considerable.

2300. These recruits were of course sent out in answer to the requisitions from India?—No; I am not aware that the habit has been to make requisitions. I think that the whole arrangement has been left to the Commander in Chief, namely, to keep up the force in India. He receives monthly returns from the regiments in India, and necessarily it is the duty of the Commander in Chief to attend to the strength of India, and from the evidence given by His Royal Highness I have no doubt he will give his attention to the subject.

2301. When he mentioned requisitions coming from India, you understand by that simply reports from the regiments that they were deficient in strength by so many men?—I am not aware that the regiments specially report on this particular head to the Horse Guards. There was always a communication between the headquarters of the regiment in India and the depôt of the regiment at home, and therefore every commanding officer in India was aware of the strength at the depôt, and I assume that if necessary he applied to the depôt for recruits to be sent out; but I am not aware of ever seeing, excepting on one occasion, any application for men to be sent out; indeed, the business of the Horse Guards at that time was exceedingly well arranged, and the authorities were able always to ascertain what strength of troops was deficient in India, and necessarily whenever the time came, they took care to see that the number of recruits required and actually available were sent out and the regiments kept supplied to the full establishment; I must confess that the regiments before the war with Russia had been kept up in a remarkable

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a remarkable manner to their established complement.

2302. The Commander in Chief stated in his evidence the other day that the difficulty was that they knew only a few months before how many men would be wanted for that season in India, and at the worst time in the year to get recruits?—That is one point which I hope the Committee will give their special attention to. I see by a Despatch which has been laid before Parliament, that the Secretary of State for India criticised some recomendations on this very subject which the Governor General desired me to submit in regard to the way of keeping up the strength in India by means of extra supplies of recruits. It is a matter which the Committee should look to. My own belief is that prior to the mutiny the Horse Guards did not, as regards the extra recruits for India at the depôt, care practically very much about the limitation of numbers in the Mutiny Act (I say this with great respect, without meaning thereby any intentional departure from the Act); men were maintained extra to the depôt establishment, the Horse Guards knowing that casualties would take place in India, in the regular order, to the extent of about 10 per cent. annually; for that reason the Horse Guards took care to have an extra number of recruits available. In those days the charges were very simple, and easily adjusted; there were very few criticisms made as to whether the numbers allowed by the Mutiny Act to be maintained in England were over or above the exact number, and returns were always difficult to obtain so as to show that any excess was maintained; the result was that the strengths of the infantry and cavalry before the war with Russia were maintained up to their established number in a remarkable degree, and by means of very small depôts indeed.

2303. Then what has been the effect of the changes in the establishments of regiments?—The variations in the establishments of regiments have been very great. Briefly, I may mention that the regiments in India, from a long time prior to the mutiny, had always been kept at 995 rank and file. During the mutiny they were kept at 1,000 rank and file; gradually they dwindled down as the European force was decreased in India, in order to reduce the military expenditure, and that decrease has been going on ever since 1863; the regiments gradually dwindled down from 1,000 rank and file to 790 rank and file; at present they stand at 820 rank and file, being a less strength than they have had for many years, except when they were down to 790. The cavalry regiments have likewise also dwindled down in a remarkable manner. Before the mutiny they stood at 606 privates; after the mutiny the strengths have also gradually fallen, until the number of privates fell to 378; now they stand at 384 privates; therefore, the strength of a cavalry regiment is hardly now more than half the strength that it was before the mutiny.

Mr. *Fawcett.*

2304. Has the number of officers decreased?—The number of officers has not decreased in anything like the proportion in which the number of men has decreased. But I must bear witness to the remarkable change made by the late Secretary of War in 1870 and 1871, by which the establishment of officers has been brought now to a far less proportion than has been maintained during the previous 10 years; but, in proportion to the men, the number of officers, and the number of head-quarters of regiments, are still greater than before the mutiny.

Mr. *Fawcett*—continued.

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2305. The cadre of the regiments is the same?—The cadre of regiments is nearly the same, and it is in that respect that the expenditure in India swells up in so remarkable a degree. The mere cost of the men is, comparatively speaking, only a fraction of the total cost which a regiment entails upon India. A regiment in India is not like a regiment at home, because the native and other establishments in India are large, expensive, and vary very little with the variations in regimental strengths; therefore for every cadre that you can diminish by increasing the strength of regiments, in that way you save a large sum of money for India.

2306. Is there not this objection, in that you cannot, under that plan, augment rapidly the strength of a regiment in case of an emergency, whereas you can when the rank and file is below the ordinary strength and the cadre is the same?—We have full experience to show that our small cadre system is entirely useless, and will be useless, so long as we have not the conscription in force. If we had the conscription, as you have in Germany (which, of course, is entirely impossible in this country), then it would be easy for us to throw into a weak cadre the number of men which a Prussian regiment can take up; but in my questions to the Commander in Chief I endeavoured to show that so far from our cadres during the war with Russia having been kept up, the infantry cadres serving in the Crimea had, I should say, only about two-thirds of the established number, and in spite of all our efforts to get the militia to volunteer, and to raise recruits for the infantry, we were still obliged to have 49 cadres of line battalions of infantry in the Crimea which ought to have had 49,000 rank and file, whereas I believe the returns will show that we had not more than 33,000 or 35,000. So that the idea, so prevalent with regard to weak cadres being available for filling up with men, I have always held to be entirely a delusion.

2307. Do you agree with the Commander in Chief that there is a great deficiency of officers in India at present?—My own belief is that there is a great increase of officers in England on leave here; that it would be wise and well to see to what extent we have officers on leave; judging from the Appendix before this Committee, I should say that the payments on account of officers on leave in England show to a very considerable number to be now at home, or have been at home.

2308. You served on the Recruiting Commission of 1866, I think?—Yes, I had the honour to be on that Commission.

2309. What result did the Recruiting Commissions of 1859 and 1866 arrive at; what resolution did they come to about the recruits for India?—Lord Dalhousie presided over the Recruiting Commission of 1866, and I need not mention to you that his great experience as our former able War Minister entitles any opinion which he has expressed to great consideration on the part of all those connected with military affairs. He made special inquiries, and was very particular in

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ascertaining whether recruiting for India was difficult to carry out or easy; I find that in the report which was drawn up by his Lordship (to which, of course, I was a party), he distinctly stated, "That the previous idea of the great dislike to serve in India appears to have been unfounded, judging by the evidence obtained by the former Recruiting Commission, as well as by ourselves." I can distinctly state that the investigation which Lord Dalhousie made was very minute and very carefully made; that he was fully satisfied, not only that recruits could be obtained, but that volunteers for India could be obtained with the greatest possible ease from the regiments at home; indeed, it was said after our visits to Aldershot that nearly all the soldiers in that command would have volunteered, if called upon at once, for service in India.

2310. We have heard from Lord Salisbury that there was a difficulty with reference to re-engaging and volunteering in India itself?—My impression is strong (and Lord Dalhousie's Commission reported to that effect), that whilst India had a perfect right to give any bounty that that country pleased, to induce men whose period of enlistment was not completed to remain in India, and India had always exercised that right, still that a Royal Warrant was then in existence which required the bounty to be limited for the re-engaging of men in that country whose term of service had expired; Lord Dalhousie's Commission recommended that that limitation should be withdrawn, and that India should have the full right to give to men re-engaging such bounty as it might see fit to give. I see that the Returns appended to the Report of the Commission showed that upwards of one-half (namely, 9,431) of the soldiers whose first period of service had expired up to 1865 had volunteered to remain for service in India, and that 9,397 had been embarked for England. It was exactly one-half of the number of men of the regiments ordered to England who came home to England, I have no doubt, from my own experience, that the limitation in respect to the numbers embarking was caused by the medical officers, who always exercised a wise discretion to prevent men remaining in India whose state of health was not such as to justify their being kept.

2311. Do you think that the short service system, the consequence of which is that men are not accustomed to Indian life before their term of service has expired in India as they used to be, would militate against their re-engaging in India?—No; I think that very few instances of that kind would arise. I think the medical examinations to which all men are subjected in India before being allowed to volunteer to remain would ensure a very fair selection of men; if the system which the Commander in Chief indicated was followed out, of a sufficient number of men being attached to the depôt at home to be trained, His Royal Highness would be able then to send out in time fit men for service in India. With these two arrangements the regiments in India would be kept complete; the facilities which exist now for sending home men from India are so great, that we have had it in evidence that many men come home to this country who are almost immediately available for duty by being discharged from Netley a very short time after arrival. The men have

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now every facility for showing their liking for Indian service.

2312. What I meant was this, that in former days when men were seven or eight years or more in the country they became habituated to it, and formed connections with it which induced them when the regiment re-embarked for England to prefer remaining behind. That inducement would be weakened, would it not, by the system of short service?—I do not think, first of all, that that former condition would be borne out; that men liked India there is no question; but that connections were formed to any great extent to induce them to remain in India is, I think, doubtful. I had occasion to investigate that question of the connections of men in India, and I think we latterly have had some further information before us; so far from the proportion of married soldiers being very excessive, there were still a considerable number who could get married within the limitation laid down of 12 per 100; I think there is still a great opening for men to marry if they think fit. My belief is that the soldier volunteers with the utmost degree of readiness, and no regiment is ever sent home to England without nearly one-half of the men volunteering to remain in the country. No doubt the payment of a bounty which is given on that occasion is an inducement; but the bounty has never been very excessive; about 1 *l.* for every additional year of service to remain in India is the extent of the payment which is given, and that has always been sufficient to induce the men to remain.

Sir *Henry Havelock.*

2313. Are you aware from personal knowledge that there is any Warrant or any Order in force which limits the re-engagement for service in India?—I am quite certain that the Commission upon which I served in 1866 did distinctly ascertain, and did distinctly report, that the Royal Warrant limited the bounty to be paid to men whose period of service had expired on re-engaging for a second period, but that India had the right, and had always exercised that right, to pay such bounty as India thought fit to men whose period of service had not expired to volunteer from one regiment to another. The distinction, therefore, is simply whether the Royal Warrant is now in existence or not; of course we can very easily ascertain that by sending to the War Office and calling for information as to whether the restriction which it was then recommended should be removed, and which we advised Her Majesty then to remove, has or has not been removed.

2314. What was the date of that?—1866 was the date of our report.

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2315. Did you ascertain that the limit you speak of as laid down by that Royal Warrant had had the effect of stopping or checking re-engagement?—That was the extent to which Lord Dalhousie's Commission's Report went. I see that I had made a note of the recommendation. The report pointed out that the amounts payable in India to soldiers re-engaging are fixed under Royal Warrant; whereas the amounts payable to soldiers volunteering from one regiment to another are entirely within the power of the Government of India to fix, so that they can vary the bounty for

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for volunteers according to circumstances. These are the words from the Report of the Commission of that day.

2316. What I wish to know is, had you any evidence before the Commission to show that the fact of a limitation being laid down of the sum to be offered to men for re-engagement had had an injurious effect upon re-engagement?—I have no doubt that we did ascertain it; and I have no doubt, if I referred again to the documents of the Commission, that we should ascertain that limitation had been made. I see by returns called for, that in 1865 a number of invalids and time-expired men came home; but the Horse Guards mixed up the invalids with the time-expired men, and therefore I am not able to fix with precision the fact that time-expired men did come home to England in greater numbers than the men who volunteered from one regiment to another; but I unhesitatingly say that Lord Dalhousie never would have allowed that advice to be given to Her Majesty without having satisfied himself that the fact was so.

2317. You are not aware whether the warrant to which allusion is made in the Report of the Commission has been cancelled or changed?—I am under the impression that I did satisfy myself when I was in the War Office that it did still exist, but it is just possible that by the recent changes which have since our report been made these warrants may have been abrogated, and that the limitation is no longer in force; and, therefore, in my questions to the Commander in Chief, I endeavoured to ascertain whether that limitation has been removed or not. If it has not been removed I would submit to the Committee whether it would not be desirable to suggest its removal.

2318. That would be a point of executive management, but you have heard it given in evidence, both by the late Secretary of State for War and by His Royal Highness the Field Marshal Commanding in Chief, that their desire is that no impediment should be thrown in the way of men re-engaging for India?—A portion of my object was to elicit that fact from the late Secretary of State and the Commander in Chief; I am quite satisfied that if the India Office and the War Office will give their attention to the question, that limitation, if still existing, will, at all events, be withdrawn, and the Secretary of State for India has this day distinctly stated that he would see to that question.

2319. But if they were satisfied, as they must have been satisfied after all these years, that there is no injurious limitation, that seems to involve that the warrant must have been cancelled, or in some other way it does not apply to the present state of things?—The question of soldiers, whose contracted period of service had expired re-engaging for a second period, was formerly a very serious question. I may mention a fact; the events have gone by now, but it was a matter for very grave consideration on the part of the Government of India in 1861; in that year, we had 18,000 European troops in India belonging to the Indian Government; the orders came for amalgamation, and Lord Canning gave particular attention to this question, how bring these troops over to the Imperial service, and private references were made home, and the Cabinet considered the question of the right of those men to come over to the Imperial service, and yet have the right to re-engage, as they had

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the right, under Indian service, to be taken on for further service, in order to earn the pension to which they then had a right. The decision of the Cabinet was, of course, never recorded officially, as these matters are not recorded; but as the two Secretaries of State were concerned, the announcement came out to India that the men were not entitled to claim that privilege of re-engaging a second period as a right. As, during the last three years, there have been changes which I have not followed so carefully as before, I cannot say whether that limitation has been withdrawn or not; if it has not, I would suggest that it should be.

2320. The transaction which you speak of affected the old company's troops, who had been transferred to the Crown?—No; they had not been transferred to the Crown. I was upon the Amalgamation Commission in Calcutta, which drew up the regulations for the amalgamation, much to my sorrow; still I was obliged to obey orders; and we recommended—and the Government within an hour after the recommendation decided upon—the steps to induce these men to come over; it was no transferring. The right to transfer did not exist, the men having been distinctly told by Lord Palmerston in Parliament that they were perfectly free to serve the Queen's Government or not. But another white mutiny was a very serious matter; on that occasion the Amalgamation Commission recommended that a handsome bounty should be given to every man to transfer his services; and out of 18,000 men 17,400 men came over by that simple measure, so that all the previous disgrace of the white mutiny was saved by the payment of a sum not more than one-eighth of the whole cost which the white mutiny caused the Government, and far less than the cost of transport of the men sent home in 1859.

Sir *Henry Havelock.*

2321. You have used that term "white mutiny"; were you speaking of what happened in 1860?—No, in 1859.

2322. How many men did it refer to?—About 10,000 men took their discharge in 1859, on being refused a bounty to transfer their services from the East India Company to the Government of India. (*Vide* Parliamentary Return, No. 603 of 1868.).

2323. Those were all Warley recruits, were they not?—They were so far Warley recruits, but they were as fine disciplined soldiers as you could see.

2324. They were enlisted under the Warley system?—They were enlisted under the Warley system; enlisted for the East India Company and for India; for that special service, the same as every man was enlisted for the Queen's service, and the conditions which these men were serving under were said to be at an end, and, being refused the bounty to transfer their services, they returned home.

Chairman.

2325. Is there any other point which you wish to mention?—Since this Committee sat I have, with the permission of the noble Lord, the Under Secretary of State for India, endeavoured to ascertain what the real state of the case is with regard to these recruits; I think very much of the difficulty arises from the miscalculations which have been made connected with the depôts. The payment of the capitation rate was fixed at the rate of 10*l.* per head for the effective men serving in India (House of Lords Return No. 165 of 1862), and the Committee which

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recommended that, and of which Sir Alexander Tulloch was the chairman, distinctly stated that that recommendation was a temporary one, pending the full investigation which it was still necessary to make before the Committee could come to any permanent agreement, the report speaks distinctly of that rate as a provisional arrangement; that arrangement, however, was continued for nine years without that inquiry being made which the Committee recommended; I think it is very much to be regretted that the statistics which have been kept of the whole of these transactions have not been investigated before this; my own impression is strong, that if the accounts which have been kept had been looked into more carefully, this dispute between the two offices need never have occurred. The simple condition upon which Sir Alexander Tulloch made his calculation was this, that every thousand men in India, which was then the established strength of a regiment, rank and file, would require 80 recruits, and that a depôt of a certain strength, which he named, should also be maintained for the purpose of supplying that strength Now the fact is this; first, the regiments have been diminished very considerably in strength, and each regiment has not required the number of recruits to keep it up; instead of 80 recruits being sent out to supply each regiment, upon an average only 40 recruits have been sent out; so that the whole expense of a depôt intended to supply the 80 recruits has been thrown upon the 40 recruits which have been supplied; in reality, not only have the strengths of regiments been diminished, but the depôts have been kept up to their full strength for supplying 80 recruits; practically speaking, for some reason or other, the number of recruits required to maintain the regiments have not been equal to the calculation which Sir Alexander Tulloch made, at the rate of 80 per 1,000 men; my belief is that the volunteering to remain in India has been much greater than he calculated upon; the regiments coming home have in that way supplied India with a far larger force than was at that time expected; in fact, experience has taught us that the wants of India were far less than what the calculation was upon which the 10 *l.* was arrived at; in the same way with regard to the cavalry, the committee recommended that a certain depôt should be kept up to supply 50 recruits per regiment to maintain 707 men in India belonging to a cavalry regiment. It appears by the statement put before the Committee, that so far from 50 recruits being required, the average number has been 10 per regiment; so that whilst the War Office has been receiving that capitation rate of 10 *l.* on each effective in India, it has been paying for a number of depôts nearly five times more numerous than needed to supply the recruits sent to India. I think it is in this direction that all the disputes might have been settled, by seeing whether the means taken to recruit for India were sufficient or insufficient, or more than sufficient.

Sir *Henry Havelock*.

2326. Of course this system is intended to meet extraordinary emergencies in the case of war as well as the ordinary emergencies in the time of peace?—I have always looked upon India to be in a state of war; hardly a year passes without some preparation being required; see the suddenness with which the mutiny broke out.

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The wise measure is to maintain India upon a war establishment, and that whatever force you require there should be kept up in the most complete and efficient manner, ready at all times to meet emergencies; you know yourself that emergencies have arisen of the most unexpected nature, and that nothing but the sacrifice of life by distinguished and able officers has prevented India on several occasions from suffering most seriously from the unexpected events which have taken place.

2327. I wished to guard the fact that these depôts and this organisation may at any time be called to meet very large requirements?—I quite agree that whatever the garrison is (and that should be fixed upon with great consideration) that garrison should be maintained efficient. I believe Cawnpore never would have fallen if India had not not been denuded of the troops which were taken away for the Crimean War, and especially if the effective establishments in India had not been let down far below their established strength; we were then 6,000 European non-commissioned rank and file below our complement; it was only three years before the mutiny that Cawnpore was deprived of its regiment in consequence of the inability of India to maintain a regiment at that important position. I hand in a statement showing the strengths, established and effective, of non-commissioned officers and men before the Mutiny, as far as I can make it out to have been.

Mr. *Campbell-Bannerman*.

2328. You said a short time ago that you did not think the system of small cadres to be filled up when required was one which was applicable to any country where conscription did not exist?—Yes.

2329. In what way does the existence of conscription affect the case?—I think that if you take up the military organisation of Prussia, which is the country that has carried out that system of universal liability for military service to the greatest possible extent, you will find that every man knows that he is to fall into a battalion, in time of peace only 500 strong, and within 24 hours (from the inquiries which I made) every battalion was, on war being decclared, made up to 1,000 strong; again, I would remind you (probably you are aware of it, as you had the reports in the War Office) that so careful was Prussia with regard to the battalions in the field during the late war, I believe all the battalions before Paris were kept supplied to the full strength which the battalions required; that is the remarkable distinction between the power which Prussia had to keep up the battalion strength, and the power we had in the Crimea, we were unnecessarily exposing cadres in the Crimea whilst England at that time had not more than 10 battalions at home; therefore, I say, it is far better to keep your field battalions well up to the established strength, and to bring home all cadres not necessary for that full establishment.

2330. You have not answered my question. Prussia is no doubt a country in which conscription exists, and Prussia has this elastic system, but you imply that an elastic system cannot exist without conscription, and that is the point where I do not understand your argument?—I believe that Prussia's conscription depends for its success upon the whole of the men that are available and fit for military service in the kingdom having been thoroughly

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thoroughly trained as soldiers, and having gone through their service in the battalion to which they belong, knowing the companies, and knowing the condition in which they enter the service, in every respect part and parcel of the battalion which they rejoin on war being declared, practically speaking, these men are only on leave until such time as their three years' service has expired; therefore, when an emergency comes, in 24 hours every man belonging to the army has to report himself to a military commander in his neighbourhood.

2331. The efficacy of an elastic system depends upon the existence of a reserve; but a reserve may be created in many ways, by voluntary enlistment or by conscription. I wish to ascertain from you in what way the existence of conscription affects it; you seem to think that any elastic system is impossible in a country where conscription does not exist. It seems to me not to depend upon conscription, but upon the existence of a reserve which we have not had at all until recent years, but are commencing to form?—I did not wish to make a reply to that, because until I know what kind of reserves they are, and what the men who have gone through the militia are, I am not in a position to answer the question.

2332. We are talking of the army reserve, not of the militia?—The condition upon which our reserve is formed is, I believe, entirely different from that of the reserve in Prussia. There you see reserves of young men of 24, 25, and 26 years of age; but here we have old soldiers formed into a reserve; my own experience is, that when once a man has left the army after having once served in it, he never shows any great liking whatever to come back to the army.

2333. Still, if an efficient reserve could be created without conscription, there is no reason, is there, why an elastic system of organisation should not be adopted here?—When I once see an efficient reserve formed, I shall then be able to give an answer to the question. At the present moment I do not believe in an efficient reserve.

Mr. *Fawcett.*

2334. Have you calculated what is the proportion of the officers to men, now the cadres have been so much reduced, compared to what it was formerly when the regiments were at their full strength?—Yes, I have it here; in consequence of the change made by the late Secretary of State, the proportion has been very much diminished of officers to men?—I see that the infantry establishment is now about 33 officers to 820 rank and file (which is the best way of taking it), and that the establishment in 1863–64 was about 40 officers to 850 men.

2335. But I mean at the time just previous to the mutiny, and at the time of the mutiny, when you said that the regiments were at their full strength; the earlier part of your evidence would seem to show this, that a great saving would result to India if the regiments were kept up as strong as they were when the real strength of an infantry regiment was 850, or whatever the number was, and a cavalry regiment 680 men; and in order to bring out the point more clearly, I want you to make a comparison of the number of officers compared with men in those days when the regiments were so strong, compared with what they are now?—I now furnish returns showing the proportions as far as relates to infantry and cavalry regiments; but I wish these to be received with care, for it is not easy to ascertain the numbers in prior years. (*Vide* Appendix.)

Mr. *Fawcett*—continued.

2336. You have spoken of an immense number of officers, at least a very large number of officers, that are on leave in England at the present time, who are supported by the Indian revenues, have you not?—Yes; rather, I have inferred that large numbers of officers are at home, judging by the statement of the cost given in this Return laid before the Committee of the payments made by India for officers on furlough.

2337. You think that the amount which India has to pay for officers on leave at home is too large?—It is not what India has to pay, because India is bound to pay whatever is right and just; but what I insist upon is that, with regard to every officer who comes home to England, the conditions of his leave should be carefully ascertained. Of course if officers require to come home from ill-health, nothing should induce the Government to prevent these officers on account of mere expense from coming home; but judging by the Return of the amounts paid for officers on furlough, I should distinctly state that the proportion of officers at home is far greater than was ever experienced under the old Indian system. The old Indian rules were exceedingly stringent in various ways; first of all, as to getting leave at all for 10 years; and next that the pension they were entitled to was dependent entirely upon the quantity of service they actually gave in India; that system of pensions was the great stronghold of India against abuses of leave. The officers came home, I believe, far too little in those days; but I believe now they come home far too much.

Sir *Henry Havelock.*

2338. Are you speaking with regard to the officers belonging to the Indian establishment?—No; I am speaking of the officers of the Imperial troops.

Mr. *Fawcett.*

2339. Who arranges the conditions under which an officer comes home on leave or furlough?—The Commander in Chief in India, strictly speaking, is the primary sanctioning officer; but no doubt the Government of India has also got a voice in it; but my belief is that there have been so many changes of late years, so many facilities given to staff corps officers to come home, and altogether such a loose system (if I may be permitted to say such a thing) that the same bad practice (if I may use that expression) has been followed with regard to the Imperial officers. They no doubt have a right to the same privileges, rights, and consideration as the staff corps officers.

2340. But I was trying to bring out on whom the responsibility is to rest of there being too many officers at home; you say that if an officer comes back when he ought not to, the Commander in Chief in India, or the Government in India, is responsible?—Strictly speaking they are the parties who gave the sanction for the officer to leave India; no officer can leave India without their sanction.

2341. When the officer is in England, suppose he stops here too long, who is responsible for that?—Well you know what the result is when one Government has undertaken to look after

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after these officers on furlough, and another Government has the duty of paying them. With a double system of administration you must necessarily expect a great laxity in the mode of doing it.

2342. That is what I wanted to come to. To put it shortly, when these officers are in England India pays them, and the English Government looks after them?—That is so.

2343. Then is this what you mean that the English Government, having to deal with other people's money, are not careful enough?—That is one of the great objections to amalgamation.

Sir *Henry Havelock.*

2344. But you are aware that with regard to the case which you are now discussing, taking the case of the individual officer on leave at home from India, if he requires a renewal of his leave, that question of the renewal of his leave has to be referred to the Commander in Chief in India, and therefore the renewal of leave is under the same check as the original leave?—No doubt the system if well put into operation is sufficient to insure greater strictness.

2345. You seem to cry out against the idea that leave is granted by one Government, and another has the responsibility of paying for it and continuing it; but, as I understand, you now admit that the extension of the leave comes from the same Government as that which originally gave the leave?—But if there is an original laxity in the mode of giving leave, and if the bad example of the staff corps which I admit fully has led to serious inconveniences, has been followed by the Imperial forces, I say nothing more than this, that there are defects in administration which need to be remedied.

Mr. *Campbell-Bannerman.*

2346. Then I think you would modify, would you not, what you said a little while ago when you stated that the Government at home had to do with the renewal of leave. As a fact, it is the India Government which grants to an officer the liberty of staying longer in this country?—Yes; but the fact is not changed by that. Supposing it to be true, as I believe it to be true (and which we could very easily ascertain by moving for returns), that great numbers of officers are at home on leave, and that they stay at home a very considerable time, and India is burdened with the payment for them, then I say if that laxity exists in the first instance there is no doubt that an equal laxity will exist with regard to extending the leave.

2347. Certainly; but the point brought out from you, I think by the honourable Member for Hackney, was that the Government of India originally regulated the granting of leave to officers, but that as to the period which they might stay in this country in excess of that leave, it was the Home authorities that had to control that, and that therefore there was not much inducement to look sharply after them. You do not agree to that, as I understand you now?—The result is invariably that which must always come from double administration of that kind.

2348. But there is no double administration in it?—I am afraid I shall never agree that the administration of the system is an effective one.

2349. You said that there were two people

Mr. *Campbell-Bannerman*—continued.

who have a hand in the matter; in reality there is only one?—You see, without giving offence, I cannot speak out more plainly than I have done. I believe the system is bad. I could speak out more plainly, but I do not think it is advisable that I should do so. I think the double system of providing troops for India from here and making India pay for these troops must lead to evil.

2350. That is a general theory which you state?—Yes.

Mr. *Fawcett.*

2351. And you illustrate your general theory by referring to this example of officers on leave?—Yes; we have had a Return moved for by the present Secretary of the Treasury; that Return will satisfy you that there are considerable numbers of officers on leave; at the same time I beg to be understood that I do not throw any blame on the parties who administer the system. It is the consequence of these unfortunate amalgamations done so hastily and without consideration; that is what has led to these things.

Mr. *Campbell-Bannerman.*

2352. It may be the consequence, may it not, of the large number of staff corps officers in India who have not very much to do who are sent home freely to this country, and that the contagion spreads?—I agree with you; nothing can be more injurious to India than the number of idle staff corps officers in India and at home doing nothing but grumbling and grievance-mongering all day long.

Mr. *Fawcett.*

2353. Your evidence shows not only that there are a great many officers in India who have nothing to do but get up grievances, but in addition to that it shows that there are a great many officers in England who ought to be in India, and whom India is paying for?—I have no doubt that if any member of the Committee were placed in a condition to go into the question of the number of officers on leave in England, on furlough and sick leave, a great number would soon be relegated to their regiments in India; but a bad example has been set them by the Indian officers, and therefore they claim the same rights and privileges.

Sir *Henry Havelock.*

2354. There are a large number of staff officers who are making up their time of service for the 1,200 *l.* a year, who are allowed by the Indian Government to remain at home?—A great many. I find from the Indian accounts that in one year alone, with regard to staff corps and other officers, that the increased payment at home on their account amounted to nearly 200,000 *l.* I have no doubt that on investigation you would find that the payments on account of officers belonging to the Indian service at home, are fully as great as the payments are on account of the officers of Her Majesty's service; but I simply wish to say that one bad example is no justification for another.

Mr. *Fawcett.*

2355. But if these large furloughs did not exist before you cannot say that the Indian Government is responsible for it, because you said when they had an army of their own there were

Mr. *Fawcett*—continued.

were very few on furlough, and these unemployed officers who once belonged to the local European army are unemployed because that army was abolished?—And another system was adopted.

2356. But the change of the system was in consequence of the amalgamation; the Government of India was not responsible for it?—I understand the question of the honourable Member now. I wish him to draw a clear distinction between two things that differ. The first is the amalgamation of the armies, which means no amalgamation at all, but means taking away from the Indian service the European forces, and putting them into Her Majesty's forces. But there is an entirely distinct question which is often lost sight of. There was a very important and serious change made, to which I have always been opposed, and that was the change of organisation of the native army of India; it is there where the staff corps comes into play, and it is to that branch that I trace most of the evils that I speak of.

Sir *Henry Havelock.*

2357. You speak of the "irregular" system?—Yes, of the irregular system, which means no system at all; and the evils which I am speaking of arise from that portion of the change called the amalgamation, which unfortunately took place at the same time as the Cabinet decided on ceasing to recruit for the European troops of the Indian army; and unfortunately that change, which is a question by itself, has been mixed up more or less with what is known as the amalgamation, that amalgamation having been, as it were, initiated by the Cabinet under the political authority of the Government of the day, instead of through the regular course of the Indian Council.

Mr. *Fawcett.*

2358. You having pointed out very forcibly certain disadvantages which you attribute as resulting from what was done some years ago, which you very much regret, namely, from this amalgamation scheme, as you have now explained it, of course the important practical question arises, can you do anything to repair the mischief that has been done, because after all it is not much use to say that great evils have resulted, if we simply have to stop there and cannot suggest a remedy. I will therefore ask you, admitting the evils, what is the best way in your opinion to repair them?—I have thought over that much. My own belief is that the evil has been going on for the last 13 years. It was partly checked in 1866, during Lord Salisbury's first administration; but I am very much afraid that the regulations necessary to prevent the evil going on have not been issued; I really am at a loss to know, except by the payment of enormous sums to the officers, how to get rid of the bad system. You must either take to that measure of paying an enormous sum, or you must undo the entire system; I am not sure but that if the Government resolved upon that great measure, boldly to cancel the whole of the arrangements connected with the staff corps (I am not speaking of amalgamation now, but confining myself to that one particular branch of the change), that would be the best plan. But with regard to the question how it is to be done, the best intellects of the day have failed ever to find a remedy.

Mr. *Fawcett*—continued.

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2359. Then you simply say that it is a great evil, so great that you cannot suggest a remedy. Supposing that anybody was to give you autocratic power, have you got any scheme which you think would remedy the evil?—I have no doubt that if there were anybody with ample power, and with a certainty that the Parliament of England would support him, a remedy would be found. It would lead to enormous complaints, and great cries. No doubt you might overcome some of these by paying money, and by paying liberally; you might by some means do it; at all events no statesman in high position, high in power, would fail to overcome the difficulty if duly supported. Temporary arrangements may be made by which from time to time the cries will be diminished, but those cries must come up until every man has got that enormous allowance of 1,100 *l.* odd a year after 38 years' service.

2360. But when every man has got this allowance of 1,100 *l.* a year, and when we know the maximum cost of the system that has been introduced, what is important to consider is, how to change a system so defective that in your opinion, unless altered, it will go on diminishing the efficiency of the army as you think it does at the present time?—I can only say in reply to that, what a statesman remarked to me when I came home in 1862, when I explained to him that every officer would rise up to the rank of colonel by simple length of service: "Do you mean that without any fixed number in the grades you will have an army of colonels, and lieutenant-colonels, and majors?" And his reply at the time to my assurance that that was the case, was, "Well, truly, we have been groping in the dark." But anyone who had any knowledge of military matters knew that this result would follow. Lord Canning was fully alive to the difficulty, and Mr. Laing deeply regretted it. Sir Bartle Frere also deeply regretted it. At the very time we were trying to get the finances of India in order, suddenly we found ourselves embarrassed by this change, which involved a great outlay.

Mr. *Campbell-Bannerman.*

2361. You are referring to changes in the native army and the constitution of the staff corps?—That is what I have been speaking of latterly. But I have also a strong opinion with regard to the European force. With regard to that force, I think Lord Ellenborough made a very wise suggestion, which was to have equal proportions in both armies of European forces, it would have been wise to have kept up a portion of the European force in India belonging to the Crown and a portion belonging to India.

Sir *Henry Havelock.*

2362. That is the proposition which His Royal Highness said would entail practically the existence of two armies?—At present, you have the marine forces, and you find no difficulty in carrying on the separate administration of that fine body of soldiers; and formerly you had the Ordnance Corps, which were almost as much distinct from the infantry and cavalry of the home army as the Indian forces were.

Mr. *Fawcett.*

2363. You would recommend then, that, after re-organising the native army we should have in India, two European armies, one under the sole

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Mr. *Fawcett*—continued.

and entire management of the Indian Government, a European army recruited on what terms they like, and another army which would be more immediately under the control of the military authorities in England?—Yes, I formerly did so view the question, and for another reason. I have served with native troops, and have been with them in the field, and in action; I consider it essentially necessary for the good discipline of the native troops that the example of the European officers, and the training which these officers get with European soldiers, and their knowledge how to deal with European troops,

Mr. *Fawcett*—continued.

should be always obtainable by the European officers of the native infantry. I have observed that an officer who had had any experience with European troops was never by any means disqualified for the command of native troops; on the contrary, I have found him the very best leader; I am sure that all those who have served in India will be alive to the importance of the example given to the European officers of the native troops by the European officers of the European troops of the same army, as that of the native infantry, in improving the discipline and stability of native troops.

Tuesday, 30*th June* 1874.

MEMBERS PRESENT:

Mr. Stephen Cave.	Mr. Dunbar.
Sir George Balfour.	Mr. Fawcett.
Mr. Balfour.	Lord Edmond Fitzmaurice.
Sir Thomas Bazley.	Lord George Hamilton.
Mr. Birley.	Sir Henry Havelock.
Mr. Campbell-Bannerman.	Mr. Sampson Lloyd.
Mr. Dalrymple.	Mr. Eustace Smith.

THE RIGHT HON. STEPHEN CAVE, IN THE CHAIR.

Major General Sir GEORGE BALFOUR, R.A., K.C.B. (a Member of the Committee); further Examined.

Major Gen. Sir *G. Balfour*, M.P., R.A., K.C.B.

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Chairman.

2364. I WILL now ask you a few questions upon these accounts which have been brought here by Mr. Minifie, and which are the forms of account showing the apportionment that India is called upon to pay by the War Office, accounts which have never been settled or laid before Parliament, or certified in any way, but which we know have been partially under the consideration of what is called Mr. Seecombe's Committee. It would not do for us, of course, to go into the details of those charges which they will examine into. In the first place, this Committee never could form any useful opinion upon the details; and besides that, the inquiry is going on in a different way; but I think that you wish to express an opinion as to the convenience or otherwise of these accounts being stated at all in the way in which they have been. Perhaps you will give your opinion generally upon that point, whether this is the best way in which the charge can be made against India, or whether there is an inconvenience in making the charge in this way?—I have been induced, in consequence of what has taken place in the Committee, to look into the detailed accounts which have been sent in by the War Office to the India Office, on account of the troops serving in India for the years 1870–71 and 1871–72. These are the two first years in which the accounts have been rendered as actual charges since the capitation rate of payment of 10*l.* per head was discontinued. The last year of that payment was in the year 1869–70, and the amounts which are now charged show in some respect very considerable changes in the two years, the charges in 1870–71 being much higher than the charges in 1871–72. I hand in an abstract statement (*vide* Appendix) of the total charges for the two years 1870–71 and 1871–72, showing a total charge of 486,684*l.* 12*s.* 6*d.* for the former year, and 444,512*l.* 7*s.* 6*d.* for the latter year. I also hand in a more detailed statement of the charge for one item of those two years (*vide* Appendix); the other details I have not thought it necessary to extract from the accounts. Now, on looking into the details of these various charges, it certainly appears to me very advisable to avoid the necessity of rendering those details to the India Office for payment of the money said to have been actually expended. I see a variety of details of charges inserted in these accounts which I am satisfied must be exceedingly difficult for the India Office to verify, or at all events to exercise any check over; seeing also that the accounts have been very considerably delayed, and that the auditor of the India Office has not been able, in the accounts laid before Parliament, to certify to the Home Accounts by reason of these charges not having been audited and finally passed, it certainly is not wise to continue a system which causes such a delay in adjusting transactions between the India Office and the War Office; I am strengthened in my views that it would be easy, or comparatively easy, for a qualified committee to decide, if not from their own knowledge, at all events by the examination of parties interested in the question, either in the India Office or in the War Office, on some fixed amount to be agreed upon, to be paid by the India Office, in order to do away with the necessity of having these details sent in; for instance, for the charges for Netley Hospital, the depôt at Chichester, the hospital charges, extra prices for bread and meat, and other charges of a like nature; the amounts are not very great, but at the same time the accounts and vouchers, I have no doubt from their nature, must be very voluminous; I am convinced that the examination which ought before this to have been made of these accounts, and the expense of making that examination by suitable persons, involves a great waste, both of time and of money, in having to go through that ordeal every year in order to ascertain what liability falls upon India. I may also observe that the vouchers being themselves prepared by one department, it is almost impossible, from my knowledge of auditing, to enable another department, which has not the detailed experience, or the acquaintance with the arrangements by which the charges are made up in these vouchers, to ascertain how far they are correct; and necessarily, an officer employed by the India Office, to find out how far India is liable

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liable for the amount, must take for granted a very considerable portion of the charges which appear in these vouchers. I may also point out that even as respects the largest amount of the charge, this has varied considerably, for instance, the charge for recruits, the whole sum for which is one-third of a million for one year, is less for the next year, there being a difference of 41,000 *l.* between the two charges of the two years; in order to verify these very charges (I should be prepared to give evidence on the point in reply to another question), it is actually necessary to go into the question, as to how far the men who have been charged for at great rates per head, making up these large amounts, have actually been drilled, and whether the men who have been sent out and charged as recruits are actually recruits or old soldiers. I shall be able to show by another answer that many old soldiers have been included amongst the recruits sent out and charged for as recruits.

2365. But now you are confining your evidence to the convenience or inconvenience of this form of account without going into questions of that sort?—On the form of accounts I would answer, that so long as you have the actual charges sent in you cannot possibly change the form of accounts in any way, neither can you prevent the accounts from being examined by the separate vouchers which are sent in.

2366. That being your opinion, have you any recommendation to give to the Committee as to the best way in which these charges should be made against India?—I would rather defer giving an opinion upon that, because I have never, of late years, turned my attention to the details of the mode of settlement. I have already before this Committee stated, with regard to the recruits, that I see no difficulty whatever in coming to an agreement for fixing a sum for the payment of the largest portion of the charges in these accounts; I think, from the experience we have gained, from the past working of the capitation rate, it is quite possible to fix one particular lump sum for that one item of charge, for recruits. In that way you would get rid of a very large portion of the total charges entered in the accounts from the War Office. Then, another portion of the charge which you could very easily agree upon for India to pay is the charge for the payment of colonels of cavalry and infantry. The charge for these colonels amounts to upwards of 50,000 *l.* in one year, and to upwards of 53,000 *l.* in another year. I think it should be understood between the two offices, how far India should bear the charge for colonels of these corps. My view of the pay of colonels has always been, that as the officer is not a regimental officer, and as he has ceased to be a contractor for the supply of clothing for his regiment, the colonels remuneration is strictly in the form of a reward for good service, and there is no reason why India should be charged for a particular number of colonels; on the contrary, I think that India should be fixed with a certain portion of that expense proportionate to the force which is maintained in India; or else, if you will attach the colonels of regiments to the regiments it is a fair question whether you ought not to consider how far service rendered by these colonels has been service for India or for England. That is the mode in which

Chairman—continued.

the pensions of all soldiers are now settled. The authorities ascertain the total length of service of each soldier, and how much of that has been spent in India, and charge India with the portion of the pension which is due to the proportion of service in India which that soldier has rendered. I am not expressing a decided opinion as to the pay of the colonels, but simply saying that, under any circumstances, that item could be settled with the utmost possible ease.

Sir *Henry Havelock.*

2367. These colonels form a part of the regimental establishments of the regiments in India, do they not?—They have never been employed in India, and you will in most of the Army Estimates very rarely find a colonel attached to a regiment; therefore, as the colonel does not now perform regimental service, we have simply continued the old practice which prevailed when the colonel was a contractor supplying clothing for his regiment, and when he was necessarily borne upon the rolls of that regiment; but the War Office has often thought that it would be very advisable if the pay of the colonel was shown as a distinct charge. It simply confounds all calculations to show it mixed up with regimental establishments.

2368. Surely you would not say that the colonels performed no regimental service. If you take them individually, half of their services have been rendered to India?—I repeat that I have no desire to see India spared one fraction. On the contrary, I think she ought to pay every fraction justly due; but I only throw out suggestions as to the mode in which this kind of claim is to be settled. I think that two or three experienced men might very easily come to an agreement as to how to charge the pay of colonels to the two services. Nor do I grudge the payment of these colonels, because it is a part of the rewards of past military service, and therefore should be respected.

Chairman.

2369. We do not want you to go into the merits of these charges against India, but into the form of stating them; and I understand you to say that you recommend a lump sum as a charge for the recruits; but do I rightly understand you that you recommend the lump sum to cover all these charges, which I believe it formerly did cover?—No; I objected to that charge from the very time it first came out to India; I then pointed out to the Viceroy (and he fully approved of my statements) that it was impossible, but that in paying a lump sum for a variety of charges, you must end in causing dissatisfaction to one or other of the offices; but what I did recommend, and do still urge is this, that taking up each one of these items which you have in the accounts here, you should see what arrangement you could come to for the settlement of each of those items by a separate lump sum; the recruits should be separately considered, the colonels separately considered, and the men coming home after leaving India should be separately considered; in that way I am satisfied, with the experience of the last 14 years, we should be able to get data to enable us to fix the amounts to be paid for each of those heads.

2370. There are eight heads in these accounts before

Chairman—continued.

before me. In what way would you fix a lump sum for such an item as this. I will take as merely an illustration, the smallest of all, the charge for the cost of bread and meat at the discharge depôt. I do not understand exactly how you charge the lump sum?—First of all we know perfectly well how many soldiers have left India during the last 14 years. We also know how many soldiers have been in these depôts, in Netley Hospital, and in the discharge depôt at Chichester; there is no difficulty in arriving at an agreement as to what the average number may be expected to be of soldiers so situated in future years. No doubt the past experience is difficult to use, because it is only in the last three or four years that we have had a discharge depôt at Chichester, and therefore the experience is little; but you heard the evidence of the Director General of the Medical Department to the effect that it was optional almost with the War Office at what time to discharge men from Netley Hospital and from Chichester, therefore if any delay takes place either in discharging the men as cured from Netley, or in discharging men from the Army altogether from Chichester, the War Office is forcing India to bear an expense which ought not to fall upon her revenues, and I think it desirable that these separate questions should be gone into, and that a rate should be struck from the past experience.

Mr. *Campbell-Bannerman.*

2371. When you say that the Director General of the Army Medical Department said it was optional on the part of the War Office authorities, you mean that they must necessarily exercise a discretion as to the state of the man's health?—Quite so, and also the Horse Guards will exercise a discretion at what time they will discharge men from the depôt at Chichester, no longer likely to be fit for active service. If they should delay, in the exercise of that discretion, to discharge these men, it naturally follows that India has a greater sum to pay in consequence.

Chairman.

2372. Then the principle upon which you would go, is a lump sum for each of these charges. In the case of the first charge, that of the pay of the officers, non-commissioned officers, and men, would you take an average number to charge a lump sum against, or how would you take it?—The question you have asked me involves a charge upon the India Office, for the year ending 31st March 1871, amounting to 109,246 *l.* 2 *s.* 1 *d.*, and in that sum there is an amount of 50,981 *l.* included for colonels of infantry and cavalry; and for the year ending 31st March, 1872, the total charge is only 99,803 *l.* 12 *s.* 7 *d.*, and in that sum is included a charge of 53,375 *l.* for colonels of cavalry and infantry, although the number of regiments in India in the two years was the same. That is one of the most easy charges that could be agreed upon. It is sufficient to look back upon the past to see how many colonels you have formerly employed in order to come to a final decision as to whether India is liable, for instance, to pay for a colonel for 384 privates of cavalry when formerly she only paid for a colonel for 606 privates of cavalry, or for a colonel of 750 privates of infantry, when formerly there was one colonel for 950 privates. That was the number

Chairman—continued.

of privates in a regiment of cavalry before the mutiny and during the mutiny, 606; now it is 384, and the infantry, instead of 950, has been as low as 750 privates, and at present 780.

Mr. *Campbell-Bannerman.*

2373. You state that the establishment of a regiment of cavalry in India is now 384?—Six hundred and six was the establishment of privates for a regiment of cavalry in India prior to the mutiny; the establishment of privates for a regiment of cavalry now in India is 384.

2374. Are you quite sure of that?—Yes; I will give it you (*showing a book to the honourable Member, which was the Army Estimates of India for the year* 1874-75).

2375. The reason I asked you was, that Sir Henry Havelock showed me just now a paper showing that it was over 400?—I am speaking of privates, which I hold to be the best rank that you can have to indicate the comparative strength of regiments; but I have got the statement of the number of privates or troopers of cavalry regiments in different years; I will read it out to you if you will allow me.

Mr. *Fawcett.*

2376. Are you giving this evidence now with the view of advocating that the strength of regiments should be increased, or to show that an unfair charge is made with their existing strength?—My object in mentioning it was to indicate the points to which attention should be directed as to this payment of colonels by India. The War Office has the means of varying the number of privates in regiments in India; it has the means of varying the number of colonels chargeable to India by varying the strength of the regiments; and as the account given in shows, of varying the charge for colonels without varying the number of regiments; I show that this can be done to a detrimental extent for India by this fact, that prior to the mutiny the number of cavalry privates intended to be effective in India was 606, and now 384. It was changed to 577; in 1861 to 496; in 1862 to 434; in 1866 to 378; and it was changed in 1870, when the late Secretary of State made that great change on the cavalry organisation to 384 privates, at which it continues. Therefore India now is paying for three or four cavalry colonels more than need have been paid for, if India had been supplied with regiments of a strength of 606 privates. But if you will take my data, subject to correction (I know perfectly well that I am not far incorrect), then I merely wish to indicate, in answer to the Chairman's question, how necessary it is that some agreement should be come to between the War Office and the India Office as to the number of colonels that should be paid for by the India Office.

Mr. *Campbell-Bannerman.*

2377. As to the number of colonels, the amount would be pretty constant over a number of years?—India only paid for five colonels before the mutiny, for a force in privates nearly equal to that for which India is now paying for nine colonels.

Mr. *Fawcett.*

2378. But all this evidence goes to show this: suppose the India Office and the War Office agree that it would be better to have a regiment of cavalry 384 strong than 606 strong, then, of course,

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Mr. *Fawcett*—continued.

course, it would be only fair that India should pay for the officers who officered that smaller regiment; but then there is another question, which is not a question of account but of military policy primarily, and secondarily a financial question, namely, what is the proper strength for an Indian regiment?—I would again earnestly beg of the Committee to believe that I do not desire to favour India, for I am sure that I have every reason to try and favour the War Office by which my services have been well regarded; I merely wanted to show that it is desirable to allow the exercise of discretion on the part of the War Office, and His Royal Highness the Commander in Chief, as to the establishment of regiments without leaving India to have charges imposed on her, which are open to be varied by changes in the strengths of regiments, in the remarkable manner I have now pointed out, namely, a colonel in one year for 606, and in another year for 384 privates.

Chairman.

2379. I do not desire to wander out of the course of the inquiry now, which is simply as to the best way of stating these accounts. I do not want to go into the question whether the charges are too great or too small, but into the question of how the accounts are stated. As far as I can judge, you have stated that with regard to this first item an arrangement must be come to between the War Office and the Indian Office?—Quite so.

2380. And then, after that, are you to take an average for a certain number of years?—I have indicated it in some detail, but I did not wish to enter into these details, because I would rather form an opinion after more careful inquiry; I merely wished to indicate that this charge was liable to vary, and being liable to vary, and that in the exercise of the discretion of the War Office, which office claims to have the right of exercising its own discretion, I say it is not desirable to allow that conflict of opinion between the War Office and the India Office to exist. I would sum up by saying that I see no difficulty in coming to an agreement upon this head.

2381. You come to an agreement, we will suppose for this year, and that agreement is to last for a certain number of years; is that your meaning?—I would certainly make it last for a certain number of years; the capitation rate lasted for nine years; I do not see why another arrangement should not, if more carefully conducted, also last for a number of years; but I wish the Committee to understand that I have formed a very poor opinion of the inquiry on which that former capitation rate was fixed in 1861. I am satisfied the data were not fully gone into; moreover, the Committee distinctly intimated, when that capitation rate was fixed, that a further inquiry should go on, and that the proposed capitation rate was only to last for one year. That inquiry was never made, though I think that there were data available to have enabled the Committee to make it.

2382. That is a matter of history; we want something with reference to the future. I understand you, with reference to the first of these charges, to say that you recommend that an understanding should be come to, once for all, between the India Office and the War Office by means, I presume, of that Committee that is

Chairman—continued.

sitting, and that, for a certain number of years, that charge should be paid by India without further question; is that so?—I do not say that the charge is to be adhered to once for all, but I certainly think it may last for a certain number of years by mutual agreement, conditional always upon the inquiry being much more satisfactorily conducted than the inquiry of 1859, 1860, and 1861 was.

2383. With regard to the charge for drafts embarked, would you make the same recommendation?—The charge for drafts embarked is an incorrect expression which is used here, and to which I strongly object in the statements placed before this Committee. The word "draft" does not mean, in the sense in which this indicates, that it is a charge simply for recruits; it ought to be stated that it is a charge for recruits and not for drafts. That one charge amounts to one-third of a million. The word "drafts," I now know, covers a number of men who have no right to be designated recruits; and seeing that the high rates which have been charged to India for recruits are intended to be paid for young soldiers, I submit that the word "drafts" should be changed into "recruits," and that we should ascertain distinctly whether the whole number of men put down here deserve to be called by that name. Upon that point I would say, distinctly, that the experience of the past years of the working of the capitation rate ought to enable the Committee to come to an agreement as to what that charge should be; that that charge may be reduced very considerably, I have now satisfied myself, as far as my own inquiries go.

2384. But, having come to that arrangement, then you would have a lump sum charged upon each recruit, or how?—Upon each recruit.

2385. Then the next point is the difference of the number of men on passage with regiments; would you treat that in the same manner?—This (*producing the form of account of the men on passage*) is a model of account which I recommend to the Committee to adopt. It is one which admits of no confusion whatever; it is comprised in one page, and exactly follows out the plan I recommend. It is simply a numerical return which comes into the Horse Guards from every regiment which is embarked for India from England, or from India for England, and shows the numbers who have so embarked. For instance, I see that during the years 1870 and 1871, 4,572 men were embarked for India, and the number disembarked 2,997 (both these numbers being for the infantry), and that the numbers in favour of the British establishment, therefore, and to be charged against India, amounted to 1,575 infantry, and paid for at the uniform rate of 27 *l.* 7 *s.* 11 *d.*; a simpler account than this you could not desire. If you would look at it, you would see at once (*handing it to the Chairman*) that that is a model account to follow.

2386. Then you would recommend that in this form the charge should be made for the numbers of the men on passage?—That is a very good model to follow for all accounts between the War Office and the India Office; upon that one head I do not think you have ever had a dispute of any kind between the two departments.

2387. In that case you would not charge the average but actual accounts?—Yes; for this reason, the returns of men embarked and disembarked

Chairman—continued.

barked are military returns, and follow the ordinary course; you can easily verify how many officers, non-commissioned officers, and soldiers, have been embarked or disembarked.

2388. Then with regard to the next five items, Nos. 4, 5, 6, 7, and 8, which all are charges having reference to the hospital at Netley and the depôt at Chichester; do I rightly understand you that with regard to them you would make a capitation charge upon an average number of men?—This account is also very simple; the charge for barrack accommodation at Netley is at the rate of 4 *d.* a day for each man detained there. Of course the verification of that rate of 4 *d.* is a question; its correctness is one which can be easily ascertained; it ought not to be difficult to agree to a rate, but then the numbers to be charged for will be difficult to settle; the 4 *d.*, or any other rate, can be settled, and permanently settled. But the question is again opened, that here you have got discretion allowed to the authorities of the War Office over which the India Office has no power whatever to exercise control; the question, therefore, is in what mode can you get rid of that interference between the India Office and the War Office as to the number of men in, and the time to be kept in, Netley; it is in these respects that the difficulty exists. But even there I see little difficulty in coming to an agreement between the two offices, so as to settle how long the men shall be upon an average considered to be detained in hospitals after they arrive from India. The medical reports at the present moment show the average number of days which each man is in hospital; therefore an agreement could be come to that on arriving in this country each man is supposed to go to Netley who requires medical treatment, and his detention there shall be supposed to be 10, 15, or 21 days, as the case may be; I believe 21 is very near the average.

2389. Then you would say that 4 *d.* a day for 21 days would represent, as I understand you, the cost of each man; but would you take an average of men, or the actual number of men in each year?—I would settle as to the number of days which each man is supposed to be in hospital after landing from India, and when you have settled the rate per day to be charged for each of those, you at once get rid of all questions with the War Office; you can easily check the number of men who arrive from India, by the military returns sent in to the Horse Guards; you can then calculate upon each of those men men being detained 5, 10, or 15 days in hospital, and having got the numbers, the average rate of detention in hospital, and the rate per day, you have got the three points under your own control, by which the auditors of the India Office can examine and pass the charges with the utmost possible expedition.

2390. Then I understand you to say that you would make a capitation charge, which should be agreed upon for all expenses upon the actual, and not an average number of men annually?—I will exemplify what I mean. I would again advert to the information which you already possess in the returns of the past 14 years. You do not require to take the average numbers of the men for any series of years, but you take the actual numbers who come home as invalided men; that number is certified to by the military re-

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turns of the Horse Guards; therefore, having got that number of men, and having agreed that each of those men shall be taken to be in hospital, for say 5, or 10, or 15 days, you can calculate with that total number of days and the rate of 4 *d.*, what is the charge to be made against India; so that you have nothing hypothetical at all in the mode by which you would arrive at a settlement.

2391. That is what I said; you agree upon a capitation charge, and you would make that capitation charge upon the actual number of men in each year?—Quite so; and you have no difficulty in ascertaining the number of men that arrive from India as invalids, &c. Wherever you depend upon military returns, you may rely upon their being correct; you have no reason to anticipate difficulty in fixing precisely the actual number of invalids that come home.

Lord *George Hamilton.*

2392. From your great experience, probably, you are well acquainted with the system that is in force by which India is supplied with recruits; no requisition is annually served upon the War Office by India for recruits, is there?—I am not aware of any requisition, and when I heard it first mentioned I was rather surprised! With regard to that supply of recruits, my former experience led me to know that the Commander in Chief made the whole of the arrangements connected with the maintenance of the strength of regiments in India, and that it was the Horse Guards department of the War Office which looked into returns sent from India, and therefore, able to ascertain how many men were required and desired, and to arrange for the number being sent out, as far as the depôts would permit, to supply the deficiencies in the strengths in India.

2393. The fact is, is it not, that India entered into a bargain with the War Office to keep the European force up to a certain strength in India?—That was the agreement in 1861, and it is simply because it was not adhered to, that the whole of this money loss has fallen upon the War Office. If the War Office had maintained the numbers up to the full strength fixed for the garrison of India, then the War Office, instead of losing money, would have made a profit out of the capitation contributions. I may also say that I pointed out to the Viceroy this liability to keep the regiments in India below their fixed strengths at the time that the Capitation Papers came out to India from this country; in one of my reports I see I strongly urged that India should have the European force maintained to the full strength agreed upon; to this end I strongly advocated that for every man deficient in India, the War Office should be obliged to pay double the rate which the India Office paid for recruits sent out, so that you would have a strong inducement upon the War Office to keep the regiments up to the full establishment; I did so, for this reason, that the waste and extravagance of money in India is so exceedingly great when you are forced to multiply the number of regimental cadres, by keeping the number of men which the cadres should have, below the establishment, I am convinced, as I reported, that we should have saved almost half a million sterling in India if we had had all the regiments up to their full establishment; the bargain made with the War Office in 1861 went upon the supposition that each regiment of a thousand rank and file, which was then the

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strength of an infantry corps, should be supplied with 80 recruits every year; now that the time has passed, we know perfectly well that if that agreement had been adhered to, the establishment would never have fallen below the fixed strength as it has done, and therefore the War Office were themselves to blame entirely for having failed to receive from India that full amount of money which the arrangement of 1861 justified them in getting by the capitation contributions.

2394. If the War Office can keep the European army in India up to its establishment, it is immaterial to India, is it not, by what means it accomplishes that object?—Yes, so long as India is satisfied that the establishment is maintained, and that the soldiers also are sent out trained; but the experience of the last four years shows, that so far from the soldiers having been sent out fully trained, the average period of nearly one-fourth of the whole number falls very far below the average period which these men should have been trained. Therefore what India has to require is, that she shall get the full value of the money which she pays for those recruits in the form of efficiently trained recruits.

2395. Therefore, if a lump sum was annually paid to the War Office, the War Office might adopt any means that were thought fit and economical by the War Office authorities to keep the Indian European army up to its strength?—Quite so; and the inquiries which we made upon the Recruiting Commission satisfied me then, that so far from keeping up the system of depôts, the War Office might, if it pleased, obtain from regiments the number of volunteers that were needed, and the War Office might then have saved a very large sum out of the payments that were made, or might have been paid by India; but under any circumstances the War Office could supplement any depôt in case that depôt did not supply the number of men needed, by obtaining volunteers from regiments; to that extent therefore the War Office has had the means within itself to have kept up the force in India.

Sir *Henry Havelock.*

2396. But you are aware that at the present moment, on each regiment coming home from India it is asked to volunteer, as has been done any time for the last 40 years?—India has always had the right, and the Commander in Chief distinctly stated that she had always had the right to call upon regiments to volunteer, and regiments have volunteered ever since I went to India, and for sometime before.

2397. I understood you in your last answer to say that so many recruits would not have been needed if the authorities had taken the proper means to get the proper number of volunteers from regiments coming home from India?—No, I meant obtaining volunteers in this country. In answer to the noble Lord's question, I intended to imply that volunteers from regiments in England might have been called for; they have been called for, and will be again called for, in order to supply the regiments in India with the men required.

2398. Are you not aware that for years past every battalion that goes to India has been increased to 820 from 560 by volunteers from other regiments?—That has been so; and, therefore, I have always maintained that having an existing practice of thus filling up regiments to go to India, there was no earthly reason why you

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should not extend that practice, and call for volunteers from regiments in England to go out to other regiments then serving in India.

Mr. *Campbell-Bannerman.*

2399. It has been brought out in evidence that one reason why the forces in India are not up to their establishment is, that when a regiment is going to come home drafts are not sent out to it for two years previously?—I should not like to make statements, because I have not got the official documents now to prove my evidence; but I have no doubt that I could call for returns which would show distinctly that men have gone out one year, and come home the next with regiments. I know there was a very serious complaint when I was in India; I found both officers and men coming out to India one year, and going home the next; one of the great drawbacks to the present system is this, that as you insist upon relieving regiments periodically, you must either keep them below their strength for two or three years, or keep them filled up; then the passage of men going out one year will be charged for those men coming home next year.

2400. But His Royal Highness states that for two years previous to a regiment coming home, no drafts are sent out; you heard him state that?—I have not got the official documents, and, therefore, do not want to make a statement; but I have no hesitation in saying that that was not the case when I had official experience; men did go out and did come home; and I would mention particularly the artillery, upon which I had a very strong objection.

Sir *Henry Havelock.*

2401. It has been stated that the establishments in India are, as it were, habitually kept below their standard; is it not the case, as you know, that now, and for years past, it has been the custom to withdraw the annual drafts for one or two years before the time that a regiment came home from India?—You have got the Commander in Chief's own statement, in which I most fully agree, "I had not the men to send out; supply me with the men, and I will make the regiment complete." Therefore, the grievance that His Royal Highness the Commander in Chief had was that he was obliged to perform that which he had not the supplies necessary for; and I have no doubt that if we had the returns before us we could bring home the fact of some regiments having received supplies of recruits, certainly within two years of their coming home. That that was the case formerly I have no hesitation in asserting, because I have official evidence of it.

2402. The Commander in Chief has asserted it not to be so, and so far as my experience goes, I believe it not to be so; therefore, if you allege it is so, I think you should give us some data; have you any such to give us?—I called for returns by placing a motion for them on the Proceedings of the House; I have kept it in our Proceedings for some time in the hope that I might get them; but it is not very easy to get these returns from the War Office, and, therefore, as I cannot force them, I must abstain from pressing the returns; but the point which I think you should bear in mind, is this, that if we had a continuance of these returns

now

Sir *Henry Havelock*—continued.

now laid before us, you would find that, so far from the regiments in India being below their establishment to the extent that they were between 1861–62 and 1868–69, for the last two years the establishment in India has been kept much closer up to its fixed strength.

Chairman.

2403. You are giving your own experience of a system which has been altered since?—More than that; I have a return which has been prepared from the year 1860-61 down to the present day. The return is interesting, and it is one which the Committee, with the noble Lord's permission, can have; it shows that in the year 1863-64, the establishment being 70,017 men, the whole of that year shows a very considerable deficiency of strength; I see that instead of the 70,017 men, in one month the effectives were only 65,660; if the Committee desire it, I will now put this return in. (*Vide* Appendix). I believe it is nearly as correct as it can be made. Then it shows that for the last two years, namely, 1872–73 and 1873–74, the effective strength has been much nearer to the establishment than it was in any former year; I hold that, seeing the irregularities in the strengths, as shown in this return, the conclusion cannot be mistaken as to the way the effectives have fallen below the establishment, because, where you see a series of figures falling and rising, as you do in this return, you can only come to one conclusion, which is this, that the means existed for supplying the men, but that these means were not properly applied. This return can be put in, as I now do, and, as far as I can make out from the returns, it gives a fair idea of the state of the European force in India during the last 14 years; but since this caution, that I never yet met with any two persons who could agree to make out a return of numbers from the army returns, which would be uniform; so deficient are the returns, and so complicated are they in many ways, that if the Committee accept this return, I would beg them to bear in mind that any one calling for other returns will find different results from these that I have put down here; but this is taken from the returns in the India Office, and, as far as my experience goes, I am able to support the correctness of most of the figures by reference to actual returns. But again I will show you returns from the Horse Guards, wherein variations of 2,000 or 3,000 men have taken place; I pointed out these variations, thus showing how difficult it is to come to a right conclusion about returns of army strengths.

2404. But does not it show that during the last few years the army in India has been kept up more to its proper strength than in former years?—Yes, and I believe it to be entirely in consequence of my letters to the "Times."

2405. I want to show some cause for the discrepancy, and it seems to me that you and Sir Henry Havelock are talking of different times, and that according to your own returns the army has been kept up more to its proper strength of late years than formerly?—Yes, because I wrote to the "Times," and said it had been kept 5,000 below its establishment.

Sir *Henry Havelock.*

2406. There was a statement made by you the other day with regard to the immense number of

Sir *Henry Havelock*—continued.

men who had been accumulated at the home depôts in 1859 and 1860. I think you said that they numbered something like 20,000 men. I then asked you on that, whether it did not arise, to a certain extent, from there being some 12 to 15 battalions of infantry in India who were due at home, and for whom there were a large number of recruits in waiting. I have worked out the thing this morning, and I find that it is exactly as I stated then, that there were 15 battalions of infantry in India due at home in the years 1859, 1860, and 1861, and that that alone, taking their recruits at 300 each, would account for 4,500 men being retained at home?—I will answer that question by quoting (I produced the book on the last occasion) the Report of the Defence Commission; and I see, in one of my reports on the 15th of August 1860, which is to be found at page 123 of Parliamentary Paper No. 298, of 1862, I specially brought to the notice of the Government of India the fact that there were 20,905 men then at home, taken by the Defence Commission as available for the defence of the country, and paid for by India. And I promised to put in another statement (not to occupy the time of the Committee), which I have got here, showing very large deficiencies of the European force in India in those years, 1859 and 1860. Now the date on which the Defence Commission made this statement of those 20,000 men being at home available for the defence of the country was at a time when we had not begun to speak of any regiments coming home from India at all; that was the 8th of September 1859, and it was not till the 5th of May 1860 that the Viceroy, Lord Canning, reported upon the strength required for India.

2407. Excuse me; the first six battalions landed in England in July and August 1859; I can give you the dates?—Here is Lord Canning's statement with regard to the European force required in India. It is contained in a military letter to the Secretary of State of the 5th of May 1860, and at that time we had not the force in India then considered necessary for garrisoning India.

2408. These six battalions were at that time on their way home?—I undertake to produce proof with regard to the number of men at home and the number of men connected with the depôts. I have got plenty of proofs which, if I had time to collect, I would put in with the utmost possible ease; but I have got here a statement so late as the 1st of July 1870, and even on the 1st of July 1870, when every attention had been paid to recruiting, there were no less than 3,613 rank and file of cavalry and infantry wanting to complete the establishment in India; and I will undertake to produce proofs with regard to the deficiency in India in 1860, and to show distinctly the extent to which the establishments were deficient.

Mr. *Campbell-Bannerman.*

2409. But that is 10 years later than the time to which Sir Henry Havelock's question referred. Sir Henry Havelock's question is this: he does not dispute your statement as to the number of men at home or the deficiency in India, but he asks you whether you are aware that at the time in question a large number of regiments, 15 regiments, were under orders to come home, and were due at home, and whether that does not entirely account for the discrepancy, or at all events, go a great way to account for it?—No

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doubt a number of regiments coming home were due; but I will undertake to produce statements to show the number of men which were in depôts at home about that period; and I have also the means of showing at what dates the regiments which had depôts at home came home; and I will put that in as a statement if the Committee will permit me, and that will enable you to see to what extent this large force of 20,000 men, which the Commissioners reported as being available for the defence of England, was affected by these changes.

Sir *Henry Havelock*.

2410. You say, I think, that on the 1st of July 1870, there were 3,613 rank and file wanting to complete the establishment of cavalry and infantry in India; then in the winter of that year would there not be coming home to England five battalions of infantry and one regiment of cavalry, which would just about cover that, if you take the average number of recruits waiting for them?—No, because that is entirely at variance with the condition upon which the garrison of India was to be maintained; the condition distinctly was, under the capitation rate agreement with the War Office, that whatever garrison you fixed on to be in India it was essentially necessary that you should keep that garrison complete; and it is a false economy to allow a few pounds to be saved by not keeping that garrison complete; it is in that way that our great dangers have fallen upon India, in allowing the establishment to fall below the strength which is needed.

2411. But then if you desire that at every period of every year the establishment in India shall be complete, would you have the kindness to tell me how you propose to do that, if you do not allow men to be brought backwards and forwards in this way; you desire that no men should be sent to India for the purpose of being sent back, and at the same time you know that there are certain invalids coming away every year; how then can you prevent the strength being at some time of each year 2,000 to 3,000 below the establishment?—The experience of the arrangements before the 1st of January 1854, distinctly showed that for a series of years the cavalry and infantry regiments were for several years, from the 1st of January 1847 to the 1st of January 1854, above their establishment on the 1st of January of each of the years within that period, and that was, practically speaking, at a date before the recruits of the year came out to India to join regiments, so that in that respect we had the regiments up to their full establishment, and sometimes above their full establishment; and the arrangements which were then so efficient for keeping up the garrison of India might have been maintained at the same economical rate at which the establishment was maintained prior to the Russian War.

2412. I think, in your answer to the examination the other day, you accounted for that, because you have said that it was the practice of the Horse Guards, previous to the Mutiny, to keep on their strength at home more men than they were entitled to, so that they might bring them down to the average; and now, according to His Royal Highness, they are not allowed to do that?—The answer which I gave to the noble Lord's question was to this effect; it was within the means of the War Office to maintain that establishment, they being amply paid for doing so; they did not do so; and they acted thus to their own loss; and, moreover, to the serious inconvenience of India in keeping the force nearly 4,000 men for a series of years below the proper establishment.

Sir *Henry Havelock*—continued.

2413. But we had it from His Royal Highness the Commander in Chief the other day, that he should be very happy to revert to that state of things if permitted, but that under the existing regulations he was not allowed to recruit the men till six months from the period of their being sent out?—The existing regulations being entirely dependent, so far as I am aware, upon the War Office, the India Office never interfered with the arrangements which the War Office made for maintaining of that establishment; and therefore if His Royal Highness had not the means to supply India with the recruits which were needed, it was simply because there was a want of agreement between the departments, and that is one of the consequences of letting one department supply recruits, and making another department pay for them.

2414. I do not know whether you formed the same impression that I did, but I understood His Royal Highness distinctly to say that he was debarred from doing that which he desired to do for the purpose of keeping up the establishment by some regulation or rule from the India Office?—My answer to the noble Lord's question was that I was not aware of any impediment on the part of the India Office to allow a few men to be added to the depôts; they would cost very little, and would add very much to the efficiency of the army in India, and I see no reason why that addition should not be given; it was given in former days, and it is simply a defect in administration that it is not given in the present day.

2415. Then would not that again lead to the evil that you have complained of several times, that there would be a larger number of men in England whom India would be paying for; in your evidence you have complained of that several times; if the suggestion that you have now made were adopted, would it not lead to that result, that your depôts at home would be very much larger, and that consequently India would be paying for a much larger number of men at home than now?—My answer is that India would not have paid a fraction more for the men at home during the time that the capitation rate was in existence; and therefore an agreement having been made with the War Office that they should keep up this number of men, it was a duty incumbent upon the home authorities to have kept that number of men up, and to have supplied India with the agreed number of recruits, namely, that each depôt should have turned out 80 recruits per annum; whereas, now we have got information, we find that each depôt only turned out 40 recruits.

Mr. *Fawcett*.

2416. May I ask, in order to elucidate this question, whether what you are now saying refers to the past or to the present; you are referring to the days when the capitation system was in operation, as I understand?—I urge that since the capitation rate ceased, as I show by returns, the force has been kept up to the fixed establishment more closely in India than during the time that the capitation rate was in existence. Then I am quite prepared to give evidence to say that if India was allowed to regulate the depôts according to the wants of India, India could, according to the system now in force of paying for actual numbers, easily

Mr. *Fawcett*—continued.

easily reduce the depôt to what it was prior to the Mutiny, and that India could add a few recruits to that depôt as in former days, in order to keep up the force in India to the full establishment. Therefore what I desire to show is this, that the experience of the past should be brought in operation to arrange for the future; I am convinced that arrangements could be made by which India need only pay a much more moderate sum than is now charged in the accounts still unsettled for the recruits which have been supplied.

Sir *Henry Havelock.*

2417. I understood you to say, in one of your earlier answers this morning, that a great many old soldiers have been included amongst recruits, inferring that a great many men who ought to be charged to India at the reduced rate of 27 *l.* have been charged to her at the increased rate of 63 *l.*; was that your meaning?—It is fully my meaning, and I now hand in statements which I have obtained from the India Office to prove my statements. These two statements I now hand in (*vide* Appendix) show that 13,640 men have been sent out within the last four years as recruits, and charged for as recruits, who enlisted in 1852, 1853, 1854, 1855, 1856, 1857, 1858, down to 1874. Then also I have a second statement, which I hand in (*vide* Appendix), being a tabulated statement of 13,592 men that have been sent out to India during the last four years, which shows that boys from the age of 14 up to men of the age of 56 have been sent out and charged for as recruits; I do not think that you and I will agree to consider these men as recruits.

2418. When you say that these men of all ages have been charged as recruits, you mean, of course, that according to the practice that has existed for very many years, men who have come from India invalided, and have recovered their health, have, on recovering their health, been returned to India as soldiers?—We are now speaking with reference to the capitation rate, which was distinctly agreed and settled upon. According to the statement at page 11 of the Return, No. 165, laid before the House of Lords in 1862, the understanding was, by paying this capitation rate, infantry recruits should be sent out who had been trained for 4½ months; not old soldiers, or anything else. There is not a word in the report which justifies the sending out of old men, and charging for them as recruits. If you turn up the papers, I am sure you will be convinced from Sir Alexander Tulloch's statement at page 11 of the House of Lords' Return, No. 165 of 1862, of the correctness of my assertion. He distinctly lays down the conditions upon which that capitation payment should be made: "That each infantry recruit will be at the depôt on pay for an average period of four months and a half from the date of his enlistment till he embarked; each cavalry recruit six months, and each artillery recruit 12 months. That the recruits will be sent out to India regularly twice a year, unless they have to be retained longer at the expense of the British Government." That is the famous Report of which we have heard so much from the committee of officers selected from the War Office and India Office who settled the payment of the capitation rate, which is laid down at page 71 of the same Return. That recommendation is dated the 31st of January 1861; and they then agreed to recommend the two Secretaries of State to

Sir *Henry Havelock*—continued.

adopt a lump sum as a contribution from India to the War Office to cover all these charges for supplying recruits. Now, the Return which you have now before you is of a different character. So long as the capitation rate was in existence, the India Office made no inquiries, as far as I can ascertain, as to the ages of the men sent out, or as to the period of training. They accepted the statements as to their fitness on the assumption that the Commander in Chief would look into the efficiency of regiments in India. But this Return which we now have is for the four years which have elapsed since the capitation rate ceased, and India has been charged for the actual results of the recruits; that Return shows that men of all ages, of all services, have been sent out and charged for as recruits; and the accounts which you have had before you to-day distinctly show that in the years 1870-71, for which the charges are made, instead of 2,580 men, which is shown in that Return, 4,646 men are charged for; the difference between 2,580, shown in that Return, and the number actually charged for as recruits is in consequence of not having the nominal rolls of the men sent out for 1870 and 1871 complete; but in the year 1871-2, for which these accounts are rendered, the numbers sent out, for which there are nominal rules at the India Office, were 3,935 men, and the numbers charged for in the accounts of the War Office are 3,981; there is a discrepancy of 46 men, which need not be taken into account. Therefore I prove that men of all ages are now charged for by the War Office as recruits, though they are old soldiers, and have probably been in the army before, and probably have been before sent out to India at the expense of India.

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2419. But then, if you object to that, in what other way will you have these men sent out, and in what other way will you have them charged for; because all this that has been done, has been done according to established rule?—The question of its being done according to established rule cannot be pleaded, because we had no established rule in existence from 1861-2 to 1869-70; because my reply to the noble Lord's question distinctly showed that India never interfered with the recruits sent out during those years, and that therefore India had nothing to guide her in judging of the last four years that have elapsed since the capitation rate ceased; but the result of the inquiries is, that they have prepared this table which I thought would be interesting to the Committee; and I now show you that the result of the practice in supplying India with recruits is to send out men of all ages and all services in that form, and to charge for them as if they had cost England the full sum of money which is stated to be the cost of recruits.

2420. But as a matter of fact, has it not been the practice ever since you can recollect for men who have come home from India for the recovery of their health, on the recovery of their health to be returned to India for further service in India?—My answer to that is this, that you have changed entirely the condition of service of regiments.

2421. I should like a specific answer to the question I have put to you?—If I answer you by saying that you have had a very loose system during the existence of the capitation rate, I put an end to your question.

2422. I should like a precise answer if the

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Committee will allow me to press you for one?—I answer you by saying that for the last 13 years we have had a loose system, and that soldiers have been sent backwards and forwards in that time much more frequently than in the former practice; but the India Office has no experience of the nine years during which the capitation rates were in force. It has experience of the time previous to the nine years, and are now getting experience of the past four years. They can answer for that, and I am prepared to answer for that.

2423. This practice of which I speak is not one which applies only to the period from the capitation rate, but has been the practice in all time?—The answer is that India was never charged then for recruits at the enormous rates of the last four years, and therefore it was a matter of comparative indifference whether men went backwards and forwards; but now that India has to pay very dear for the article, naturally enough the India Office looks after the finances of India, and it supplies a table showing that instead of recruits, they have been supplied with many old soldiers.

Mr. *Campbell-Bannerman.*

2424. But does the India Office make that complaint?—I am not here to speak for the India Office; the noble Lord is here to speak for the India Office.

2425. You put in a Return from the India Office, I suppose, as the representative of the India Office?—I do not see it is necessary to view it so. Of course if the Committee think it is not proper for me to put in the Returns, it is very easy for the noble Lord to hand it in. I spoke to the noble Lord before I used it, and whether the Return comes from me or is put in by the noble Lord, I do not think signifies very much, the object of this Committee being to ascertain the truth of these charges.

Sir *Henry Havelock.*

2426. What has been the highest rate at which recruits have been charged to India?—About 27 *l.* 11 *s.* 7 *d.* in former years, and 63 *l.* 6 *s.* 4 *d.* in later years.

2427. You have been endeavouring to show that India suffers some disadvantage by a certain number of old soldiers being included amongst the recruits. Looking at the Return which you have put in, I find that in the whole term of years included here, out of these 13,000 men, upwards of 9,000, namely, 9,400, have been sent out in the year, or the succeeding year, to that in which they were enlisted; that is to say, that of these old soldiers there could not have been in any case more than 4,000 out of the whole number?—I had this statement prepared, which I have now in my hands. I find that allowing for differences of one or two here and there (for the Returns are not very easy to make out), and allowing for errors, not of any importance, the whole number charged for, is put down on this statement as to ages at 13,592. Now if you take all of the ages between 18 and 23 in that Return before you, you will find the number to be 9,141; therefore there is a number charged for to India as recruits; namely, 4,452, who are not of the ages of men who ought to be designated recruits. Of course I must guard myself distinctly by stating that you can vary these numbers to any extent you like by varying the ages. I have taken the numbers here of the ages between 18 and 23, and therefore if you change the ages, you necessarily change the numbers; but that is necessarily open to adjustment as to the ages at which they shall be designated recruits. I did ask the Accountant General that very question, because at that very time I was cognisant of the fact that the ages might be some criterion by which to judge of the number of recruits. Again, I have taken out of the same table the number of recruits according to the years of service. Again, I would ask you to bear in mind that that Return has some slight variations. In this one there are 13,640 charged for, and taking the men of two years service only, which I have given (which is a very great latitude), you ought only to have charged for 6,836 men as recruits, leaving 6,804 charged for as recruits, who do not by length of service fall within that category. I will put in those statements, and they can be verified and corrected if necessary.

Sir *Henry Havelock*—continued.

2428. Are you aware, on the other hand, that by Parliamentary Paper, No. 413, rendered to the House of Commons on the 5th of August 1873, which shows certain details connected with recruits who have been enlisted for the army in the last four years, it appears that from 31st July 1870 to the present time, 5,462 men have gone to India with the head-quarters of regiments who were recruits, and whom India has therefore got at the reduced rate of 27 *l.* a man, instead of the rate of 63 *l.* a man, making a difference in favour of India of over 196,000 *l.* in those four years?—I am aware from the Returns, which I have now before me, that in the year 1870-71, 4,572 men embarked, and 2,957 disembarked, and that India paid England, as the difference between the numbers sent away and coming home, the sum of 26,222 *l.*, and that India paid for these men the charges agreed upon, namely, for infantry at the rate of 27 *l.* 7 *s.* 11 *d.*, and for cavalry 55 *l.* 17 *s.* 3 *d.* If these rates are insufficient, then I say distinctly, revise them and make India pay more; but here is a distinct agreement made between India and England fairly adhered to on the part of India for a long number of years.

Mr. *Campbell-Bannerman.*

2429. But surely it affects the question between the two countries, when Sir Henry Havelock shows from this Parliamentary Return that within the same four years as those of which you spoke, 5,462 who were recruits, and who if they had gone out in drafts would have been charged at the higher rate, have gone out with the regiments as men on passage, and have been charged only at the lower rate, India thereby gaining nearly 200,000 *l.* in the four years; if you set that off against the grievance which you are bringing forward as applicable to the same four years, surely it is a matter which deserves to be, at all events, considered?—I have fully considered it, and I am perfectly ready to acknowledge the propriety of making changes, if they are necessary. All I insist upon is this, it is a matter of agreement, at the present moment, to charge for those men in the form which you have given, and if the agreement is a wrong one for England, I say distinctly England ought to change it; but it is a distinct agreement to charge for those men in that particular form.

2430. Then do you not think that it would be fair, supposing the charge to continue to be on the present

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present footing of so much per recruit, and so much per man on passage, that if men who are not *bonâ fide* recruits are charged at the higher rate, when they go out in drafts, per contra men who are *bonâ fide* recruits, and have been enlisted within one or two years, should be charged when they go out with reliefs, at the higher rate as recruits?—No; I insist that you should not go into this minutiæ at all; but, if you find the 27 *l.* 7 *s.* 11 *d.* paid for men embarking as embodied regiments to be insufficient to recoup England for the expenses which she has been at, then I say, distinctly, alter the rate; but it is an agreement, at the present moment, to charge in that form. I am not any grievance monger; neither do I advocate the interests of India or of England, because I desire both countries to be protected; but if you have charges at one rate for old soldiers, it is not right that you should make these old soldiers to be paid for by India at the larger rate of recruits.

Lord *George Hamilton.*

2431. I think this has arisen from the word "recruit" being used in an improper sense." The word "recruit" applies to drafts sent out to men sent out to keep the regiments in India up to their proper strength?—Yes; men trained four and a half months according to the Tulloch calculation, or seven months according to the present calculation; and it was never contemplated to have men who had been old soldiers paid for under that designation.

2432. But the word "recruit" does not apply to any man who is on the strength of a regiment that is ordered to India?—I should say distinctly that is one of the additional definitions which you might apply to the word "recruit," if those definitions of the Committee which fixed the rate have not properly declared what a "recruit" meant.

2433. Because otherwise the War Office have entire control over the strength of regiments at home, and it might happen that three-fourths of the men in a regiment ordered for India might be recruits, that is to say, men who had not completed a certain term of service; but, according to Sir Henry Havelock's theory, India would have to pay for the whole of those men at the price she pays for the drafts who go to fill up the regiments?—I think that is the result of the questions of the honourable Member.

Mr. *Campbell-Bannerman.*

2434. I understand that you do not complain that those men are absolutely worked out and out of date, but you say that the same class of men who go out in a regiment, with four, five, and six years' service, and are charged as "men on passage," may be sent out in a draft among the recruits?—My answer to that is, that if I were to go over the rolls of the regiments of the men sent out in that form, I have not the slightest doubt that I could prove that the men sent out have not been properly sent out, from giving India a very short service; but my complaint is this (if you choose to say that I do complain at all, which I do not allow), I say that an agreement has been entered into between India and the War Office that you are to charge India for men sent out as recruits who are sent out to keep up the establishment in India, and they have departed from that in the War Office by sending out old soldiers who are not recruits in

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the sense in which the evidence before this Committee puts it, and that you have included those amongst the men charged for at those high rates.

2435. In this Return there are a certain number of men who you say are not recruits; men who go out with the drafts, but who you say ought not to be counted as recruits; is that so?—No, because you are not putting my views in a correct manner; I myself brought out from the evidence of the Commander in Chief and the Accountant General, a statement of what they meant by recruits, and I say that if you take them as being of ages between 18 and 23, then 9,141 men ought to have been charged for, whereas the number, according to the Return I put in, charged for is 13,592.

2436. So that you consider that any man over 23 is not a recruit, and any man under 23 is a recruit?—I put the question to the Accountant General, and I am keeping within his definition. If you choose to vary it, and say that the ages shall be between 18 and 25, I do not object; but I am showing you how I arrived at the result stated. The Commander in Chief distinctly stated that he did not desire to have very old men sent out as recruits.

2437. Then on that hypothesis, that being taken as the limit of a recruit's existence, namely, when he reaches the age of 23, you say that according to this return there are so many men sent out in drafts in those years who were not recruits?—Yes.

2438. Now, is it the case, as Sir Henry Havelock says, that when a regiment goes out *en masse* to India there are a large number in that regiment who are under 23, and who, by a parity of reasoning, might fairly be charged for as recruits?—Yes; and I answer that by saying that these regiments are inefficient, because we send out young men of less than 20, which the Commander in Chief distinctly stated to be a drawback, and I consider that the British Government do not comply with the agreement with India, as to sending out good and efficient soldiers to maintain India in safety.

2439. Passing that by, I merely wish to know whether you admit that when a regiment goes out there are a certain number of men in it who are under 23 years of age?—Yes; much to the detriment of India, by sending out inexperienced soldiers.

Lord *Edmond Fitzmaurice.*

2440. As I understand shortly, this is what you mean: the disadvantage to India of sending out men too old may to a certain extent be said to be counterbalanced by the advantage to India of other men, of what may be called the average age of recruits going out in regiments; on the other hand, you say that in those regiments there are men who are much too young, and therefore you have in the regiment itself something that balances the advantage to India, and that consequently the balance of disadvantage is against India?—I do say so.

Mr. *Campbell-Bannerman.*

2441. The question of age as to the soldier being too young or too old, does not affect my point; we are not talking of the efficiency of the recruits sent out, or of the regiments; if in the regiments there are men sent out who are under 20, equally on the drafts there are men sent out under 20,

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and if you object to the one I presume you would object to the other; but you complain that certain men who are sent out in the drafts are charged for as recruits, who are really over 23 years of age, and you consider that a grievance. On the other hand, is it not the case, that when a regiment goes out there are a large number of men charged for at the old soldier rate who are under 23 years of age?—There is no doubt, putting it in that form, that is the case, but without a distinct explanation of what you do then, and what India does, I should mislead the Committee.

2442. But so far as charges are concerned; so far as the question is concerned, whether a man is to be charged as a recruit at the higher rate, or as a man on passage, the question of efficiency does not enter into that?—I disagree with you entirely; the essential point on which the capitation rate was based was, that the Warley depôt was inefficient, by sending out young men without training. Sir Alexander Tulloch distinctly asserted, that the article which came from the Horse Guards was a far more efficient man, and that the extra expense that you were charging for recruits was because of the superiority of the article.

2443. I am talking of the mere matter of account, whether a certain man, Thomas Atkins, shall be charged as a recruit, or a man on passage; and you draw your line apparently at 23 years of age?—No; pardon me, I do not draw the line; it is put forward by supposition, and I am willing to submit the ages and length of service of men to be called recruits to anything you like; I say, admitting 18 to 23 years of age to be the period when men are usually held to be recruits, you then have the following numbers; if you say that my ages are incorrect then I am willing to submit to you.

Lord *Edmond Fitzmaurice.*

2444. You took those ages, 18 and 23, from certain documents before you, and founded your calculations upon them?—Yes.

Mr. *Campbell-Bannerman.*

2445. In the drafts between 1870-1 and 1873-4, as to which you furnished these returns, there are a certain number of men who have gone out over 23 years of age; you say that they should not have been charged for as recruits?—Supposing you assume my age of 23 to be correct, then I say distinctly they ought not to have been sent out as recruits. If you say that my age of 23 is not the right limit, then I am wrong.

2446. I do not dispute your age, but I accept your age of 23?—Then I say distinctly that these were old soldiers.

2447. Then a certain number of men being over 23, and not being chargeable as recruits as you think, how would you charge them?—By the agreement between the two Governments, at 27 *l.* odd.

2448. What system would you apply to a regiment when it goes it?—The agreement between England and India is this: when the War Office choose to say, "We intend relieving a regiment in India," it is the bounden duty of the War Office to send that regiment out, full and complete, up to the establishment then existing with regard to India; but this has not been carried out by the War Office for a long period of years.

Mr. *Campbell-Bannerman*—continued.

2449. So that you think the distinction between a man under 23 and a man over 23 ought to be applied when it tells in favour of India, and ought not to be applied when it tells against India?—I say distinctly that I never did indicate such a distinction as that, and I deny that I advocate in any form or shape that India shall be spared one single fraction which that country ought to pay justly and fairly; but the fact is that in my experience and Lord Canning's experience, and Sir Bartle Frere's and Mr. Laing's, the finances of India, when they were in a bankrupt state, were seriously embarrassed by the mode in which the European troops were supplied from England, and it is as the result of that sad experience in those years that I now desire to see a better system adopted in this country.

Sir *Henry Havelock.*

2450. Was I correct in understanding you to say that in the last four years the battalions that have gone to India have been embarked under their strength?—I have said distinctly that for 1872-3 and 1873-4, the establishment has been kept up more complete than it was before; but as you ask me the question, I will give you an instance. In 1871 the statistics of a regiment embarked, all ranks show 896 strong, which is less than the establishment; that was the 56th Foot; and in 1872 the strength was 877; that is the 68th Foot; and I have already mentioned to you that the last two years the regiments have been kept up much more complete. In 1866 the 37th Foot embarked 699 strong, and I heard the Commander in Chief himself say before the Committee over which Lord Salisbury presided, that he did not know where to turn to find men to complete regiments; but in that year India was charged with the full strength of a regiment of officers with about six-tenths of the men.

2451. But I should like you to answer specifically the question I put, and that is whether, in the case of battalions embarked for India in the last four years, they have or not embarked in their full strength?—I would say they had not, and if I had returns I would show it. In 1872, for instance, the 68th Foot were 877 men strong.

Chairman.

2452. In the last four years the regiments have been up to their full strength you may say. Is not that the result of your evidence?—For two of the years of the period, namely, for 1872-3 and 1873-4, they have been much closer up to their establishment than they were in the former years.

Sir *Henry Havelock.*

2453. Have they been short of their establishment at all?—They have been closer up to their establishment than they were in any former years. The strength of India for 1872-3 and 1873-4 has been very close up to the establishment. I showed that in former years it was far below the establishment.

2454. Then do I understand you to admit that in these battalions which have been embarked in the last four years there have been (I will give the numbers) 5,462 men embarked, whom India has received at the reduced rate, who might, on the recruit theory, have been charged at the higher rate; because, from the returns put in, I show you that they were all men enlisted in that year or the previous year?—I answer that the number

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number of men embarked with every regiment as a complete body of men are paid for at a rate which has been agreed upon between the two Governments, irrespective altogether as to whether they were recruits or old soldiers; and that no inquiry is made as to the ages or service of these men, but that the numbers are reported by the War Office as an actual number embarked, and the accounts then agreed on. Here are the actual settled rates (*pointing to the Account for the War Office of the Men on Passage*).

2455. Do you deliberately say that no inquiry is made of their age or service?—Not of the embarked regiments.

2456. Are you aware that since Lord Sandhurst raised the objection in the early part of 1871, no soldier has been embarked for India under 20 years of age?—I am speaking of the action of the India Office, and I say that I am not aware of any inquiry by the India Office as to the ages of the men or the service of the men. I say that that is entirely left to the War Office, and that India pays for every man embarked at a fixed agreed upon rate, which is regularly entered in the accounts.

2457. The specific question I asked was, whether you were aware that since Lord Sandhurst raised the objection in the early part of 1871, every soldier sent to India was necessarily 20 years of age, or over 20 years of age. Is that within your knowledge or not?—I speak within my own knowledge, supposing the returns to be correct. You have it in evidence from the Director General that you have a large number of men serving in India who are under 20 years of age. Now, therefore, these men must have been sent out under that age. But I ask the Committee to remember that the arrangements which you speak of are between the War Office and the Horse Guards, and that the India Office has no cognisance of them. It is within the power of the War Office to make any arrangements that they like for sending out men; and it is not within the province of the India Office to inquire the ages of those men.

2458. You have no doubt, I suppose, that the ages at which those men are returned as having embarked are correct?—The medical returns show that a number of men are now in India under the age of 20. When they went out I cannot tell you.

2459. We know that in every regiment there are many bandsmen and drummers who are only 14 years of age; and all those put together would make a large number?—The numbers of men which we received in the Director General's Return the other day, are far too numerous to allow of their being considered exceptions of that kind.

Mr. *Fawcett.*

2460. Your contention, as I understand, with regard to the last part of your evidence, is that there are two agreements between India and the English Government as to the terms on which she shall receive her troops. One agreement is, that she should pay a certain sum per recruit, and that that recruit should have a certain amount of training. You make two observations upon that, namely, that this agreement is disregarded in two distinct ways; first of all, a recruit often does not receive the amount of training for which India nominally pays; and, secondly, a great number of men are sent out who are old soldiers,

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whom India has to pay for as recruits?—That is my contention, that not only are the old soldier and the recruit mixed up together, but even in that roll which is now before you, there were no fewer than 3,930 men, or nearly one-fourth of the whole number, who only received a very small portion of the training that they ought to have had. I see 291 men of the cavalry, instead of 10 months' training, received, on an average of the four years, only four months and nine days; I see that in the horse artillery 105 men in number, instead of receiving 10 months' training, received on the average only four months and 20 days; I see that the artillery, 801 in number, instead of receiving nine months' training, received only four months and seven days; that the infantry, 2,733 men, received three months and 22 days; and that the 3,930 men, making up all that number, received on the average three months and 29 days training.

2461. What is the date of that Return?—That is for the four years since the capitation rate ceased to be paid, and I now hand it in (*vide* Appendix).

2462. That is up to the present time, then?—Up to the present time; up to the time that you have the rolls sent in.

2463. Then, in two particulars, this agreement with regard to the terms on which England supplies India with recruits is not carried out?—It is not carried out; and if India were to pay for all these recruits exactly in the form in which they have been sent out for two years, that over-payment by India is calculated out to be 132,317 *l.*; that is to say, the short training of the men, paid for at the rate at which they ought to have been trained, justifies India in making a demand for a reduction of that amount from the total charges.

2464. Now with regard to the terms on which India receives regiments, I understand the agreement to be this (I am now putting you this question entirely upon the actual agreement, asking for no opinion as to whether it is a just agreement or not): that if a regiment is sent out to India that regiment is supposed to be sent out in a state of efficient equipment, and that a certain sum, which is very much less than the amount charged for a recruit, is charged for each man in that regiment?—It is so; and the charges have been fixed, and though slightly varied of late years, still the amount has been agreed upon by the two Governments and adhered to.

2465. It is about 27 *l.*, is it not?—27 *l.* 7 *s.* 11 *d.* for an infantry soldier.

2466. Therefore, in making that agreement, nothing whatever was said about the length of time that any of the men composing this regiment had been enlisted?—It was understood that the regiment would go out in a complete state fit for service in the field, and in every respect fit for war.

2467. Therefore if the Horse Guards in the War Office attempted to charge for any of the men in a regiment so going out, the larger sum ordinarily paid for the recruit, say 67 *l.* 10 *s.*, on the plea that that man had only been in the regiment the ordinary time that a recruit is, such a charge could not possibly be forced upon India without, in your opinion, constituting a serious breach of an agreement?—And more than that, the auditor of the Indian accounts would not pass the charge, and therefore, as he reports to

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Parliament, he would refuse positively to pay for these men a fraction more than India agrees to pay for men who are embarked in regiments.

2468. Therefore, what has been described as a set off, namely, that India receives a certain number of men in these regiments who are really recruits, but for whom she only pays 27 *l.* 10 *s.*, is really no set off at all; she pays 27 *l.* 10 *s.*, not as a matter of favour for these men, but in accordance with the agreement entered into between the War Office and the India Office?—Strictly according to agreement; India has never refused to pay the rate agreed upon.

2469. Therefore, if this system were at all broken through, all that would take place would be this: it could not be a set off against that breach of agreement to which you have previously referred, namely, that recruits are sent out imperfectly trained; that old men are sent out as recruits; instead of being a set off, it would simply be adding another breach of another agreement?—It would simply be a departure from an agreement, which we are all anxious to see extended, viz., to ascertain how we can agree to rates and to adhere to them.

2470. Who is responsible for the strength at which regiments are kept up at the present time; during the last two years the regiments have been kept up at their full strength; in previous years they have not been kept up to their full strength; who is responsible for this, the India Office or the authorities at the War Office?—The India Office has never interfered, so far as I know; and therefore I go back to the Secretary of State for War, who certainly, in the controlling administration which he exercises over all branches, is primarily responsible; but there is no doubt the Commander in Chief is directly responsible, as being the highest military executive administrator that we have.

2471. Then as to the partnership which has been described into which India has entered with England in order to have her army supplied to her, one of the terms of this partnership is this, that it is entirely optional with one of the contracting parties, namely, England, at what strength the regiments in India are maintained?—The only instance that I have on record as to the strength to be fixed for the establishment is contained in a correspondence which was laid before Parliament in 1861. In that year, and for two previous years, India had been corresponding with the Horse Guards to endeavour to get the home depôts reduced; and in the course of that correspondence the Commander in Chief practically said, "Very well, I will reduce the depôts by 100 men, but will also reduce the strength in India;" so that practically, whilst the India Office agreed to a reduction of the depôts at home, the India Office may be said to have assented rather to the alteration of establishments in India. Since that date the establishments have been changed at the pleasure of the War Office without, as far as I know, any communication with the India Office until 1870, when the late Secretary of State for War made that excellent and very valuable change connected with India, by which the number of infantry privates in India, namely, 39,000, then forming the fixed establishment for India, should be formed into fewer regiments than then existed; and the late Secretary of State by that change did effect a very considerable money saving for India. At the same time it was his own

Mr. *Fawcett*—continued.

proposal which made that useful arrangement for India, but in modification of a different proposal for India.

2472. But still, as an illustration of the system (that is what I want to get at), the present system is this, that India simply makes a requisition, or whatever it ought to be called, for an army of a certain strength, a certain number of privates; the organisation of the British army determines how many regiments India shall have, and, consequently, how many officers, in order to supply her with an army of the strength that she requires?—Well, I have no hesitation in saying that the influence of India has been very weak in respect to the establishment of regiments; and I would remind you that the proposal to reduce seven regiments of infantry which you find in that Blue Book which you moved for, by raising the 45 regiments which would then remain up to a thousand rank and file as before the mutiny, was not adopted; but the late Secretary of State for War did, I think, make quite as economical a proposal, or nearly so, by altering the regiments from 52 to 50, and reducing the number of companies from 10 to 8; but I am not aware of any influence which the India Office has brought to bear upon the War Office in fixing the establishment of regiments; or, at all events, her influence has, as far as I know, been very little indeed.

2473. But still what I want to know is this: one of the results of this partnership is this, that if India wants, we will say, 40,000 privates, she must obtain those privates according to a certain organisation, which organisation is the organisation, of course, of the English Army?—No; if it had been the organisation of the British Army then we would have had a standard to go by; but in my time the changes in the establishments of regiments have been innumerable, and I think that I counted up no less than 38 establishments of regiments prevailing in the last four years in the British Army; so that we have never had in the British Army any fixed establishment of regiments excepting the one that was agreed upon before Parliament in 1854, on the war with Russia breaking out; then there was a distinct agreement, then come to with Parliament, that the strength of a battalion for service in the field should be a thousand rank and file, and that each company should consist of 125 rank and file, and if that agreement was adhered to, then there would be a fixed British standard for an infantry battalion. I think Lord Hardinge adhered to it after the war with Russia; but if you examine the establishments of regiments since his time you will find that not a year has passed without a variation of establishments, so that no man can say positively what the British establishment is.

Sir *Henry Havelock*.

2474. Is not the establishment fixed for the time being?—I have said that for the last four years I counted up 38 different varying establishments; but within the year, as you have got to lay the Estimates before Parliament, there is no doubt but what that year of itself contains the establishments of regiments; but if you compare the establishments of regiments in one year with previous years, you will find no principle, or any adherence to any principle, in the organisation of our regiments.

2475. I suppose, when you say 38 different establishments, you mean 38 different establish-

ments

Sir *Henry Havelock*—continued.

ments for regiments under different conditions; if you take the establishment of the British Army at this present time, you will, perhaps, find about 25 different establishments?—I mean, in reply to the question which the honourable Member for Hackney asked me, to say, that we have varied these establishments so frequently, that in the course of these four years we have had these 38 variations in the strength of regiments.

2476. Not in one regiment?—I never said it was in one regiment.

2477. For instance, I have a paper in my hand showing that there are at the present moment in the British army about 16 different establishments?—And if you compare those establishments with the establishments of previous years, I think you will have plenty of variations in the number, and that instead of 16 you will have 38.

Mr. *Fawcett.*

2478. You do not seem to think that there was force in the objection of the Commander in Chief, that the reason why recruits were sent out to India imperfectly trained, was that the India Office did not give timely notice to the War Office?—I do not know that the India Office ever interfered. What the Commander in Chief did refer to was this: that he was frequently called upon at 24 hours' notice to send out men; but that was from a different arrangement. The transport of the troops to India is in the hands of the India Office; and they are responsible for filling up the troopships every time they sail; and whenever they find that the numbers embarked are not sufficient to fill up that troopship, according to the numbers originally fixed to be embarked, then after that the India Office comes in and interferes, and says, "You have promised to fill up this troopship and have not done so, and therefore we call upon you to fill it up." But that is merely a transport arrangement, and not a recruit arrangement.

2479. You think that the evil results from the transport arrangements?—My own view is that the Commander in Chief was right when he insisted that he ought to have the means by which he could keep up the regiments, and one of the means would be (I put the question to him) to have an extra number of recruits given him which would be trained and ready for embarkation at the proper season of the year.

Mr. *Campbell-Bannerman.*

2480. I wish to ask you a question with regard to that same topic that we were on before. I agree that what you said is quite true, that there is an agreement between the two offices as to the payment for the men on passage; and that if the War Office proposed to charge for the younger men in a regiment that goes out at the recruit price, it would be an infringement of that agreement; the War Office has never proposed that, nor has anyone suggested that it should. But equally it is an agreement, is it not, that when a draft goes out the men composing that draft should be charged the recruit price; and if any change is made in that charge, it would be equally a breach of agreement, would it not?—There is nothing in the agreement to indicate that it covers both old soldiers and young soldiers. The word "draft" simply means a body of men going out, without indicating that they are recruits; but the agreement between the two

Mr. *Campbell-Bannerman*—continued.

offices is simply that recruits shall be sent, and that recruits shall mean men who have been under training for a certain period.

2481. Then you think that when a draft goes to India it should never comprise any but recruits?—That is the agreement on which India agrees to pay 63*l.* 8*s.* 5*d.* for an infantry recruit.

2482. Can you produce any evidence of that assertion of yours?—Yes; you will find it scattered over all the papers which led to the settlement of that question; and I would specially refer you again to page 11 of the papers about the capitation rate, in Paper No. 165 of 1862, where it is distinctly said that he shall be a recruit, and paid for as such, in the infantry, for a period of training of four and a half months, and the cavalry six months, and the artillery twelve months; and the word "draft" never occurs, so far as I remember, in any of these papers which Sir Alexander Tulloch drew up.

2483. If Mr. Seccombe, General Hannyngton, Mr. Milton, and Mr. Knox were of that opinion, it would be a very intelligible arrangement, if they laid it down that no one was to go out in a draft, and be charged for at that rate, except a man fresh from instruction. But are you aware whether they have laid that down?—The whole of the Papers and Reports of that Committee distinctly show that they speak of recruits, and payments in regard of them, and, in no way of old soldiers, except where they designate the rates to be paid.

2484. Are you aware whether the India Office ever raised any objection on account of those men going to India of whom you have been complaining?—No, I am here for myself, not to speak on behalf of the India Office. It happens from accident that I happened to know something of these things in India, and having known them when I was in official employment in India, I have naturally enough turned back upon the source of information, and have brought it before the Committee.

2485. You are not aware whether, for instance, Mr. Seccombe and General Hannyngton representing the India Office (though you are not authorised to speak on their account), say that they consider it an infringement of the agreement that men returning to India after having recovered their health, should be charged for as recruits?—I have no doubt if you called those two gentlemen before you, they would say so; but I am not authorised to speak on their behalf.

Sir *Henry Havelock.*

2486. Have you ever known any draft whatever, either of the Company's service or of the Queen's service, to go to India without including a certain number of these men who are returning to India for a second time?—I am not going to raise questions connected with a few serjeants and corporals sent to look after recruits on the passage; they would be so trifling as not to be worth calculation, you know; one or two serjeants, old soldiers, and one or two corporals for every hundred men, are all that are required on board ship. Therefore it is not worth while to make any objection about those men.

Mr. *Campbell-Bannerman.*

2487. Does your return include the non-commissioned officers?—Every one.

2488. I see that there were 1,401 men who

Major Gen. Sir *G. Balfour*, M.P., R.A., K.C.B.

30 June 1874.

Major Gen. Sir *G. Balfour*, M.P., R.A., K.C.B.

30 June 1874.

Mr. *Campbell-Bannerman*—continued.

went out in that period over 30 years of age; most of them would be non-commissioned officers, would they not?—No; I have prepared a return to check that. It shows that the number of all ranks above privates and gunners amounts to 968.

2489. But the non-commissioned officers, as a rule, would be the men over 30?—I keep myself simply to the gunners and privates. There are 12,666 of the rank of gunners, drivers, privates, troopers, and sappers; and if you take my service of two years, and my age of 18 to 23, it is clear that these 12,666 gunners and privates could not have been entirely composed of recruits. Of course a further analysis of the returns would bring out the exact number in the rank of gunners and privates who would fall under the designation of old soldiers; but, of course, that analysis I have not gone into.

Sir *Henry Havelock*.

2490. There is a Return which you have put in of the men embarked in the last four years, and I find by this that the number of short-drilled men, the number who had been drilled less than the time in the bargain, was largest in

Sir *Henry Havelock*—continued.

the year 1870–71; in that year they were 1,400?—I am quite aware of that.

2491. That was the year, was it not, when the limitation of age was raised to 20 years of age?—The limitation of age was raised, I beg to say, in my time in India; it has been raised over and over again.

2492. You find further by the same return that the number of those short-drilled men has been decreasing in each successive year, do you not?—Yes; but I wish you to understand with regard to this Return (and I did mention in a portion of my evidence before), that 2,580 are shown here in this Return to have been sent out to India in 1870–71; but I expressly said that these were the numbers of which the India Office had rolls, and that, instead of 2,580 being the actual number, the real number charged for in the accounts of the War Office was 4,646, the difference between the 2,580 and the 4,646 being caused by the want of nominal rolls by which to ascertain the ages and service; therefore, as more men were sent out in 1870–71 than in after years, the proportion will not vary very much upon the total number sent out in 1870–71, and the total number sent out in after years, in reference to the number of short-drilled men.

APPENDIX.

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(Question 38.)

RETURN of the Establishment of the DEPÔTS of CAVALRY and INFANTRY REGIMENTS in *India*, maintained in this Country for Drilling and Training Recruits; of the actual Strength of those Depôts; of the actual Numbers of Recruits sent out thence as Drafts to *India*; and the actual Numbers of Invalids and Time-Expired Men disembarked in this Country, during each of the Seven Years from 1861–62 to 1867–68, both inclusive.

Indian Depôts.	1861–2.	1862–3.	1863–4.	1864–5.	1865–6.	1866–7.	1867–8.	TOTAL.	Average.
Establishment of commissioned and non-commissioned officers, trumpeters and drummers.	1,706	1,602	1,978	1,976	1,913	1,180	1,835	12,890	1,841
Actual strength of the depôts, on monthly average.	9,638	6,190	7,543	7,811	8,826	8,881	10,572	59,461	8,494
Number of recruits embarked in drafts.	1,646	787	2,839	1,656	3,001	1,801	3,646	15,376	2,196
Number of invalids and time-expired men disembarked in this country.	3,084	2,687	3,129	2,974	4,593	3,545	4,639	24,651	3,521

War Office, 31 March 1871. *John Milton*, Accountant General.

(Question 38.)

APPROXIMATE STATEMENT showing the Proportion of the HOME CHARGES for INDIAN REGIMENTS during the Eight Years of the Capitation Rate that would have been finally borne by Imperial Revenues, had "the present Tariff Prices for Cavalry and Infantry Recruits been the Mode of Settlement during that time (1861–62 to 1868–69).

YEAR.	Recorded Expenditure.	Actual Payment by India for Clothing.	Total Expenditure.	Distribution of the Charges included in Column 3, "Total Expenditure."							Cost at Tariff Prices of Cavalry and Infantry Recruits.	Difference between Actual Cost and the Amount that would have been Paid at the Tariff Prices. Columns 10 and 11.
				Pay of Regimental Colonels.	Furlough Pay of Officers.	Artillery Charges.	Pay of Corps going out and coming home.	Pay of Invalids and Time-Expired Men, at 5 *l.* 15 *s.* each.	Pay of Drafts going out at 3 *l.* each.	Cost of Cavalry and Infantry Depôts.		
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
1861–62	586,133	32,273	618,406	54,300	107,500	19,500	33,133	17,733	4,938	381,302	106,661	274,641
1862–63	546,827	22,070	568,897	63,350	118,000	58,000	4,827	15,450	2,361	306,909	50,937	255,972
1863–64	628,968	15,974	644,942	62,350	110,000	44,000	27,728	17,991	8,517	374,356	189,137	185,219
1864–65	657,846	30,516	688,462	62,350	116,000	65,000	30,846	17,100	4,968	392,198	108,174	284,024
1865–66	681,126	39,587	720,713	59,350	130,000	76,000	31,126	26,409	9,003	388,825	205,274	183,551
1866–67	670,509	38,413	708,922	57,850	109,000	77,000	23,509	20,383	5,403	415,777	117,152	298,625
1867–68	725,969	43,932	769,901	50,900	131,172	79,195	24,099	26,674	10,938	446,923	245,667	201,256
1868–69	634,889	6,252	641,141	50,900	114,299	74,803	7,723	31,101	12,360	349,955	296,099	153,856
TOTAL	5,132,267	229,117	5,361,384	461,350	935,971	493,498	182,991	172,841	58,488	3,056,245	1,319,101	1,737,144

War Office, 11 May 1874. *John Milton*, Accountant General.

Appendix, No. 1.

(Question 71.)

RETURN of the ACTUAL HOME CHARGES, as recorded, and the ACTUAL RECEIPTS from *India* under the CAPITATION RATE, during the Eight Years from 1861–62 to 1868-69.

	Actual Recorded Expenditure for Home Charges.	Actual Receipts from India under Capitation Rate.
	£.	£.
1861–62 - - - -	586,133	584,380
1862–63 - - - -	546,827	695,860
1863–64 - - - -	628,968	687,450
1864-65 - - - -	657,846	693,130
1865–66 - - - -	681,126	651,400
1866–67 - - - -	670,509	619,170
1867–68 - - - -	725,969	568,310
1868-69 - - - -	634,889	584,310
TOTALS - - - £.	5,132,267	5,084,010

War Office, 26 May 1874.

John Milton, Accountant General.

(Question 203.)

RETURN of ESTABLISHMENT in *India*, from 1861 to 1869, compared with Effectives.

YEAR.	Number of the Establishment for India.	Number of Effectives in India.	Amount of Capitation on Numbers per Establishment.	Amount of Capitation Paid on Effectives in India.	Difference.
			£.	£.	£.
1861–62 - - -	60,041	58,438	600,410	584,380	16,030
1862–63 - - -	75,899	69,586	758,990	695,860	63,130
1863–64 - - -	72,676	68,745	726,760	687,450	39,310
1864-65 - - -	72,684	69,313	726,840	693,130	33,710
1865–66 - - -	71,044	65,140	710,440	651,400	59,040
1866–67 - - -	65,287	61,917	652,870	619,170	33,700
1867–68 - - -	65,292	56,831	652,920	568,310	84,610
1868-69 - - -	64,466	58,431	644,660	584,310	60,350
TOTAL - - -	547,289	508,401	5,473,890	5,084,010	389,880

War Office, 26 May 1874.

John Milton, Accountant General.

Appendix No. 2.

PAPERS handed in by Mr. *Milton*, and referred to in his Evidence of 15 May 1874.

(Question 318.)

RETURN showing the LENGTH of SERVICE of the NON-COMMISSIONED OFFICERS and MEN remaining at the DEPÔTS of INFANTRY REGIMENTS in *India* after the Embarkation of the Drafts for 1868–69, exclusive of the Depôts of the Regiments that Embarked for *India* during that Period, or were to return from *India* during the following Year.

DEPÔTS.	Upwards of 21 Years.	19 to 21 Years.	15 to 19 Years.	10 to 15 Years.	5 to 10 Years.	Under 5 Years.	TOTAL.
1st Foot, 1st Battalion	7	10	17	42	8	14	98
1st Foot, 2nd „	13	6	10	17	10	16	72
2nd Foot, 1st „	3	6	9	8	13	32	71
3rd Foot, 1st „	3	8	4	17	12	46	90
5th Foot, 1st „	5	4	5	24	8	75	121
6th Foot, 1st „	6	17	21	5	15	9	73
7th Foot, 1st „	-	1	1	65	6	27	100
10th Foot, 2nd „	1	3	6	36	57	35	138
11th Foot, 1st „	-	2	4	33	20	57	116
12th Foot, 2nd „	2	5	2	40	36	81	166
19th Foot, 1st „	5	2	4	57	4	41	113
19th Foot, 2nd „	-	7	2	38	37	16	100
21st Foot, 2nd „	2	8	6	22	37	8	83
24th Foot, 2nd „	2	5	4	74	26	42	153
25th Foot, 2nd „	5	10	6	11	29	70	131
26th Foot	8	9	6	11	17	64	115
36th Foot	15	11	6	28	23	15	98
37th Foot	3	19	9	14	20	19	84
38th Foot	5	3	8	89	14	27	146
41st Foot	3	6	3	26	7	53	98
45th Foot	6	1	4	49	56	33	149
49th Foot	9	14	19	21	10	64	137
55th Foot	8	4	4	72	13	10	111
58th Foot	-	5	7	39	29	75	155
59th Foot	3	24	9	28	15	40	119
60th Foot, 2nd Battalion	6	13	2	33	36	19	109
60th Foot, 3rd „	-	-	2	35	8	9	54
76th Foot	4	9	17	35	28	59	152
77th Foot	2	4	8	129	27	32	202
79th Foot	1	8	9	70	21	73	182
85th Foot	3	16	13	16	13	23	84
88th Foot	3	3	7	56	7	51	127
92nd Foot	-	4	16	22	11	38	91
95th Foot	2	2	14	90	10	52	170
96th Foot	1	10	7	50	14	71	153
103rd Foot	-	9	18	33	56	21	137
104th Foot	2	3	6	53	31	25	120
105th Foot	2	4	5	21	22	33	97
106th Foot	6	9	13	23	24	17	92
107th Foot	1	-	1	60	22	19	103
108th Foot	-	-	9	17	17	41	84
109th Foot	-	-	6	22	21	44	93
Rifle Brigade, 3rd Battalion	-	-	3	72	15	15	105
TOTAL	147	284	332	1,713	905	1,611	4,992

Horse Guards, War Office,
6 June 1874.

J. W. Armstrong,
Deputy Adjutant General.

RETURN showing the LENGTH of SERVICE of the NON-COMMISSIONED OFFICERS and MEN remaining at the DEPÔTS of INFANTRY REGIMENTS in *India* after the Embarkation of the Drafts for 1869-70, exclusive of the Depôts of the Regiments that Embarked for *India* during that Period, or were to Return from *India* during the following Year.

DEPÔTS.	Upwards of 21 Years.	19 to 21 Years.	15 to 19 Years.	10 to 15 Years.	5 to 10 Years.	1 to 5 Years.	Under 1 Year.	Not Stated.	TOTAL.
1st Foot, 2nd Battalion - -	7	–	5	14	1	10	24	–	61
2nd Foot, 1st „ - -	2	5	6	4	10	13	3	–	43
2nd Foot, 1st „ - -	2	9	6	27	4	23	16	–	87
5th Foot, 1st „ - -	1	2	4	12	14	22	18	–	73
6th Foot, 1st „ - -	2	–	14	29	17	17	6	–	85
8th Foot, 1st „ - -	3	7	11	21	11	13	13	–	79
10th Foot, 2nd „ - -	3	5	6	20	22	5	7	–	68
11th Foot, 1st „ - -	2	2	9	12	8	10	5	–	48
12th Foot, 2nd „ - -	2	3	1	20	42	17	–	–	85
14th Foot, 1st „ - -	3	4	13	23	3	8	17	–	71
19th Foot, 1st „ - -	3	4	18	27	6	8	25	–	91
19th Foot, 2nd „ - -	1	5	3	45	18	3	6	–	81
21st Foot, 1st „ - -	5	2	16	9	3	3	3	–	41
21st Foot, 2nd „ - -	–	3	2	24	35	5	3	–	72
24th Foot, 2nd „ - -	–	5	2	41	20	23	2	–	93
25th Foot, 2nd „ - -	2	7	3	25	23	34	9	–	103
26th Foot - - - -	3	2	8	13	29	10	37	–	102
36th Foot - - - -	7	3	13	35	16	6	14	–	94
37th Foot - - - -	12	8	2	45	27	17	13	–	124
38th Foot - - - -	–	–	12	37	1	5	11	18	84
41st Foot - - - -	–	3	4	20	3	13	11	–	54
45th Foot - - - -	3	2	8	28	23	6	7	–	72
49th Foot - - - -	3	4	5	16	8	18	7	–	61
55th Foot - - - -	–	5	5	29	10	–	25	–	74
58th Foot - - - -	1	5	18	30	21	10	9	–	94
59th Foot - - - -	2	9	13	11	3	16	8	–	62
60th Foot, 2nd Battalion -	5	4	8	20	6	22	13	–	78
60th, Foot, 3rd „ - -	–	–	15	37	7	16	5	–	80
62nd Foot - - - -	3	8	12	15	7	5	19	–	69
76th Foot - - - -	3	1	8	20	26	9	7	–	74
79th Foot - - - -	2	–	23	64	9	3	17	–	118
85th Foot - - - -	5	6	14	15	31	18	6	–	95
92nd Foot - - - -	2	5	10	12	23	32	7	–	91
96th Foot - - - -	5	3	12	20	10	14	15	–	79
104th Foot - - - -	3	–	8	18	3	8	10	–	50
105th Foot - - - -	2	2	17	42	35	10	9	–	117
106th Foot - - - -	–	1	8	13	11	6	10	–	49
107th Foot - - - -	–	6	16	37	6	15	1	–	81
108th Foot - - - -	2	–	10	12	13	18	10	–	65
109th Foot - - - -	–	1	14	41	8	19	25	–	108
Rifle Brigade, 3rd Battalion -	–	1	10	73	11	2	48	–	145
TOTAL - - -	101	142	392	1,051	584	512	501	18	3,301

Horse Guards, War Office,
6 June 1874.

J. W. Armstrong,
Deputy Adjutant General.

RETURN showing the LENGTH of SERVICE of the NON-COMMISSIONED OFFICERS and MEN remaining at the DEPÔTS of INFANTRY REGIMENTS in *India* after the Embarkation of the Drafts for 1870-71, exclusive of the Depôts of those Regiments which Embarked for *India* during that Period, or were to return from *India* during the following Year.

DEPÔTS.	Upwards of 21 Years.	19 to 21 Years.	15 to 19 Years.	10 to 15 Years.	5 to 10 Years.	1 to 5 Years.	Under 1 Year.	TOTAL.
1st Foot, 2nd Battalion -	1	13	14	18	2	16	16	80
2nd Foot, 1st „ - -	1	2	5	8	9	20	31	76
3rd Foot, 1st „ - -	8	5	14	17	5	21	1	71
5th Foot, 1st „ - -	2	–	3	13	5	9	23	55
6th Foot, 1st „ - -	1	2	7	5	9	4	10	38
8th Foot, 1st „ - -	–	4	12	11	7	20	43	97
10th Foot, 2nd „ - -	1	2	6	28	15	–	12	64
11th Foot, 1st „ - -	1	1	10	18	10	11	4	55
12th Foot, 2nd „ - - -	2	3	6	23	44	14	55	147
14th Foot, 1st „ - -	1	4	28	17	15	40	14	119
17th Foot, 1st „ - -	2	4	15	19	16	10	17	83
19th Foot, 2nd „ - -	2	1	2	36	6	12	16	75
21st Foot, 1st „ - -	4	5	35	16	14	54	8	136
21st Foot, 1st „ - -	–	2	7	40	19	9	36	113
24th Foot, 2nd „ - -	–	–	3	30	15	15	9	72
25th Foot, 2nd „ - -	–	4	1	28	8	9	11	61
26th Foot - - - -	1	2	8	26	27	16	12	92
36th Foot - - - -	–	3	8	32	7	1	5	56
37th Foot - - - -	3	3	4	22	8	4	10	54
39th Foot - - - -	8	1	13	9	11	4	3	49
41st Foot - - - -	2	1	11	22	11	11	5	63
45th Foot - - - -	3	2	8	20	18	2	9	62
49th Foot - - - -	9	2	5	18	2	3	8	47
55th Foot - - - -	4	4	5	17	6	–	10	46
58th Foot - - - -	–	4	27	45	22	8	15	121
59th Foot - - - -	9	1	8	13	3	10	12	56
60th Foot, 2nd Battalion -	3	1	7	16	3	14	9	53
60th Foot, 3rd „ - -	–	1	28	31	3	12	8	83
62nd Foot - - - -	1	7	12	18	14	11	15	78
66th Foot - - - -	–	3	15	5	6	19	12	60
76th Foot - - - -	1	4	9	25	11	15	10	75
83rd Foot - - - -	5	6	6	4	7	10	10	48
85th Foot - - - -	–	5	16	2	6	6	3	38
92nd Foot - - - -	5	6	8	12	17	19	10	77
96th Foot - - - -	2	5	9	13	12	17	15	73
105th Foot - - - -	–	4	5	21	15	9	25	79
106th Foot - - - -	3	–	13	28	16	4	3	67
107th Foot - - - -	3	8	9	25	1	11	3	60
108th Foot - - - -	3	4	5	16	10	14	6	58
109th Foot - - - -	1	2	10	20	1	3	13	50
TOTAL - - -	92	131	417	787	436	487	537	2,887

Horse Guards, War Office,
6 June 1874.

J. W. Armstrong,
Deputy Adjutant General.

RETURN showing the LENGTH of SERVICE of the NON-COMMISSIONED OFFICERS and MEN remaining at the DEPÔTS of INFANTRY REGIMENTS in *India* after the Embarkation of the Drafts for 1871-72, exclusive of the Depôts of the Regiments that Embarked for *India* during that Period, or were to Return from *India* during the following Year. (Question 318.)

DEPÔTS.	Upwards of 21 Years.	19 to 21 Years.	15 to 19 Years.	10 to 15 Years.	5 to 10 Years.	1 to 5 Years.	Under 1 Year.	TOTAL.
1st Foot, 2nd Battalion	–	9	14	9	4	11	10	57
2nd Foot, 1st „	–	2	5	5	11	21	27	71
3rd Foot, 1st „	2	5	8	10	9	16	53	103
5th Foot, 1st „	–	–	5	9	6	10	10	40
6th Foot, 1st „	1	4	4	4	8	4	40	65
8th Foot, 1st „	1	7	7	11	10	22	27	85
11th Foot, 1st „	3	5	8	8	13	11	20	68
12th Foot, 2nd „	2	–	5	17	29	26	27	106
14th Foot, 1st „	2	7	20	13	15	14	18	89
17th Foot, 1st „	1	7	10	16	12	20	2	68
19th Foot, 2nd „	–	–	1	36	10	5	53	105
21st Foot, 1st „	1	5	18	10	8	12	36	90
25th Foot, 2nd „	–	1	2	37	15	17	2	74
26th Foot	1	–	7	16	26	13	18	81
36th Foot	–	6	18	33	10	3	44	114
37th Foot	5	2	6	14	17	3	37	84
39th Foot	3	5	9	6	3	10	18	54
41st Foot	2	1	11	10	7	5	29	65
45th Foot	3	1	7	14	16	10	7	58
48th Foot	3	16	11	19	17	14	9	89
49th Foot	–	5	7	8	3	10	74	107
55th Foot	5	–	5	13	6	2	8	39
56th Foot	–	1	12	10	6	10	47	86
58th Foot	–	8	19	12	15	10	44	108
59th Foot	6	2	8	8	7	5	39	75
60th Foot, 2nd Battalion	1	1	5	18	3	15	4	47
62nd Foot	1	3	14	9	9	15	24	75
63rd Foot	1	2	8	5	1	15	23	55
65th Foot	–	2	6	8	8	7	12	43
66th Foot	1	3	8	4	3	28	20	67
72nd Foot	2	5	10	8	5	9	11	50
76th Foot	–	4	14	33	9	14	1	75
83rd Foot	1	7	5	4	8	19	22	66
85th Foot	2	7	14	2	9	4	13	51
89th Foot	–	5	17	20	11	24	6	83
92nd Foot	2	5	13	9	11	30	26	96
96th Foot	–	9	8	11	8	15	6	57
105th Foot	1	2	6	17	14	17	21	78
106th Foot	–	4	10	11	5	12	10	52
107th Foot	–	6	9	14	2	10	3	44
108th Foot	3	6	2	6	5	10	7	39
109th Foot	–	12	6	12	6	4	9	49
TOTAL	56	182	382	539	400	532	917	3,008

Horse Guards, War Office,
6 June 1874.

J. W. Armstrong,
Deputy Adjutant General.

RETURN showing the LENGTH of SERVICE of the NON-COMMISSIONED OFFICERS and MEN remaining at the DEPÔTS of INFANTRY REGIMENTS in *India* after the Embarkation of the Drafts for 1872-73, exclusive of the Depôts of the Regiments that Embarked for *India* during that Period, or were to Return from *India* during the following Year.

DEPÔTS.	Upwards of 21 Years.	19 to 21 Years.	15 to 19 Years.	10 to 15 Years.	5 to 10 Years.	1 to 5 Years.	Under 1 Year.	TOTAL.
1st Foot, 2nd Battalion - -	3	10	8	10	10	2	18	61
2nd Foot, 1st „ - -	–	3	6	4	9	11	11	44
3rd Foot, 1st „ - -	2	6	10	5	18	12	33	86
5th Foot, 1st „ - -	–	3	4	9	7	12	28	63
6th Foot, 1st „ - -	1	2	7	8	3	7	36	64
8th Foot, 1st „ - -	–	7	7	11	24	18	33	100
11th Foot, 1st „ - -	–	11	14	8	15	9	27	84
12th Foot, 2nd „ - -	3	1	3	16	16	8	14	61
14th Foot, 1st „ - -	3	3	30	12	19	12	2	81
17th Foot, 1st „ - -	1	9	14	15	18	13	15	85
19th Foot, 2nd „ -	2	–	10	24	12	10	11	69
21st Foot, 1st „ - -	–	4	22	11	10	20	8	75
25th Foot, 2nd „ - -	2	2	3	32	20	12	3	74
26th Foot - - - -	–	–	6	10	15	14	57	102
36th Foot - - - -	–	3	26	33	10	42	9	123
37th Foot - - - -	1	10	12	5	20	8	–	56
39th Foot - - - -	3	6	4	9	4	17	23	66
41st Foot - - - -	–	1	23	5	8	8	12	57
44th Foot - - - -	–	14	15	11	8	33	1	82
45th Foot - - - -	3	7	9	8	13	5	14	59
48th Foot - - - -	2	15	7	10	12	5	19	70
49th Foot - - - -	1	1	5	4	2	6	7	26
54th Foot - - - -	–	10	23	18	6	39	3	99
55th Foot - - - -	2	8	4	20	3	3	32	72
56th Foot - - - -	–	3	10	12	3	29	19	76
59th Foot - - - -	–	1	8	7	9	5	29	59
60th Foot, 2nd Battalion -	1	2	14	9	2	19	1	48
62nd Foot - - - -	5	11	15	12	14	15	8	80
63rd Foot - - - -	–	7	5	9	4	11	5	41
65th Foot - - - -	–	–	5	5	6	6	4	26
66th Foot - - - -	2	2	8	2	3	18	20	55
68th Foot - - - -	–	7	17	7	1	18	13	63
70th Foot - - - -	–	6	6	17	15	13	16	73
72nd Foot - - - -	1	3	7	7	5	11	27	61
76th Foot - - - -	2	–	16	20	31	30	19	118
83rd Foot - - - -	–	7	10	12	27	9	24	89
85th Foot - - - -	–	9	10	1	9	8	14	51
89th Foot - - - -	–	7	21	24	11	12	1	76
92nd Foot - - - -	–	4	12	6	12	21	25	80
107th Foot - - - -	–	6	12	18	11	3	14	64
108th Foot - - - -	1	4	3	4	5	3	9	29
109th Foot - - - -	–	7	6	10	3	3	30	59
TOTAL - - -	41	222	457	480	453	560	694	2,907

Horse Guards, War Office,
6 June 1874.

J. W. Armstrong,
Deputy Adjutant General.

Appendix, No. 2.

(Question 322.)

COMPARISON between the AMOUNTS Received from *India*, under the CAPITATION RATE, during the Eight Years ended 31st March 1869, and the RECORDED EXPENDITURE of the HOME CHARGES, excluding the Depôt Charges for Artillery, and including the expected Annual Loss on difference of Men on Passage.

YEAR.	Total Recorded Expenditure for Home Charges.	Normal Loss Annually on Men not returned from India.	Total Charge.	Annual Amount Paid by India under Capitation Rates.	Yearly Difference in favour of Indian Revenue.	Yearly Difference in favour of British Revenues.
	£.	£.	£.	£.	£.	£.
1861–62 - -	586,133	45,000	631,133	584,380	46,753	—
1862–63 - -	546,827	45,000	591,827	695,860	- -	104,033
1863–64 - -	628,968	45,000	673,968	687,450	- -	13,482
1864–65 - -	657,846	45,000	702,846	693,130	9,716	—
1865–66 - -	681,126	45,000	726,126	651,400	74,726	—
1866–67 - -	670,509	45,000	715,509	619,170	96,339	—
1867–68 - -	725,969	45,000	770,969	568,310	202,659	—
1868–69 - -	634,889	45,000	679,889	584,310	95,579	—
TOTAL - £.	5,132,267	360,000	5,492,267	5,084,010	525,772	117,515

Net difference in favour of Indian Revenue, 408,257 *l.*

War Office, 15 May 1874. *John Milton*, Accountant General.

(Question 419.)

SUMMARY of the HOME CHARGES Recorded on Account of Her Majesty's Regiments serving in *India* during the Years 1861–62, to 1868–69, compared with the Amounts Received from *India* through the CAPITATION RATE of 10 *l.* per Effective Man.

YEAR.	Recorded Home Expenditure.	Charge or Credit for Difference of Numbers of Men on Passage, &c.		Net Charge.	Capitation.		
		Charge.	Credit.		Amount Paid.	Gain.	Loss.
	£.	£.	£.	£.	£.	£.	£.
1861–62 -	586,133	- -	149,616	436,517	584,380	147,863	—
1862–63 -	546,827	- -	68,226	478,601	695,860	217,259	—
1863–64 -	628,968	68,305	- -	697,273	687,450	- -	9,823
1864–65 -	657,846	64,562	- -	722,408	693,130	- -	29,278
1865–66 -	681,126	- -	23,805	657,321	651,400	- -	5,921
1866–67 -	670,509	32,964	- -	703,473	619,170	- -	84,303
1867–68 -	725,969	- -	5,913	720,056	568,310	- -	151,746
1868–69 -	634,889	44,873	- -	679,762	584,310	- -	95,452
TOTAL - £.	5,132,267	210,704	247,560	5,095,411	5,084,010	365,122	376,523

War Office, 15 May 1874. *John Milton*, Accountant General.

(Question 497.)

RETURN showing the Number of RANK and FILE required to complete the CAVALRY and INFANTRY in *India* on the 1st of August in each Year from 1864 to 1873, the Number of Men estimated to Embark with Drafts, and the Number who actually Embarked during each Year.

YEAR.	Number required to complete on 1st August.			Number estimated to to Embark.			Drafts Embarked.						
	Rank and File.			Rank and File.			Cavalry.			Infantry.			TOTAL.
	Cavalry.	Infantry.	TOTAL.	Cavalry.	Infantry.	TOTAL.	Serjeants.	Trumpeters.	Rank and File.	Serjeants.	Drummers.	Rank and File.	
1864–65	–	1,041	1,041	38	1,610	1,648	7	–	36	36	15	1,562	1,656
1865–66	–	2,485	2,485	190	2,658	2,848	14	–	190	59	17	2,721	3,001
1866–67	–	994	994	27	1,443	1,470	14	1	25	57	15	1,689	1,801
1867–68	247	2,970	3,217	373	3,903	4,276	5	–	193	57	25	3,368	3,648
1868–69	323	1,556	1,879	500	3,050	3,550	5	–	470	49	23	3,644	*4,191
1869–70	210	1,291	1,501	41	3,092	3,133	6	–	293	69	9	3,951	4,328
1870–71	26	3,158	3,184	192	4,273	4,465	15	7	347	72	19	3,225	3,685
1871–72	58	1,105	1,163	305	2,570	2,875	7	3	365	60	8	2,150	2,593
1872–73	30	–	30	190	2,635	2,825	5	–	270	80	27	1,978	2,360
1873–74	–	92	92	167	3,005	3,172	3	2	160	47	15	2,407	2,634

* Including 71 men sent out as drafts to complete the 1st Battalion, 14th Foot, on leaving Malta for the East Indies.

Horse Guards, War Office, 6 June 1874.

J. W. Armstrong,
Deputy Adjutant General.

(Question 600.)

RETURN of the DEPÔTS of CAVALRY and INFANTRY Regiments in *India*, showing the Number of Non-Commissioned Officers and Men serving therewith on the 1st April in each Year from 1853 to 1874.

YEAR.	Cavalry.	Infantry.	TOTAL.	YEAR.	Cavalry.	Infantry.	TOTAL.
1853 - -	308	2,292	2,600	1864 - -	771	6,286	7,057
1854 - -	400	2,349	2,749	1865 - -	919	7,931	8,850
1855 - -	343	2,423	2,766	1866 - -	792	8,426	9,218
1856 - -	158	1,823	1,981	1867 - -	815	8,245	9,060
1857 - -	348	3,836	4,184	1868 - -	1,102	8,001	9,103
1858 - -	1,457	15,843	17,300	1869 - -	993	7,466	8,369
1859 - -	1,835	16,761	18,596	1870 - -	498	4,126	4,624
1860 - -	1,494	15,659	17,153	1871 - -	697	3,990	4,687
1861 - -	1,043	12,478	13,521	1872 - -	588	3,987	4,575
1862 - -	571	5,423	5,994	1873 - -	There are no means of separating the India Depôts from the date of the introduction of the system of Brigade Depôts.		
1863 - -	891	6,240	7,131	1874 - -			

Horse Guards, War Office, 6 June 1874.

J. W. Armstrong,
Deputy Adjutant General.

Appendix No. 3.

Appendix, No. 3.

PAPER furnished by Sir *William Muir*.

Army Medical Department,
19 June 1874.

Sir,

I HAVE the honour to forward, for the information of the Committee of the House of Commons on Indian Finance, Copy of a Return showing the Death-rates at the different ages compared in the Army as a body, from 1865 to 1870, and in newly-arrived regiments from 1864 to 1870, as called for by Mr. H. Campbell-Bannerman at my examination before the Committee on the 16th instant.

I have, &c.
(signed) *W. M. Muir*,
Director General.

The Secretary to
Parliamentary Committee on Indian Finance,
House of Commons.

BRITISH ARMY IN INDIA.

DEATH-RATES at the different Ages compared in the Army as a body, from 1865 to 1870, and in newly-arrived Regiments, from 1864 to 1870 (extracted from "Vital Statistics of Bengal Presidency, for the Ten-year period, 1860-69," by Surgeon Major *Bryden*).

	Exclusive of Cholera.				
	Under 20.	20 to 24.	25 to 29.	30 and upwards.	
Army as a Body, 1865-70:					
Died per 1,000	7·61	13·67	17·41	29·94	
Ratio of liability	11·09	19·92	25·37	43·62	100·00
Newly-arrived Regiments, 1864-69:					
Died per 1,000	12·93	24·87	39·32	47·08	
Ratio of liability	10·41	20·02	31·66	37·91	100·00
Newly-arrived Regiments in Second Year, 1865-70:					
Died per 1,000	3·95	15·84	23·08	35·61	
Ratio of liability	5·03	20·18	29·41	45·38	100·00

Appendix, No. 4.

DEPÔT ROYAL HORSE ARTILLERY.

EXPLANATORY STATEMENT of the Charge for DEPÔT EXPENSES in the 4th Report of Mr. *Seccombe's* Committee.

No.		£.	s.	d.	£.	s.	d.
11	Pay of Officers				2,582	7	6
		£.	s.	d.			
61	Pay of Non-commissioned Officers and Rank and File	3,100	12	–			
	Beer Money - - 61 at –*s.* 1 *d.* per diem -	92	15	5			
72	Excess Cost of—						
	Bread and Meat - 61 „ 29 *s.* 4 *d.* „ -	89	9	4			
	Clothing - - - 61 „ various rates - -	275	14	–			
	Accoutrements - - 61 „ 1 *s.* – *d.* per annum -	3	1	–			
	Hospital Expenses - 61 „ 17 *s.* 7 *d.* „ -	53	12	7			
					3,615	4	4
	Barrack Accommodation for 72 Officers and Men, at 6 *l.* 2 *s.* 11 *d.* each				442	10	–
	Forage for 160 Horses, at 1 *s.* 10 *d.* per diem - - - - -				5,353	6	8
	Proportion of Miscellaneous Charges - - - - - -				814	8	9
				£.	12,807	17	3

The Establishment of Gunners and Drivers being 350, the Annual Charge due to each Private Soldier is 36 *l.* 11 *s.* 10 *d.*

The proportion due to the Training Period of the Recruit (10 months) is therefore 30 *l.* 9 *s.* 9 *d.*

DEPÔT BRIGADE ROYAL ARTILLERY, 1871–72.

EXPLANATORY STATEMENT of the Charge for DEPÔT EXPENSES in the 4th Report of Mr. *Seccombe's* Committee.

No.		£.	s.	d.	£.	s.	d.
48	Pay of Officers				8,277	17	11
		£.	s.	d.			
313	Pay of Non-commissioned Officers and Rank and File -	15,103	–	4			
	Beer Money - - 313 at –*s.* 1 *d.* per diem -	476	–	5			
361	Extra Cost of—						
	Bread and Meat - 313 „ 29 *s.* 4 *d.* „ -	459	1	4			
	Clothing - - - 313 „ various rates - -	1,269	16	–			
	Accoutrements - - 313 „ 1 *s.* – *d.* per annum -	15	13	–			
	Hospital Expenses - 313 „ 17 *s.* 7 *d.* „ -	275	3	7			
					17,598	14	8
	Barrack Accommodation for 361 Officers, at 6 *l.* 2 *s.* 11 *d.* each - -				2,218	12	11
	Forage for 268 Horses, at 1 *s.* 10 *d.* per diem - - - - -				8,066	16	8
	Proportion of Miscellaneous Charges - - - - - -				3,050	5	–
				£.	41,012	7	2

The Establishment of Gunners and Drivers being 1,826, the Annual Charge due to each Private Soldier is 22 *l.* 9 *s.* 2 *d.*

The proportion due to the Training Period of the Recruit (9 months) is therefore 16 *l.* 16 *s.* 10 *d.*

Appendix, No. 4.

REPORT of the SPECIAL COMMITTEE of the Officers of the War Office and India Office, fixing the Rates to be Charged on India Revenues for Royal Engineers.

Non-Commissioned Engineer Officers and Sappers required for employment in Public Works Department, India.

REPORT.

IN pursuance of our appointment by the Secretaries of State for War and for India as a Committee to determine the sum that should be paid from the revenues of India on account of the supply of Engineer Non-commissioned Officers and Sappers for service in India "on a principle of purchase (including all contingent expenses) on account of each soldier supplied, and the mode in which all charges on account thereof for the future should be made against the Government of India, with the amount to be charged for the men who have already been sent out since 1861",—we have considered the subject, and recommend that the following rates should be charged for each Non-commissioned Engineer Officer and Sapper sent to India since the year 1861, and that the same rates be charged to India so long as the present system of supply shall continue:—

	£.
For each Quartermaster Serjeant - - - -	190
Colour-Serjeant - - -	150
Serjeant - - - -	140
Corporal - - - -	125
Second Corporal - - -	110
Lance Corporal and Sapper -	90

The advance of pay on embarkation, and the clothing then in possession of the men, to be paid for on separate bills.

The number of men who embarked for India in the years 1863, 1864, 1865 and 1866, was 82, and the sum chargeable to India at the rates which we have recommended will be as follows:—

		£.
1 Quartermaster Serjeant - - - - - -		190
2 Colour-Serjeants at 150 *l.* each - - - -		300
5 Serjeants -	140 *l.* „ - - - -	700
17 Corporals -	125 *l.* „ - - - -	2,125
11 Second Corporals	110 *l.* „ - - - -	1,210
46 Sappers -	90 *l.* „ - - - -	4,140
TOTAL - - - £.		8,665

(signed) *T. L. Seccombe.*
G. I. Jameson, Major General.
John Milton.
Robert P. Day.

London, 14 March 1867.

Appendix, No. 5.

REPORT of the COMMITTEE appointed by the Secretary of State for War, with the concurrence of His Royal Highness the Field Marshal Commanding in Chief and His Grace the Secretary of State for India, to examine generally the question of the Establishment of the INDIAN DEPÔTS. Appendix, No. 5.

(Referred to in Para. 3 of the Second Report of Mr. *Seccombe's* Committee, dated 24th November 1869.)

President:

Major General Jameson, Auditor of the Home Accounts of India.

Members:

Colonel Egerton, Deputy Adjutant General, Horse Guards.
J. Milton, Esq., Assistant Accountant General, War Office.

THE Committee, having received from the Adjutant General's Office the annexed Returns, numbered 1 to 6, and having carefully considered the same, together with the accompanying explanations, numbered 7 to 10, from certain of the Indian depôts, as to the men remaining at the depôts in this country after the embarkation of the drafts for India of the last season, have agreed to the following Report:—

They are of opinion that very great advantage would result, both in regard to economy and also in regard to the discipline of the recruiting depôts, if the time-expired men and those about to take their discharge—other than as invalids, who are disposed of at Netley—were not sent to the depôts of their regiments on arriving in this country from India, but were quartered at some consolidated depôt, to which they might be sent directly on their arrival, and where they might remain until their discharge documents were prepared, which should, as a rule, be ready on the arrival of the men, or, if not, should be prepared with the least practicable delay.

The men could then be sent direct to their homes or intended places of residence, while those who might be found fit for further service might be forwarded to the regimental depôt until reported medically fit to embark again with drafts.

There can, it appears to the Committee, be no doubt as to the large saving of expense that must arise from such an arrangement, in lieu of the present system whereby men arriving at Portsmouth are sent long distances to their regimental depôts, and thence are sent to their homes, which, in many instances, may prove to be not far distant from the port of disembarkation, whence they had a short time previously been dispatched across the kingdom to their depôt. Moreover, the regimental depôts would, by this arrangement, be restricted more entirely to the object for which they exist, namely, the collection and drilling of recruits for the reinforcement of the service companies in India, and would thus be more susceptible of economical control than under the present system of mixing together men who are entering the service and those who are leaving it.

The Committee would further recommend that, in future, attention should be specially directed to the season best suited for the enlistment of recruits for India, with a view to their being raised at such periods as will secure their being fully drilled in time to be sent out in the drafts of the first season after their enlistment.

The season for embarking drafts for India is from the middle of October to the middle of February.

The season for recruiting to the best advantage is from November to March. Then field occupations are over, and the privations of winter and want of employment aid the recruiting.

The season for drill and training is from the spring to the end of the autumn.

All these three reasons coincide for—

1. Raising the recruits at the best time.
2. Drilling them for seven or eight months.
3. Shipping them, drilled, to India at the fittest season.

Appendix, No. 5.

And, thus arranged, the present depôt system would be sufficient to supply 75 recruits per annum to each battalion of infantry, and yet keep within the depôt establishment.

To work this system of depôts properly, it is only necessary to commence recruiting shortly after the annual draft has embarked, to continue that recruiting for five months of winter, getting during that time a number of recruits equal to the expected requirements of the next year's drafts, plus the expected loss by casualties, say 33 per cent., and then to stop all recruiting for India during the following seven months, except for the regiments about to embark in the ensuing autumn, who are able to take out their recruits with them, after a much shorter period of drilling.

Thus about 20 per cent. of the recruits sent out in drafts would get drilled for about 11 months, 20 per cent. for 10 months, 20 per cent. for nine months, 20 per cent. for eight months, and 20 per cent. for seven months; and upwards of 3,500 recruits in drafts would be available for embarkation for India at the end of the training, being much above the average number of recruits sent out annually during the last eight years, as shown in Appendix 2.

Some of the drafts still proceed to India *viâ* the Cape, and leave this country in July or August. The above arrangements will equally apply to these cases; as for these depôts the recruiting should not re-commence until three or four months after the sailing of the drafts, and then efforts should be made to obtain all the recruits required for such regiments in the earlier part of the recruiting season.

The Committee would suggest that advantage should be taken of the existing system of general enlistment to allot to the Indian depôts the recruits most advanced in age, so as to avoid having to send growing lads to India; and that, if possible, the system of general enlistment should be extended, so as to allow of men being transferred from one corps to another at any time, by which means men whose health had been found to fail in India, or whose constitution had proved not fitted for service in a hot climate, might be transferred at once to regiments serving at home or in a temperate climate abroad, instead of being kept for a lengthened period at the depôt, for the purpose of being again sent to India, where it is found that a very short further period of service causes such men, in general, to be again invalided home.

Annexed is a copy, numbered 11, of a letter from the Horse Guards, showing the minimum periods which, in the opinion of his Royal Highness the Field Marshal Commanding in Chief, should suffice for the efficient drill of recruits of the several arms of the service before being drafted to India. The Committee would recommend that, with reference to these periods, the recruiting for each of the several arms should be so regulated as to secure the enlistment, drilling, and embarking of the recruits at the periods that would best concur, as already pointed out, to prevent an unnecessary collection and retention of recruits at the depôts of the regiments serving in India.

With reference to a question connected with the depôts, and submitted to the Committee by the War Office, respecting the wives of married soldiers of regiments in India, they are of opinion that the fairest way to deal with the matter would be to permit the service companies to maintain a married establishment of 12 per cent. on the drummers and rank and file, and 100 per cent. for serjeants.

A nominal roll of the married men should be sent to the War Office periodically, and the expense of the wives and families of such men should be borne by India, whether with the service companies or with the depôts at home.

With regard to the permament establishment of the depôt, the Committee consider that the number of married men should be in accordance with the rules applicable to the troops generally serving in England, independently of the men who have brought their families with them from India, and who may be sent to the depôt for further service.

Considering the removal from the recruiting depôt of invalids and time-expired men which is above recommended, and, further, that the War Office Letter, 20th February 1841, No. 68,500, fixed the recruiting depôt of infantry at—

1 Captain,	5 Serjeants,
2 Lieutenants,	5 Corporals, and
1 Ensign,	1 Drummer,
1 Colour Serjeant,	

forming one company, when the regiments were of greater strength than at present;

Considering also that with the depôt of 1841 the regiments in India were kept in a state of perfect efficiency;

Also referring to the fact that only one troop of cavalry is kept up in this country for the recruiting purposes of each regiment in India;

Observing also the large number of men now volunteering from regiments about to return from India; and bearing in mind that the whole of the local army of India previous

vious to the Mutiny, nine regiments of infantry, and the whole of the Indian horse and foot artillery, were recruited by a staff at Warley of six officers and 30 non-commissioned officers; Appendix, No. 5.

Two members of the Committee are of opinion that the depôts of infantry should be fixed for the future at one company only, consisting of—

1 Captain,	2 Drummers,
2 Lieutenants,	8 Corporals,
1 Colour Serjeant,	80 Privates,
7 Serjeants,	

as an average strength of the depôt, *including recruits.*

They would further suggest that reductions should be made in the cavalry and artillery recruiting depôts, in such proportion as may be agreed on, in accordance with what they have above proposed for infantry.

Colonel Egerton dissents from the above recommendation regarding the establishments of the regimental depôts, and records the following Minute :—

I cannot concur in recommending the reduction of the Indian depôts to the extent proposed.

1. *Officers.*—So long as the term of service in India is maintained at from 10 to 12 years, it is necessary, as a measure of efficiency as well as of due consideration to the health of the officers, that a proportion of their number should have the opportunity of change of climate to the depôt.

It is not too much to place this proportion at one-seventh of the whole, viz., five out of 36 captains and subalterns.

Without such an opportunity of change, the number of officers who would be absent from head-quarters, either on sick leave to the hill stations in India or to England, would be greater than at present, and their passage to and fro would be an increased source of expense.

2. The duty and discipline of a depôt training 75 recruits per annum, and consisting also of an average of 50 old soldiers, could not be efficiently performed by one company.

Under the system in force from 1841 to 1857, under the War Office Letter, No. 68,500, 20th February 1841, little more was done at the depôt at Chatham than the collecting, clothing, and shipping of recruits. The same may be said of the Indian depôt at Warley. It can hardly be desirable to return to such a system.

The Royal Commission on Recruiting, 1866, recommended "that on the ground of efficiency none but thoroughly trained soldiers should be sent abroad," and to carry out the high training now required, fewer officers than the present establishment would not suffice.

3. Another most important consideration is, that the officers at the Indian depôts form the only reserve of officers for either the British or Indian forces in India that could be at once utilised in event of any emergency.

Non-Commissioned Officers.—I do not see any objection to a reduction of two platoon serjeants and two corporals per depôt, as fewer non-commissioned officers are now required for the recruiting service.

Privates.—Previous to 1857 there was no fixed establishment of privates for the Indian depôts, recruits being collected to the full establishment of the regiments.

After 1857 it was ruled that two companies of 90 privates each were necessary to supply casualties in regiments in India of a total strength of 1,000 rank and file.

In 1861 the depôt strength was reduced to two companies of 45 privates each, but this was found insufficient, and in 1867 it was again increased to 55 privates per company.

Making full allowance for the relief that would be afforded to the depôt establishment by the exclusion of time-expired men, I am of opinion that an establishment of 96 privates is the lowest average from which it can be hoped the service companies of regiments in India may be maintained in a state of efficiency, and complete in numbers.

(signed) *G. I. Jameson.*
C. R. Egerton.
John Milton.

War Office, 5 August 1869.

Appendix, No. 5.

APPENDIX.

No. 1.

RETURN showing the Length of Service of Men belonging to the Depôts of Infantry Regiments in *India* on the 1st of April in each Year.

Year.	Over 21.	19 to 21.	15 to 19.	10 to 15.	5 to 10.	Under 5.	TOTAL.
1855	40	105	212	258	203	1,605	2,423
1856	22	102	261	251	175	1,012	1,823
1857	19	124	359	363	576	2,455	3,836
1858	173	639	1,031	855	631	12,514	15,843
1859	300	882	1,269	1,085	841	12,384	16,761
1860	181	704	909	1,574	1,012	11,279	15,659
1861	240	669	955	1,123	1,352	8,139	12,478
1862	157	477	671	761	962	2,395	5,423
1863	171	461	637	649	1,062	3,260	6,240
1864	151	380	609	616	1,405	3,125	6,286
1865	121	337	626	1,035	1,579	4,233	7,931
1866	117	464	464	1,872	1,496	4,013	8,426
1867	144	626	403	1,352	1,389	4,881	8,245
1868	138	581	416	1,627	1,502	3,737	8,001
1869	156	418	522	2,111	1,138	3,121	7,466

Adjutant General's Office,
12 June 1869.

C. R. Egerton,
Deputy Adjutant General.

No. 2.

RETURN showing the Number of Recruits sent out to *India* in each Year, from 1855 to 1868.

Year.	Cavalry.	Artillery.	Infantry.	TOTAL.
1855	30	-	1,642	1,672
1856	-	-	922	922
1857	342	-	4,461	4,803
1858	1,491	-	17,501	18,992
1859	622	-	5,339	5,961
1860	538	426	5,427	6,391
1861	31	1,047	1,615	2,693
1862	14	3,002	773	3,789
1863	124	576	2,176	2,876
1864	43	1,054	1,615	2,712
1865	204	-	2,797	3,001
1866	40	997	1,761	2,798
1867	79	573	1,652	2,304
1868	594	1,438	4,475	6,507
TOTAL	4,152	9,113	52,156	65,421

Adjutant General's Office,
25 May 1869.

C. R. Egerton,
Deputy Adjutant General.

No. 3.

RETURN showing the Number of Men who volunteered to remain in *India* on the return of their Regiments or Batteries, in each Year, from 1855 to 1868.

Year.	Cavalry.	Artillery.	Infantry.	TOTAL.
1855	—	—	887	887
1856	—	—	—	—
1857	—	—	—	—
1858	—	—	—	—
1859	390	2	1,379	1,771
1860	238	—	990	1,228
1861	135	5	2,050	2,190
1862	—	52	930	982
1863	193	—	466	659
1864	122	12	1,562	1,696
1865	131	—	1,906	2,037
1866	64	71	1,525	1,660
1867	75	99	1,126	1,300
1868	83	46	798	927
TOTAL	1,431	287	13,619	15,337

Adjutant General's Office,
25 May 1869.

C. R. Egerton,
Deputy Adjutant General.

No. 4.

RETURN showing the Number of Deaths among the British Troops in *India* in each Year, from 1855 to 1868.

Year.	Non-Commissioned Officers and Men.			
	Cavalry.	Artillery.	Infantry.	TOTAL.
1855	36	—	744	780
1856	21	—	1,198	1,219
1857	206	—	3,604	3,810
1858	531	486	4,923	5,940
1859	235	298	2,643	3,176
1860	187	215	1,910	2,312
1861	163	159	1,860	2,182
1862	129	235	1,324	1,688
1863	82	303	1,054	1,439
1864	105	281	924	1,310
1865	113	395	1,140	1,648
1866	102	247	780	1,129
1867	82	301	1,150	1,533
1868	83	269	698*	1,050
TOTAL	2,075	3,189	23,952	29,216

* Exclusive of the 45th and 107th Regiments, from which no Returns for 1868 have been received.

Adjutant General's Office,
25 May 1869.

C. R. Egerton,
Deputy Adjutant General.

Appendix, No. 5.

No. 5.

RETURN showing the Number of Invalids and Time-expired Men sent Home from *India*, in each Year, from 1855 to 1868.

Year.	Non-Commissioned Officers and Men.			
	Cavalry.	Artillery.	Infantry.	All Arms.
1855	106	-	588	694
1856	40	-	759	799
1857	80	-	900	980
1858	95	100	2,472	2,667
1859	238	147	3,364	3,749
1860	267	299	3,724	4,290
1861	214	264	2,482	2,960
1862	219	196	2,702	3,117
1863	285	396	2,853	3,534
1864	243	627	2,575	3,445
1865	254	680	4,159	5,093
1866	378	918	3,863	5,159
1867	526	955	3,119	4,600
1868	338	736	4,178*	5,252
TOTAL	3,283	5,318	37,738	46,339

* Exclusive of the 45th and 107th Regiments, from which no Returns for 1868 have been received.

Adjutant General's Office,
25 May 1869.

C. R. Egerton,
Deputy Adjutant General.

No. 6.

RETURN showing the Strength of Depôts of Infantry Regiments in *India*, and the proportion of Re-engaged Men.

	Non-Commissioned Officers and Men.
Total strength, 1st July 1869	7,422
Number of re-engaged men	3,159
Per-centage of re-engaged men	42

N. B.—The Depôt, 77th Regiment, is not included in the above numbers, the Return being incorrect.

Adjutant General's Office,
26 July 1869.

C. R. Egerton,
Deputy Adjutant General.

No. 7.

1st Battalion, 5th Foot Depôt.

OBSERVATIONS on Muster Roll, 1st March 1869.

Regimental Number.	Name.	Date of joining Depôt.	Cause of Detention at Depôt.	Observations.	Reply.
1,860	Private T. Barnes	1st April 1868, from 2/5th Foot	Not detailed	Why kept at depôt 11 months?	*See* Note at the end of this column (†).
245	„ R. Barrett	1st July 1866, from head-quarters	Within two years of completing first period of limited engagement when the regiment entered for India and not re-engaged; subsequently re-engaged and not detailed.	Why kept at depôt over two years, and how occupied during that period?	*
1,861	„ R. Biddlecombe	1st April 1868, from 2/5th Foot	Not detailed	Why kept at depôt 11 months?	*See* Note.
1,859	„ Alexander Brown	ditto ditto			
1,825	„ J. Burnside	ditto ditto			
1,834	„ J. Calverly	ditto ditto			
1,801	„ E. Collins	19th Nov. 1867, recruit	Absented himself from last draft	Why kept at depôt over one year, and how occupied during that period?	
1,805	„ G. Corrall	23rd Nov. 1867, recruit	Not detailed	ditto ditto	*See* Note.
1,797	„ J. Cunningham	16th Nov. 1867, recruit	ditto	ditto ditto	
1,826	„ P. Cashley	1st April 1868, from 2/5th Foot	ditto	Why kept at depôt 11 months?	
1,890	„ J. Davis	24th Nov. 1868, from 2/5th Foot	ditto	Why kept at depôt three months?	
1,862	„ J. Dixon	1st April 1868, from 2/5th Foot	ditto	Why kept at depôt 11 months?	
1,827	„ J. Dunlop	ditto ditto	ditto	ditto ditto	
1,803	„ J. Franks	19th Nov. 1867, recruit	ditto	Wy kept at depôt over one year, and how occupied during that period?	
1,807	„ J. Goode	23rd Nov. 1867, recruit	ditto	ditto ditto	
1,734	„ J. Gray	7th Sept. 1867, recruit	Unfit for service in India	ditto ditto	*
1,392	„ F. Griffin	March 1868, from service companies	ditto	Why kept at depôt one year?	*
1,857	„ J. Jones	1st April 1868, from 2/5th Foot	Not detailed	Why kept at depôt 11 months?	*See* Note.
1,836	„ A. Keightley	ditto ditto			
1,774	„ W. Kelly	1st Nov. 1867, from 2/5th Foot	Over 18 years' service	Why kept at depôt over one year, and how occupied during that period?	*
1,786	„ S. Knight	6th Nov. 1867, recruit	Not detailed	Why kept at depôt over one year?	
1,829	„ J. Loren	1st April 1868, from 2/5th Foot	ditto	Why kept at depôt over 11 months?	*See* Note.
1,830	„ A. M'Dowall	ditto ditto	ditto	ditto ditto	
1,868	„ J. M'Ilveen	1st July 1868, from 2/5th Foot	ditto	Why kept at depôt over eight months?	
1,791	„ W. O. Scroft	9th Nov. 1867, recruit	ditto	Why kept at depôt over one year, and how occupied during that period?	
1,781	„ G. Smith	25th Oct. 1867, recruit	ditto	Why kept at depôt over one year?	
1,855	„ W. Thomas	1st April 1868, from 2/5th Foot	ditto	Why kept at depôt over 11 months?	
1,869	„ J. Thompson	ditto ditto	ditto	ditto ditto	
1,840	„ W. Thorley	ditto ditto	ditto	ditto ditto	
1,798	„ R. Turvey	16th Nov. 1867, recruit	ditto	Why kept at depôt over one year, and how occupied during that period?	
1,820	„ J. Watkins	22nd Jan. 1868, from 2/5th Foot	ditto	Why kept at depôt over one year?	
1,806	„ S. Wildbur	23rd Nov. 1867, recruit	ditto	ditto ditto	
1,841	„ W. Wildsmith	1st April 1868, from 2/5th Foot	ditto	Why kept at depôt over 11 months?	

(†) The service companies being 823 rank and file strong, a draft of only 20 men was sent out, although 61 were available to proceed.

* No explanation given.

LIBRARY OF THE ROYAL ASIATIC SOCIETY. BOMBAY BRANCH

No. 8.

2nd Battalion, 12th Depôt.

OBSERVATIONS on Muster Roll, 1st March 1869.

Regimental Number.	Name.	Date of joining Depôt.	Cause of Detention at Depôt.	Observations.	Reply.
2,340	Private S. Prangnell -	July 1864, from service companies prior to embarkation.	Too much service - - - -	Why kept at depôt over four years, and how occupied during that period?	This man has been in the service since May 1845, has been doing duty at depôt, and is now waiting restoration of forfeited service.
2,452	„ P. Wrin - -	23rd April 1867, from India - -	Too much service (went out with regiment).	Why kept at depôt over one year, and how occupied?	Too much service; for discharge in August, 21 years. Ordinary duties of a soldier, and part time tailor's shop.
2,469	„ Job Holt - -	July 1864, from service companies prior to embarkation.	Too much service. Employed at Kneller Hall.	Has any special authority been given for this man's retention in this country?	Unlimited service; employed at Kneller Hall on fatigue. Now discharged to pension, after 21 years' service.
2,882	„ M. Sweeney -	- - ditto - - ditto - - -	- - ditto - - ditto - - -	Why kept at depôt over four years, and how occupied?	Unlimited service; employed at Kneller Hall on fatigue. Now discharged to pension, after 22 years' service.
2,564	„ C. Perry - -	- - ditto - - ditto - - -	Too much service - - - -	- - ditto - - ditto - - -	Has been passed "unfit" for foreign service until recently. Has 20 years' service. Duty of a soldier, and occasionally a servant.
1,591	„ G. Cowell - -	13th Jan. 1868, from India, time expired.	In India, Nov. 1858 to 13th Jan. 1868	Why kept at depôt over one year, and how occupied?	Ten years in India; will be for next draft. Re-engaged. Duties of a soldier.
1,593	„ W. Bingham -	- - ditto - - ditto - - -	- - ditto - - ditto - - -	- - ditto - - ditto - - -	Ten years in India. Duty of a soldier. Re-engaged. For draft.
1,686	„ W. Gilbert -	16th April 1868, from India, time expired.	In India, April 1858 to April 1868 -	Why kept at depôt 10 months? - -	Ten years in India. Re-engaged. For draft.
312	„ R. Bastock -	17th Dec. 1868, from India, time expired.	- - - - -	Why kept at depôt two months? -	Re-engaged. No opportunity of sending him out.
336	„ W. Warren -	- - ditto - - ditto - - -	- - - - -	- - ditto - - ditto - - -	- - ditto - - - ditto.
372	„ J. Verner - -	- - ditto - - ditto - - -	- - - - -	- - ditto - - ditto - - -	- - ditto - - - ditto.
401	„ J. Noble - -	12th Sept. 1868, from India, time expired.	- - - - -	Why kept at depôt five months? -	- - ditto - - - ditto.
407	„ E. Fower - -	17th Dec. 1868, from India, time expired.	- - - - -	Why kept at depôt two months? -	- - ditto - - - ditto.
404	„ J. Tidswell -				
413	„ J. Keefe - -				
430	„ J. Brandwood -				
436	„ W. Frazer -				
440	„ A. Allen - -				
468	„ D. M'Foe - -				
490	„ J. Dawson -				
1,671	„ J. Vernon - -				
498	„ J. Cronin - -				

502	,, W. Wagstaff -				
1,122	,, W. Harriss -				
506	,, P. Griffin - -				
1,601	,, C. Boyd - -				
1,121	,, J. Richards -				
945	,, T. Sweeney -	6th May 1868, came home invalided -	Went out with regiment July 1864 -	Why retained at depôt nine months? -	Only two months at home on last draft being sent out.
1,014	,, J. Matthews -	1st May 1868, came home invalided -	Went out with draft, July 1865 - -	Why retained at depôt ten months? -	Had only been two months at home at date of last draft being sent out. Now discharged.
1,141	,, M. Curnow -	- - ditto - - ditto - - -	- ditto - - ditto - - -	Why kept at depôt ten months? -	Only two months at home on last draft being sent out, July 1868.
1,273	,, T. Cullen - -	16th May 1868, came home invalided -	- ditto - - ditto - - -	Why kept at depôt nine months? -	- - ditto - - - ditto.
1,289	,, W. Reid - -	11th July 1868, came home invalided -	Went out with regiment, July 1864 -	Why kept at depôt seven months? -	Came from Netley same month as last draft went out.
1,331	,, H. T. Wollaston	6th May 1868, came home invalided -	- ditto - - ditto - - -	Why kept at depôt nine months? -	Only two months at home on last draft being sent out.
1,336	,, J. Burke - -	- - ditto - - ditto - - -	- ditto - - ditto - - -	- - ditto - - ditto - - -	- - ditto - - - ditto.
1,364	,, J. Barrett - -	1st May 1868, came home invalided -	Went out with draft, July 1865 -	Why kept at depôt ten months? -	Only two months at home on last draft being sent out. Now for discharge.
1,380	,, G. Harbridge -	6th May 1868, came home invalided -	Went out with regiment - -	Why kept at depôt nine months? -	Only two months at home on last draft being sent out.
1,445	,, T. Brown - -	23rd May 1868, came home invalided	Went out with draft, July 1865 -	- ditto - - ditto - - -	Only two months at home on last draft being sent out. Now for discharge.
1,473	,, R. Crane - -	16th May 1868, came home invalided -	Went out with regiment, July 1864 -	- ditto - - ditto - - -	Only two months at home on last draft being sent out.
1,344	,, J. Byrne - -	21st April 1866, came home invalided	Went out with regiment, July 1864. Unfit.	Why kept at depôt over two years, and how occupied?	Has been constantly passed "unfit" until recently. Duties of a soldier.
1,507	,, T. Jones - -	16th April 1867, came home invalided. Lost six years by desertion.	Went out with regiment, July 1864 -	Why kept at depôt over one year, and how occupied?	"Unfit" at time of last draft; now "fit." Duties of a soldier.
1,266	,, R Jucey - -	11th May 1867, came home invalided -	- ditto - - ditto - - -	- - ditto - - ditto - - -	- - ditto - - - ditto.
1,287	,, D. Sullivan -	- - ditto - - ditto - - -	Went out with regiment, July 1864. Unfit.	- - ditto - - ditto - - -	- - ditto - - - ditto.

Transmitted,
J. Nason, Lieutenant Colonel,
Commanding 5th Depôt Battalion.

H. N. Kippen, Captain,
2nd Battalion, 12th Regiment,
Commanding Depôt.

Appendix, No. 5.

No. 9.

4th Depôt Battalion, Colchester,
22 June 1869.

Sir,

REFERRING to the letter from the Adjutant General's Department, dated Horse Guards, 18th June 1869, addressed to Colonel Farren, C.B., commanding Eastern District, giving cover to the accompanying list of observations on the muster roll of the depôt, 49th Regiment, for the 1st March 1869, and to your Memorandum on the same, I have the honour to return the enclosure with the required information entered in the column for replies by the officer commanding the depôt of this regiment.

I have, &c.
(signed) *J. Bourke*, Colonel,
Commanding 4th Depôt Battalion.

The Brigade Major, Colchester.

SUBMITTED to the Adjutant General with reference to his Letter of the 18th instant.

THE draft referred to in this correspondence was selected by me, and the case of every man in the depôt was personally inquired into by myself, the information being obtained not only from the draft book (the form of which was arranged by myself several years ago), containing names, date of enlistment, date of joining depôt, cause of joining depôt, if from abroad cause of returning home, whether a duty soldier, whether a recruit, passed musketry instruction, gymnasium, vaccinated, medically fit for foreign service, or some duty as certified by the medical officer, &c., but also from the officers commanding the depôts and companies, the colour serjeants and the depôt orderly-room clerk, all of whom were present when each man's name was called from the book by myself, and thus the circumstances connected with every man, and how he was employed having been ascertained, those for embarkation were told off and noted in the book in my own handwriting.

It will be seen that the replies to the questions in the accompanying documents are now fully given, and that every man named therein is accounted for.

In making selection of men for drafts it has been found indispensable to retain a certain proportion of certain classes of men in order that the duties of the depôt, its interior economy, and the instruction of the young soldiers may be carried on, as well as discipline maintained (such as tailors). At the period in question there were only eight altogether in the battalion, and the annexed statement of the quartermaster of the battalion details the amount of work which had to be accomplished, and what the pressure has been from want of this class of men for several years past. Lance corporals, a proportion, not only required for duty, but to fill up vacancies for the ranks of non-commissioned officers (there has been grave difficulty in sending eligible men, and not unfrequently vacancies have to be kept unfilled for a considerable period from this cause); also a few soldiers likely to become eligible for promotion. Servants to officers,—the difficulties on this head will be apparent by the remarks opposite the names of two men in the return, who are servants, although they had been at one time deserters, there being no other men available and eligible in this capacity; indeed at this moment my own servant is at Languard Fort, and there is no one to replace him.

Men to fill garrison, detachment, and other duties, and provision must be made for casualties occurring at the last moment by sickness or absence at the time of departure.

It was the uncertainty in this respect which caused the application to be made on the 8th February 1869, immediately after the selection of the draft, for authority to send advanced recruits in the event of the men selected becoming casuals; but no soldier embarked who had not completed his course of musketry instruction. It is perhaps unnecessary for me to remark that the observations in that letter are strictly accurate, and I can only account for the imperfect manner in which the replies were given by the depôt under the head "Cause of Detention at the Depôt," in the accompanying document,

by

by the fact that the officer now commanding the depôt was absent on leave at the time of the selection of the draft, that the colour serjeants of both the companies have left the depôt and been replaced by others, that the officer commanding the battalion, the adjutant, the battalion orderly-room clerk, and assistants in the battalion orderly-room are all new, and that the first intimation which reached myself on the subject was the receipt of your letter of the 18th instant. The replies now given have been obtained by my following precisely the same course as that adopted by me when the draft was selected. Appendix, No. 5.

R. T. Farren, Colonel,
Commanding Eastern District.

Colchester, 28 June 1869.

MEMORANDUM.

Colchester, 21 June 1869.

TAILORS of the 49th Depôt employed in the tailor's shop on 22nd February 1869, one corporal, two men.

Total number of tailors employed on that date, eight men, being the whole of the tailors in the battalion available, and which number was totally inadequate to complete the alterations to the annual clothing, and the clothing of recruits by the proper period, viz., 1st April.

Average number of tailors employed in the shop during the last four years, eight men.

Number of suits of clothing obtained during the last four years:—

1865 - - - -	1,217	
1866 - - - -	1,142	
1867 - - - -	1,149	
1868 - - - -	841	The numbers for this year are for five depôts, the 6th Depôt joined the battalion in September last.
TOTAL - - -	4,349	

Yearly average, 1,087.

The number of tailors in the battalion for several years have been quite insufficient to complete the alterations of clothing and the necessary work in a satisfactory manner.

T. Vousden, Lieutenant,
Quartermaster, 4th Depôt Battalion.

49th Depôt.

Observations on Muster Roll, 1st March 1869.

Regimental Number.	Name.	Date of joining the Depôt.	Cause of Detention at the Depôt.	Observations.	Reply.
1,021	Private W. Barber	12th February 1867, from recruiting district.	Sick in hospital	Why kept at depôt two years, and how occupied during that period?	Told off for the draft, but was in hospital when it marched, and was also in hospital at the departure of the previous draft.
3,665	„ J. Bolton	1st July 1865, from regiment	Pioneer	Why kept at depôt over three years, and how occupied?	Pioneer; has been a pioneer throughout.
1,021	„ J. Brand	11th February 1867, head-quarters, recruit.	Lance corporal, kept for promotion.	Why kept at depôt two years, and how occupied?	Lance corporal; was a lance corporal at previous draft, and kept for promotion.
394	„ J. Brown	1st July 1865, from regiment	In custody of civil power	Why kept at depôt over three years, and how occupied?	This man never joined the depôt. He was left in penal servitude by the regiment when it embarked for India, and is still in penal servitude.
1,014	„ Wm. Cullum	28th February 1867, from recruiting district.	Not required for embarkation	Why kept at depôt two years, and how occupied?	Married without leave. In charge of the garrison cricket field and property of the club kept for the sake of the recreation of officers and men of the garrison.
1,063	„ C. Davey	6th June 1868, from recruiting district	ditto	Why kept at depôt eight months?	Was a recruit at drill when previous draft left, and at departure of the last was groom to the major of the battalion.
1,048	„ J. Faux	1st March 1868, from 34th Foot	ditto	Why kept at depôt one year, and how occupied?	Servant to one of the medical officers, and is still a servant.
2,853	„ D. Fitzpatrick	1st July 1865, from regiment	Over 18 years' service	Why kept at depôt over three years, and how occupied?	This man had completed 20 years' service before the draft left, and will be discharged in November next. Unfit for service in India.
2,669	„ M. Flynn	ditto ditto	ditto	ditto ditto	Will complete 21 years' service and be discharged in October next. Unfit for service in India.
914	„ P. Grady	18th October 1865, from recruiting district.	For employment as tailor	ditto ditto	Retained as a tailor, his services being urgently required, and there being only eight tailors with the battalion; and there has always been a paucity of tailors.
2,222	„ D. Green	1st July 1865, from regiment	Over 18 years' service	ditto ditto	This man has been 23 years in the service, and unfit for service in India.
475	„ R. Herron	ditto ditto	Not required for embarkation	ditto ditto	Servant to an officer of the depôt. Joined depôt from desertion, 8th August 1866. Conduct had been good both previous to and subsequent to desertion.
615	„ R. Jackson	ditto ditto	At Kneller Hall	Has any authority been given for this man's detention in this country?	At Kneller Hall; for further training as a musician. Authority of route to go to Kneller Hall, dated 5th September 1868. Enlisted as a boy.
1,018	„ Wm. Jermy	6th February 1867, from recruiting district.	As gymnasium instructor	Why kept at depôt two years?	Was told off for the draft, at the time being on furlough; was written to, and ordered to join for embarkation, but letter, it is stated, did not reach him.
1,062	„ Hy. Jones	5th June 1868, from recruiting district	For promotion	Why kept at depôt eight months?	When draft was selected, had not long been dismissed drill, and was recommended for promotion; therefore retained.
897	„ Owen Keena	2nd August 1865, from recruiting district.	Sick in hospital	Why kept at depôt over three years, and how occupied?	Was told off for the draft, but was found unfit, and was in hospital when the draft left. Has been under medical treatment ever since, and authority received for his discharge as an invalid on the 22nd instant.
2,715	„ Fergus Kelly	1st July 1865, from regiment	Over 18 years' service	ditto ditto	Has been upwards of 20 years in the service, and unfit for service in India.

1,028	„ Patrick Kelly -	1st July 1867, from 83rd Foot - -	Not required for embarkation -	Why kept at depôt 20 months, and how occupied?	Was employed on garrison police. Is a delicate man, frequently in hospital, and, being of good character, was selected for this duty, for which there is often a difficulty in finding eligible men.
1,067	„ G. Maddus -	2nd June 1868, from recruiting district.	- - ditto - - - -	Why kept at depôt eight months? -	Was told off for the draft, he being at the time on furlough; was written to, ordered to join, and arrived on the afternoon of the day on which the draft marched.
3,911	„ J. Monks - -	19th February 1868 - - - -	Had been invalided - - -	Why kept at depôt over one year, and how occupied?	Returned from India in January 1868, as unfit for further service there, and at the time of the departure of the draft was medically reported as fit for home duty only.
437	„ W. Muir - -	1st February 1868, from Netley Hospital.	- - ditto - - - -	- - ditto - - ditto - - -	Returned from India in January 1868, as unfit for further service in that country, and at the time of the departure of the draft was medically reported fit for home duty only. Was a serjeant at the time of the departure of the draft.
1,045	„ H. Parmenter -	31st January 1868, re-enlisted at head-quarters.	Not required for embarkation -	- - ditto - - ditto - - -	Re-enlisted January 1868. Groom to Colonel Farren.
2,053	„ T. J. Platt -	14th May 1868, from recruiting district.	- - ditto - - - -	Why kept at depôt nine months? -	When draft was selected had not long been dismissed drill, and was recommended for promotion; therefore retained.
2,678	„ J. Robinson -	1st July 1865, from regiment - -	Over 18 years' service - -	Why kept at depôt over three years, and how occupied?	Has been more than 20 years in the service; will be discharged in a few months; and when the draft was selected was unfit for service in India.
1,027	„ D. Smith - -	5th June 1867, from recruiting district	For appointment as drummer -	Why kept at depôt 20 months, and how occupied?	A boy, under the age for service in India.
850	„ A. Smith - -	1st July 1865, from regiment - -	Not required for embarkation -	Why kept at depôt over three years, and how occupied?	Was in a state of desertion for some time, and at the selection of the draft was groom to the surgeon major of the battalion. When tried for desertion that was the first offence.
1,074	„ H. Stanherd -	30th July 1868, from recruiting district.	- - ditto - - - -	Why kept at depôt seven months? -	Was told off for the draft; was a re-engaged man from another regiment, and joined in July 1868, and having recently returned from India, and being on a detachment at Landguard Fort, and married with leave, but not on strength, was not recalled to head-quarters.
966	„ C. Thirke - -	28th September 1866, from recruiting district.	At Kneller Hall - - -	Has any special authority been given for this man's retention in this country?	Was at Kneller Hall when draft was ordered; forwarded there under authority of route, dated 1st January 1869. Was enlisted as a boy, to be trained as a drummer or musician. Under the age for service in India.
817	„ R. Thompson -	1st February 1868, from Netley Hospital.	Had been invalided - - -	Why kept at depôt one year, and how occupied?	Returned from India in January 1868, as unfit for further service in India, and when draft was selected was medically reported fit for home service only. At that time was also employed as school assistant, and has since been promoted to corporal.
988	„ T. Watkinson -	8th January 1867, from recruiting district.	For employment as tailor -	Why kept at depôt over two years? -	Was retained as a tailor, his service being urgently required, there being only eight tailors with the battalion altogether.
1,029	„ H. Wilshire -	4th July 1867, from 54th Foot - -	Not required for embarkation -	Why kept at depôt 19 months, and how occupied?	Servant to officer commanding depôt when draft was selected. Was a transfer from 54th Regiment, and had been eight years in India.

W. Watts Corban, Captain,
Commanding Depôt, 49th Regiment.

No. 10.

104th Depôt.

Observations on Muster Roll, 1st March 1869.

Regimental Number.	Name.	Date of Joining the Depôt.	Cause of the Detention at the Depôt.	Observations.	Reply.
3,276	Private H. Bennett	10th February 1859		Apparently a mistake for 1869.	
3,438	„ J. Conway	21st January 1865 (day after enlistment).	Not ordered out	Why has this man been kept at the depôt more than four years, and how occupied during that period?	32 men were reported fit, and 30 were sent out to allow a small margin for casualties.
3,198	„ W. Fishbourne	20th May 1867, from service companies	ditto	Why kept at depôt two years, and how occupied during that period?	
2,760	„ B. Hayes	20th May 1867, from service companies	Unfit for foreign service	Why kept at depôt two years?	
3,336	„ S. Manning	29th August 1864, on enlistment	Not ordered out	Why kept at depôt upwards of four years, and how occupied?	*See* answer in case of Private Conway.
2,959	„ P. M'Auslin	27th February 1866, from service companies.	Unfit for foreign service	Why kept at depôt three years, and how occupied?	
1,387	„ J. O'Hara	20th May 1864, from service companies	ditto	Why kept at depôt five years, and how occupied?	
694	„ A. Parker	17th July 1863, from service companies	ditto	Why kept at depôt six years, and how occupied?	
3,396	„ H. Robertson	8th September 1864, on enlistment	ditto	Why kept at depôt over four years, and how occupied?	
2,993	„ T. Tanner	17th August 1866, from service companies.	ditto	Why kept at depôt over two years, and how occupied?	
2,995	„ J. Thompson	14th August 1865, from service companies.	ditto	Why kept at depôt over three years, and how occupied?	
3,136	„ Thos. Wicks	27th February 1868, from service companies.	Not ordered out	Why not?	*See* answer in case of Private Conway.

No. 11.

Sir, Horse Guards, 23 July 1869.

REFERRING to your letters of the 5th and 21st instant, I have the honour, by desire of His Royal Highness the Field Marshal Commanding in Chief, to acquaint you that the following is the minimum time required for training recruits, prior to their embarking for service in India, of each of the following arms, viz.:—

Royal Horse Artillery - - - -	9 months.
Royal Artillery - - - - -	8 „
Cavalry - - - - - - -	9 „
Infantry - - - - - - -	6 „

I have, &c.

(signed) *C. R. Egerton*,
Deputy Adjutant General.

The Under Secretary of State,
War Office.

Appendix, No. 6.

Appendix, No. 6. COPIES of REPORTS of a COMMITTEE appointed by the Secretaries of State for War and for India to make arrangements for adjusting the CHARGES for EFFECTIVE SERVICES of HER MAJESTY'S REGIMENTS on the EAST INDIAN ESTABLISHMENT, on the principle of Actual Charges, and of CORRESPONDENCE Relating to the COST of Raising and Training RECRUITS for those Regiments.

FIRST REPORT of a Committee appointed by the Secretaries of State for War and for India to make Arrangements for adjusting, from the 1st April 1869, the Charges for Effective Services of Her Majesty's Regiments on the East Indian Establishment, on the principle of Actual Charges.

MEMBERS:

T. L. Seccombe, Esq.	Major General Jameson.
H. W. S. Whiffin, Esq.	J. Milton, Esq.

1. IN proceeding to consider the subject committed to them, the committee, after careful inquiry and deliberation, find that considerable difficulty must attend the preparation of an exact account of the charges against India in respect of recruiting the European army in that country, and that it would inevitably involve much correspondence with respect to the sanction of exceptional charges and otherwise, and especially with reference to the charge for artillery recruits, and for volunteers from regiments in England, called for immediately previous to the embarkation of troops for India.

2. In order to lay down, if possible, some plan whereby the constant preparation and examination of such an account might be obviated with due regard to the interests of the British and Indian Exchequers, the committee have considered a suggestion for the settlement of the charge against India on the principle of a schedule of prices per man for regiments, batteries, drafts, and recruits of each arm of the service embarking for India, the War Office making a similar payment to India for each effective man returning to England.

3. The committee are not at present able to submit a schedule of prices, as its preparation would involve an elaborate and careful inquiry and analysis of the charges included therein; and as that inquiry must occupy much time and care, in order to arrive at conclusions which could be expected to prove satisfactory to Her Majesty's Government, the committee venture to recommend that the present system of payment by a capitation rate should be continued for one year from the 1st April 1869 to the 31st March 1870.

4. If this proposition be agreed to the investigation could, during the ensuing year, be fully entered on and brought to a conclusion, so that the committee would be enabled to report the course they would recommend for the consideration of the Secretaries of State, whether by a schedule of prices, as before stated; for the cost of every effective man of each arm of the service embarking for or returning from India, or, if that should prove to be impracticable, by a direct settlement of the accounts of actual charges.

5. In submitting this proposition the committee feel it to be their duty to bring prominently to notice the very heavy charge attending the present system of Indian depôts, as shown in the cost to the Imperial Government of a recruit from the date of his enlistment to that of his embarking for India. This becomes very apparent when a comparison is made of the expenditure under the existing system with that of the Warley depôt, formerly maintained for recruiting the army by the East India Company.

6. The committee feel bound to ask the attention of Her Majesty's Government to the expense of the Indian depôts, in order that it may be ascertained whether the system on which they are at present maintained could not be greatly modified.

7. In confirmation of the opinion above expressed, the committee annex three returns:

(A.) A return of the cost of the depôt at Warley for 10 years, from 1850 to 1859, as shown in the actual accounts in the India Office.

(B.) A statement showing in detail the items composing the charges under each head at Warley, for the years 1854–55 and 1855–56, from which charges the totals in Statement A., and the charge for a recruit, have been deduced.

(C.) A return from the years 1861–62 to 1867–68 of the estimated establishment of the Indian depôts kept up by the Imperial Government for cavalry and infantry, of the actual strength of those depôts, and of the actual number of recruits and drafts sent out thence to India.

8. The

8. The committee would here remark that the War Office depôts include a very large staff, whilst the Warley depôt was conducted by a very small number of commissioned and non-commissioned officers for the supply of recruits to nine regiments of infantry and the whole of the artillery in India, including a small body of Engineers.

9. The figures in the Return C. show a cost of about 205 *l.* for each soldier sent by the War Office to India; but this must be modified as regards one or two exceptional years, during which, although the depôts remained at their full strength, very few recruits were required for India, in consequence of each regiment in that country having been very largely reduced, but the outlay, nevertheless, appears to demand inquiry, with a view to its reduction. Returns A. and B. show that recruits were sent out from the Warley depôt for the years from 1850 to 1859, at an average cost of 19 *l.* 15 *s.* per man only, or, omitting the exceptional years of and after the mutiny, at an average cost of 26 *l.* 7 *s.* 5 *d.* per man for all arms.

10. It is proper to add that the members of this committee representing the War Office are of opinion that, with reference to the statistical statements prepared at the War Office, and laid before the committee, the depôt and recruiting charges of regiments in India have been in excess of the amount repayable to Imperial funds as the capitation grant for the corresponding period, thus leaving a deficit to be borne by the Imperial revenues. The members of the committee representing the India Office are not, however, at present in a position to confirm this view, as they have not had the means of scrutinising those statements, or of arriving at a definite conclusion as to this point; but the committee have no hesitation in expressing their unanimous opinion that the charge for a recruit, as shown in the War Office Return, is susceptible of very great reduction, and that whatever loss has resulted to the Imperial Government must be attributed mainly to the excessive amount of the depôt charges.

11. The committee cannot conclude their Report without bearing testimony to the valuable assistance they have received throughout their inquiries from their Secretary, Mr. Day, in the preparation of the returns and calculations relative to the expenditure in this country. Mr. Day's great intelligence and accuracy call for this recognition, and would be of great value in the prosecution of any further inquiries on this subject.

12. For the reasons given the committee submit,—

That the capitation rate as at present paid shall be continued for one year from the 1st April 1869, and that during that period they should be authorised to consider and report as to the best mode of adjustment of the accounts of the expenditure for future years.

(signed) *T. L. Seccombe.*
G. L. Jameson.
H. W. S. Whiffin.
John Milton.

(signed) *Robert P. Daye*, Secretary.

War Office,
11 March 1869.

(A.)

STATEMENT showing the Number and Cost of Recruits sent to India from Warley, in the Years from 1850 to 1859 Inclusive.

YEAR.	Recruits sent to India.					Cost of Depôt at Warley, and of Recruiting Staff, exclusive of Clothing, Arms, and Accoutrements, but including Expense of Sappers studying at Chatham.	
	Engineers.	Artillery.	Cavalry.	Infantry.	TOTAL.	£. s. d.	
1850	38	687	—	490	1,215	36,549 13 1	
1851	26	603	—	229	858	32,087 2 3	
1852	22	617	—	378	1,017	37,851 13 —	
1853	27	724	—	1,522	2,273	41,760 13 —	
1854	36	511	—	1,495	2,042	43,633 7 4	
1855	29	442	—	1,162	1,633	43,469 14 5	
1856	75	534	—	933	1,542	43,659 17 1	
					10,580	279,012 — 2	Average per man during seven years, 26 *l.* 7 *s.* 5 *d.*
1857	89	1,282	814	1,611	3,796	64,862 12 2	
1858	83	997	2,545	2,558	6,183	71,984 5 9	
1859	116	1,621	381	2,106	4,224	73,435 15 10	
TOTAL	541	8,018	3,740	12,484	24,783	489,294 13 11	Average per man during ten years, 19 *l.* 14 *s.* 10¼ *d.*

Appendix, No. 6.

(B.)

STATEMENT of Recruiting Charges for the Year 1854-55.

	£. s. d.	£. s. d.	£. s. d.
Pay to officers, non-commissioned officers, and recruits at the depôt at Warley:			
Officers	2,856 15 4		
Non-commissioned officers on the staff	1,530 7 1		
Recruits	9,874 2 3		
Sappers	2,604 3 3		
		16,865 7 11	
Expenses of instructing company's recruits as sappers and miners at Chatham		572 — 9	
Draft of officers at the several recruiting stations, expended as follows:			
Pay of officers and non-commissioned officers	2,965 19 7		
Rewards for recruits finally approved	2,229 3 —		
Marching money and contingencies	1,774 12 11		
		6,969 15 6	
Bounty money to recruits		11,207 3 —	
Embarkation expenses of recruits		1,780 14 8	
Gratuities and pension to Sergeant Major Sullivan		40 — —	
Rent of house in Soho-square, used as the London recruiting rendezvous		89 17 9	
Rates and taxes of depôt at Warley		221 11 11	
Miscellaneous:			
Allowance to recruits of 1 d. per diem beer money	743 6 6		
Marching money	48 8 6		
Sergeant Major's and sergeant's allowances for paying staff	86 4 2		
Rewards for apprehending deserters	82 14 10		
Allowance to Rector of Warley for performing duties of garrison chaplain	83 — —		
Allowance to Roman Catholic minister	40 — —		
„ Presbyterian minister	20 18 1		
„ Clerk at depôt chapel	6 6 —		
Salary of assistant master at depôt school	25 — —		
Salary of mistress	20 — —		
Bibles, prayer books, &c.	205 14 7		
Barrack master's contingencies	1,362 18 1		
Allowed for excess in the price of meat and bread	1,163 19 8		
Clothing for staff, non-commissioned officers, and buglers	377 1 9		
Alteration of clothing	228 2 —		
Repairs of arms	61 15 5		
Carriage of clothing and stores	30 5 8		
Compensation in lieu of clothing	31 5 —		
Hospital contingencies	60 — —		
Stationery, books, and bookbinding	142 6 8		
Postage	22 12 6		
Travelling expenses of clerk of the works	111 15 —		
Annual grants to depôt charitable fund	30 — —		
Annual donation to poor fund, Congregational Chapel at Brentwood	10 — —		
Fire-grates for depôt at Warley	27 18 —		
Petty expenses	865 3 5		
		5,886 15 10	
			42,633 7 4

Appendix, No 6.

(B.)

STATEMENT of Recruiting Charges for the Year 1855–56.

	£. s. d.	£. s. d.	£. s. d.
Pay to officers, non-commissioned officers, and recruits at the depôt at Warley:			
Officers	2,946 9 1		
Non-commissioned officers on the staff	1,551 1 11		
Recruits	10,376 11 4		
Sappers	3,741 15 4		
		18,615 17 8	
Drafts of officers at the several recruiting stations, expended as follows:			
Pay of officers and non-commissioned officers	3,003 7 10		
Rewards for recruits finally approved	1,657 7 –		
Marching money and contingencies	1,585 5 9		
		6,246 – 7	
Bounty money to recruits	– – –	10,949 8 2	
Embarkation expenses of recruits	– – –	1,374 12 5	
Gratuity and pension to Serjeant Major Sullivan	– – –	135 – –	
Rent of house in Soho-square, used as the London recruiting rendezvous	– – –	121 17 6	
Rates and taxes of depôt at Warley	– – –	238 – 3	
Miscellaneous:			
Allowance to recruits, 1 *d.* per diem beer money	772 19 4		
Marching money	54 14 2		
Sergeant Major's and sergeant's allowances for paying staff	86 8 2		
Rewards for apprehending deserters	127 8 11		
Allowance to Rector of Warley for performing duties of garrison chaplain	83 – –		
Allowance to Roman Catholic minister	40 – –		
" Presbyterian minister	34 12 6		
" Clerk at depôt chapel	6 6 –		
Salary of assistant master at depôt school	25 – –		
Salary of mistress	20 – –		
Donation for purchase of books and stationery for use of depôt schools	10 – –		
Bibles, prayer books, &c.	403 12 –		
Barrack master's contingencies	1,056 2 2		
Allowed for excess in the price of meat and bread	1,109 14 4		
Clothing for staff, non-commissioned officers, and buglers	362 16 11		
Alteration of clothing	227 1 7		
Repairs of arms	57 6 10		
Carriage of clothing and stores	12 10 9		
Compensation in lieu of clothing	7 10 –		
Hospital contingencies	308 5 –		
Printing attestation papers	8 18 6		
Postage	23 5 11		
Travelling expenses of clerk of the works	181 18 6		
Annual grant to depôt charitable fund	30 – –		
Petty expenses	739 6 3		
		5,788 17 10	
			43,469 14 5

Appendix, No. 6.

(C.)

RETURN for the Seven Years 1861–62 to 1867–68 of the Estimated Establishment of the Indian Depôts for Cavalry and Infantry, of the Actual Strength of those Depôts, and of the Actual Number of Recruits and Drafts sent out thence to India.

Depôts.	1861–2.	1862–3.	1863–4.	1864–5.	1865–6.	1866–7.	1867–8.	TOTAL.	Average.
Establishment - - -	6,688	6,224	7,467	7,465	7,222	7,099	7,894	50,059	7,351
Actual strength on monthly averages - - -	9,638	6,190	7,543	7,811	8,826	8,881	10,572	59,461	8,494
Number of men embarked in drafts - - -	1,646	787	2,839	1,656	3,001	1,801	3,646	15,376	2,196
Approximate amount of home charges for depôts, including recruiting expenses and pay on passage out and home -	£. 365,700	£. 296,650	£. 379,650	£. 377,650	£. 378,650	£. 398,150	£. 469,650	£. 2,666,100	£. 380,871
Average cost of each recruit embarked - - -	221	376	134	228	126	221	129	- -	205
	General Average - - £. 205								

SECOND REPORT of the COMMITTEE appointed by the Secretaries of State for War and for India to make Arrangements for adjusting the Home Charges for Effective Services of Her Majesty's Regiments on the East Indian Establishment, on the principle of Actual Charges.

MEMBERS:

T. L. Seccombe, Esq., Financial Secretary, India Office.
H. W. S. Whiffin, Esq., Chief Auditor, War Office.
Major General Jameson, Auditor of Home Accounts, India Office.
J. Milton, Esq., Assistant Accountant General, War Office.

1. IN their first Report, dated 11th March 1869, the committee recommended that the system of payment for the effective services of Her Majesty's regiments on the East Indian establishment, by a capitation rate, should be continued for one year from the 1st April 1869, in order to afford time for a careful inquiry as to the best mode of settling the claim of the Imperial Government for the home charges on account of regiments, batteries, drafts, and recruits of the several arms of the service proceeding to India, either by a schedule of prices per man, or, if that were not practicable, by a direct settlement of actual charges.

2. The committee in that Report requested the attention of Her Majesty's Government to the very heavy charge imposed on India, and to the very large difference between the expenditure under the existing system, and that which was formerly incurred by the East India Company in recruiting their European artillery and infantry.

3. The recommendation of the committee having been adopted, another committee, consisting of three officers representing the India Office, War Office, and Horse Guards respectively, was appointed to consider to what extent the depôt establishments maintained for regiments serving in India would admit of reduction.

4. That committee recommended certain reductions, but these have not yet been ordered, and their effect cannot therefore be ascertained.

5. Under these circumstances, the committee have not deemed it advisable to attempt to fix a schedule of prices, as it would have to be based entirely on estimate, if the depôt establishments recommended in the Report in question be adopted, and would require modification, if it should be found practicable to carry reduction to a still greater extent.

6. They are, therefore, of opinion that, from the 1st April 1870, the claims of the Imperial Government should be adjusted by repayment of the actual charges on the general principles which governed the settlement of the accounts for recruiting, depôt, and other home services, from the year 1824 to the date of the introduction of a capitation rate.

7. There are, however, certain charges, formerly included in that adjustment, which it would be expedient henceforth to exclude; the payments under the several heads to be in future made direct by the India Office, viz.:

(A.) Pay

(A.) Pay of officers on furlough from India, with the exception of the pay of colonels of regiments and colonels commandants of artillery, which should continue to be issued by the agents, and charged to India through their accounts with the War Office.

(B.) Advances in this country to regiments proceeding to India, which should be accounted for by the paymasters to the local Government in India, the paymasters rendering to the War Office a pay list to the day preceding embarkation.

(C.) Advances in India to regiments returning to England to be accounted for by the paymasters to the India Office, a pay list being rendered to the day preceding disembarkation.

8. Advances to drafts proceeding to, and detachments returning from, India should be adjusted in the mode adopted previous to the introduction of the capitation rate.

9. The committee would also recommend that the remittances from India by officers and soldiers should be paid direct by the India Office, and that the present charge for agency be revised.

10. Excluding the foregoing items, the charges which will have to be adjusted on the principle of actual accounts are detailed in the schedule, Appendix A., and may be classified as follows:

Class 1. Direct charges.
,, 2. Indirect, or assessed charges.

There are certain charges shown under Class 3 to which reference will be made separately.

11. The items in Class 1 do not require explanation.

12. In regard to Class 2, comprising the indirect or assessed charges, in respect of which India is liable for a proportion only, the expenditure for these services should be charged rateably on the net disbursements occurring in each of the several recruiting districts and depôt battalions, in which there may be recruits for India, with the exception of the charges for barrack accommodation, and for difference of numbers of men on passage to and from India.

13. The charge for barrack accommodation should be calculated on the average number of officers and men belonging to regiments on the Indian establishment accommodated in barracks on the 1st of each month.

14. With reference to the charge hitherto made for the difference of numbers of men on passage to and from India, and to a recent communication from the Horse Guards, copy of which is annexed (Appendix G.), respecting the minimum time required for training recruits of the several arms of the service, the committee are of opinion that the following sums, details of which are given in Appendices B. and C., should, for the present, be charged for every non-commissioned officer or soldier embarked, as reliefs for India, with regiments of the line, viz.:

	£.	s.	d.
Cavalry	45	16	10
Infantry	27	7	11

and the Government of India will be entitled to credit, at the same rates, for every non-commissioned officer or soldier disembarked with regiments, who, at the date of disembarkation, shall not be within two years of the completion of his term of service.

15. This adjustment will not apply to drafts sent from this country to India, as India will have paid for them, nor to detachments of invalids or time-expired men returning from India.

16. Assuming that the expenses of the Indian depôts of Royal Artillery will in future be defrayed by the Government of India in the same manner as those for depôts of cavalry and infantry, the committee consider that the amount chargeable for every non-commissioned officer or soldier of artillery embarked for India should be as follows, viz.:

	£.	s.	d.
Horse Artillery	47	10	7
Garrison and Field Artillery	40	11	5

Details showing how these charges are arrived at are given in Appendices D. and E.

17. These rates will be chargeable on the numbers embarked with troops or batteries of artillery as reliefs, and also on such non-commissioned officers or men, if any, as may be sent from troops and batteries not belonging to the Indian depôts, India being re-imbursed at the same rates for every effective non-commissioned officer or soldier disembarked with troops or batteries who shall not be within two years of the completion of his term of service

18. As in the case of regiments of the line, drafts of artillery embarked for India will not be chargeable, nor will India be entitled to credit for invalids or time-expired men returning.

19. The practice at present adopted of not sending out men who have less than two

Appendix, No. 6.

years to serve should be continued; and, in calculating the number on which the prescribed sums are to be paid for effective men going out or returning with their corps, the number of men left with the depôts who may not be within two years of the termination of their period of service should be added to the numbers embarking; and, in like manner, the number of soldiers and recruits of three months' service and upwards, serving with the depôt at the date on which the order was issued for the recall of the regiment from India, should be added to the number of men disembarking in this country with the corps.

20. The rates at present chargeable for non-commissioned officers of Royal Engineers required for special service in India, as fixed in the Report of the Committee which considered the subject in March 1867, should remain in force (Appendix F.).

21. The committee recommend that the above rates, as well as the charges under Class 2, should be subject to revision every three years.

22. On the subject of these charges a separate Minute is recorded by the members representing the India Office on this committee.

23. In regard to the mode of payments, the committee recommend that monthly advances, based on the estimated expenditure, should be made by the India Office. The accounts should be kept distinct for each year, and the balance of each year's account should, if practicable, be declared within nine months of the expiration of the financial year.

24. The final adjustment of each year's accounts would be materially facilitated by the establishment of a system of concurrent audit, on behalf of India, of the direct charges as recorded in the books of the War Office, many of which charges are so well defined that they will hardly admit of objection; and in recommending the adoption of that course the committee consider that the necessary detailed arrangements to carry it into effect might with advantage be left in the hands of the responsible officers of each department charged with the duty of rendering and auditing the accounts.

25. With the view of facilitating the settlement of any questions which may arise in the course of the adjustment of the accounts, the committee recommend that a standing committee should be formed, composed of members representing both the India Office and the War Office, and that the proceedings of the standing committee should from time to time be recorded in a Minute book, to be kept by a gentleman on the establishment of the War Office, who should act as secretary, copies of such proceedings being submitted periodically to the Secretaries of State for War and for India.

26. The charges specified under Class 3 of Appendix (A.), having relation to the army generally, have not hitherto been matter of account between the Imperial Government and the Government of India.

27. The question as to the liability of India to bear a proportion of these charges was discussed by the committee, which arranged the existing capitation rate in 1861, and it resulted in the exclusion of those charges therefrom.

28. The subject has again been considered by this committee, and it appears to them that, in conformity with long-established usage, no adjustment is necessary on this account, such proportion of the expenditure for head-quarter departments, general staff, &c., as might be considered applicable to Her Majesty's regiments on the Indian establishment being, in their opinion, fairly compensated for by the advantages derived by the Imperial Government from the presence of Indian depôts in this country. On this point, however, a separate Minute, by the members representing the India Office on the committee, is added hereto.

29. In concluding their Report, the committee would again refer to the heavy expense of the Indian depôts as at present constituted. They are unanimously of opinion that the present rate of expenditure is too large when compared with that incurred prior to the mutiny in India, and, as shown in their former Report, excessive when compared with the charge incurred by the East India Company in the maintenance of their depôt at Warley.

30. The committee are therefore of opinion that, without any sacrifice of efficiency, it is practicable to effect a very large reduction in these charges.

31. The committee desire again to record their acknowledgments of the very valuable assistance rendered by Mr. Day as secretary to this committee.

(signed.) *T. L. Seccombe.*
H. W. S. Whiffin.
G. I. Jameson, Major General.
J. Milton.

(signed) *Robert P. Daye,* Secretary.

24 November 1869.

While concurring generally in the foregoing Report, the members appointed by the Secretary of State for India to serve on this committee feel it to be their duty to represent that they consider that the proposed arrangement is, in one respect, not just towards India.

They

They are of opinion that, as all expenses of raising, training, maintaining, and pensioning the troops whose services are lent to India are paid from Indian revenues, India is fairly entitled to a considerable credit for the value to the Imperial Government of the presence in this country of the staff and men engaged in course of training. The troops are available to meet any emergency for which a home garrison is required, and the resignation by the War Office of any charge for a proportion of the expenses of the general, medical, and commissariat staff, &c., specified under Class 3, in Appendix (A.), as a set off to that advantage, appears to the undersigned to be entirely inadequate.

They are also of opinion that the periods of training, on which the charge for difference of numbers of men is based, are longer than are necessary with reference to the requirements of India; and that, as the East India Company formerly found it safe and expedient to send soldiers to India after very short periods of training, the adoption of a somewhat similar course would tend greatly to reduce the charge on this account, an object that would be further facilitated by a reduction in the number and strength of the depôts.

We have, &c.
(signed) *T. L. Seccombe.*
G. I. Jameson, Major General.

APPENDIX.

(A.)

SERVICES chargeable against the Revenues of India in respect of Recruiting Districts and Depôts of Her Majesty's Regiments on the East India Establishment.

CLASS 1.

DIRECT CHARGES.

VOTE 1.

Pay of regimental officers.
Additional pay of regimental officers.
Allowance in lieu of servants.
Pay of men.
Good-conduct pay.
Beer money.
Command pay.
Non-effective allowance to field officers.
Contingent allowance to captains.
Agency, including allowance for postage and stationery.
Regimental postage, stationery, &c.
Pay of non-commissioned officers and men invalided from India.
Passage pay of officers and men to and from India.
Furlough pay.
Levy money for recruits.
Medical attendance on recruiting parties and recruits.
Marching and travelling allowances.
Cost of conveyance of recruits, escorts, &c.
Good shooting pay, and pay for good sword-manship.
Railway and other expenses (including marching allowances to officers) to troops moved from one station to another on regimental routes.
Rations to men whose pay has been mulct.
Mess allowance.
Payments for certificates of conviction by civil power.

VOTE 2.

Excess cost of bread and meat.
Allowance to wives and children of soldiers separated from their families.

VOTE 3.

Kits issued to recruits, and compensation in lieu thereof to re-enlisted soldiers.

VOTE 4.

Allowances for fuel and light (regimental).
Ditto, in lieu of lodgings to regimental officers.
Ditto, to married soldiers.
Ditto, to men in stationary quarters.

VOTE 6.

Allowance to Acting Deputy Judge Advocates, and to members and witnesses.
Subsistence and expenses on routes for deserters and their escorts, and rewards for apprehension of deserters.
Charge for escorting prisoners to and from civil and military prisons.

VOTE 7.

Payments to private medical practitioners.
Hospital expenses.
(Difference between the stoppage and actual cost of diets.)

VOTE 13.

Cavalry equipments.
Accoutrements.

VOTE 19.

Rewards for distinguished and meritorious service.
Victoria Cross annuities.

Credits.

Pay forfeited by sentence of court-martial.
Contribution from officers in aid of mess on board ship.
Stoppages from officers for rations supplied to themselves and families on board ship.
Ditto, ditto, from men.
Purchase money of soldiers discharged.
Effects and credits of deserters.
Smart money from recruits.

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CLASS II.

Indirect or Assessed Charges.

Vote 1.

Allowance to riding masters.
Farriery allowance.
Allowances to officers and non-commissioned officers.
Instructors of musketry.
Allowance to non-commissioned officers acting as savings bank clerks.

Cavalry Depôt.

Pay, additional pay, command pay, and non-effective allowance of commandant.
Assistant commandant.
Majors.
Captain instructors of musketry (in addition to regimental pay).
Adjutant.
Paymaster.
Superintendent riding department.
Riding master.
Quartermaster.
Surgeons.
Assistant surgeons.
Veterinary surgeon.
Non-commissioned officers.
Clerks, cooks, &c.
Farriery and riding money allowance.
Incidental expenses of riding school.
Travelling expenses.
Postage and miscellaneous expenses of office.
Instruction in musketry and gymnastics.
Agency.
Mess wine allowance.
Beer money.
Purchase of horses and expenses.
Cost of horse medicines, &c.

Depôt Battalions.

Pay and allowances of staff officers and non-commissioned officers.
Musketry instruction.
Pay of orderly-room clerks of depôt battalions.
Allowance in lieu of servants.
Travelling expenses and contingencies.
Postage and miscellaneous expenses of the office.
Allowance to the general agent for cashing paymasters' drafts.
Agency.

School of Musketry.

Pay and allowances of staff officers and non-commissioned officers.
Ditto, ditto, of rank and file for range duties.
Good service pay and beer money to non-commissioned officers and men.
Allowance in lieu of servants.
Ditto, ditto, lodgings.
Travelling expenses.
Postage and miscellaneous expenses.
Allowance to captains for paying detachments.
Allowance in aid of mess.
Agency.

Recruiting Establishments.

Pay and allowance of staff.
Pay of clerks.
Allowance in lieu of servants.
Rent of recruiting offices.
Travelling expenses and contingencies.
Postage and miscellaneous expenses of the offices.
Allowances and expenses of superintending officers.
Allowances to recruiting sergeants, &c., in stationary quarters.
Allowance to staff officers of pensioners, and pensioners employed upon recruiting services.
Agency.

Vote 2.

Proportion of expense of forage.
Ditto, ditto, commissariat staff.

Vote 3.

Clothing of staff non-commissioned officers of districts, depôt battalions, &c.

Vote 4.

Charge for barrack accommodation.

Vote 5.

Allowance to officiating clergymen for performing Divine service.
Rent of buildings hired for the performance of Divine service.

Vote 6.

Allowance to non-commissioned officers acting as provost sergeants.

Vote 7.

General Hospital, Netley.

Pay and allowances of staff officers and clerks.
Pay and allowances, schoolmasters and schoolmistresses, and contingencies of schools and libraries.
Contingencies.
Cost of medicine.

Vote 13.

Arms and ammunitions supplied for the use of the depôts.

Vote 15.

Pay, allowances, and travelling expenses of—
Schoolmasters.
Schoolmistresses.
Pupil teachers and monitresses.
School orderlies.
Soldier assistants.
Purchase of school material.
Repair of school books.
Allowances to librarians.
Carriage of school books.

Vote 17.

Commission granted to local banks for the supply of specie.
Expenses arising from the Contagious Diseases Act.
Charge for difference of numbers of men on passage.

Credits.

Proceeds of cast horses at cavalry depôt.
School and library subscriptions.

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CLASS III.

EXPENSES affecting Depôts of Regiments in India which have not been matter of Account between the Imperial Government and the Government of India.

Proportion of the expense of the—
- General staff.
- Medical ditto.
- Commissariat ditto.
- Commissioned chaplains.
- Military departments.
- Chelsea College, asylums, &c.

- Expenses of female hospitals.
- Billiard tables and rooms for officers.
- Recreation rooms for men, and cost of games, &c.
- Gymnastic instruction, and cost of utensils, &c.
- School of Music, Kneller Hall.
- School of Cookery.

(B.)

CAVALRY.

	£.	s.	d.
Pay for nine months, at 1 *s.* 5 *d.* per diem	19	7	9
Beer money for nine months, at 1 *d.* per diem	1	2	9
Marching money, cost of conveyance of recruits, &c. (16 per cent. on pay)	3	2	–
Recruiting and depôt battalion staff charges, 22 per cent. on foregoing charges and on levy money	5	15	2
Barrack accommodation for nine months, at 6 *l.* 2 *s.* 11 *d.* per man per annum	4	12	2
Excess cost of bread and meat for nine months	1	2	–
Charge for accoutrements for nine months	–	1	2
Clothing for nine months, at 4 *l.* 8 *s.* 9 *d.* per annum	3	6	7
Hospital expenses for ditto, at 17 *s.* 7 *d.* per annum	–	13	2
	39	2	9
Levy money	2	11	–
Cost of free kit	4	3	1
£.	45	16	10

(C.)

INFANTRY.

	£.	s.	d.
Pay for six months, at 1 *s.* 2 *d.* per diem	10	12	11
Beer money for six months, at 1 *d.* per diem	–	15	2
Marching money, cost of conveyance of recruits, &c. (16 per cent. on pay)	1	14	1
Recruiting and depôt battalion staff charges, 22 per cent. on above charges and on levy money	3	9	–
Barrack accommodation for six months, at 6 *l.* 2 *s.* 11 *d.* per annum	3	1	5
Excess cost of bread and meat for six months	–	14	8
Accoutrements for six months	–	–	10
Clothing for six months, at 3 *l.* 1 *s.* 8 *d.* per annum	1	10	10
Hospital expenses for ditto, at 17 *s.* 7 *d.* per annum	–	8	9
	22	7	8
Cost of free kit (exclusive of extra articles formerly in the kit, but now issued as clothing)	2	9	8
Levy money	2	11	–
£.	27	7	11

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(D.)

ROYAL HORSE ARTILLERY.

	£.	s.	d.
Pay for nine months, at 1 *s.* 7¼ *d.* per diem	21	19	1
Beer money for nine months, at 1 *d.* per diem	1	2	9
Marching money, and cost of conveyance of recruits, &c. (16 per cent. on pay)	3	10	3
Barrack accommodation for nine months, at 6 *l.* 2 *s.* 11 *d.* per annum	4	12	2
Excess cost of bread and meat for nine months	1	2	–
Accoutrements for nine months	–	1	2
Charge for staff expenses	5	–	–
Clothing for nine months, at 3 *l.* 17 *s.* 2 *d.* per annum	2	17	10
Hospital expenses for ditto, at 17 *s.* 7 *d.* per annum	–	13	2
	40	18	5
Levy money	2	11	–
Cost of free kit (exclusive of extra articles formerly in the kit, but now issued as clothing)	4	1	2
£.	47	10	7

(E.)

ROYAL ARTILLERY.

	£.	s.	d.
Pay for eight months, at 1 *s.* 5¼ *d.* per diem	17	9	9
Beer money for eight months, at 1 *d.* per diem	1	–	3
Marching money, cost of conveyance of recruits, &c. (16 per cent. on pay)	2	16	–
Barrack accommodation for eight months, at 6 *l.* 2 *s.* 11 *d.* per man per annum	4	2	–
Excess cost of bread and meat for eight months	–	19	8
Accoutrements for eight months	–	1	1
Charge for staff expenses	5	–	–
Clothing for eight months, at 3 *l.* 18 *s.* 6 *d.* per annum	2	12	4
Hospital expenses for ditto, at 17 *s.* 7 *d.* per annum	–	11	8
	34	12	9
Levy money	2	11	–
Cost of free kit (exclusive of extra articles formerly in the kit, but now issued as clothing)	3	7	8
£.	40	11	5

(F.)

ROYAL ENGINEERS.

	£.
For each Quartermaster Sergeant	190
„ Colour Sergeant	150
„ Sergeant	140
„ Corporal	125
„ Second Corporal	110
„ Lance Corporal and Sapper	90

Appendix, No. 6.

(G.)

Sir, Horse Guards, 23 July 1869.

REFERRING to your letters of the 5th and 21st instant, I have the honour, by desire of his Royal Highness the Field Marshal Commanding in Chief, to acquaint you that the following is the minimum time required for training recruits, prior to their embarking for service in India, of each of the following arms, viz.:

Royal Horse Artillery	9 months.
Royal Artillery	8 „
Cavalry	9 „
Infantry	6 „

I have, &c.
(signed) *C. R. Egerton*,
Deputy Adjutant General.

The Under Secretary of State,
War Office.

THIRD REPORT of the COMMITTEE appointed by the Secretaries of State for War and for India to make Arrangements for adjusting, from 1st April 1870, the Home Charges for Effective Service of Her Majesty's Regiments in India on the principle of Actual Charges.

MEMBERS:

T. L. Seccombe, Esq., C.B., Financial Secretary, India Office.
H. W. S. Whiffin, Esq., Chief Auditor, War Office.
Major General Jameson, Auditor of Home Accounts, India Office.
J. Milton, Esq., Assistant Accountant General, War Office.

IN compliance with the desire expressed by the Secretaries of State for War and for India, in a letter from Sir E. Lugard to the Under Secretary of State for India, dated the 4th January 1870, and the reply thereto of the 5th January, the committee have re-assembled for the further consideration of the subject of the payment by the Government of India of the home charges for Her Majesty's troops serving in India.

Since the date of the committee's second Report, important changes have been proposed in the constitution of the army in India, and propositions have also been made for recruiting the army on a new principle, which involves the breaking up of the cavalry depôt and infantry depôt battalions, attaching in lieu of the former a home troop of each regiment on service to a regiment of similar equipment at home; and of the latter, two companies of each battalion abroad to a battalion at home, eight companies to be on foreign service and 12 companies on home service.

A battalion of infantry in India would then consist of eight companies, each company having one captain and two subalterns; and there would be in respect of every battalion two companies at home, each with one captain and one subaltern, these two companies forming the depôt, and being attached to a home battalion of 10 companies.

The recruits annually required for each regiment of cavalry in India are estimated at 32, and for each battalion of infantry at 60. As under the proposed arrangement there would be nine regiments of cavalry and 50 battalions of infantry in India, the annual drafts required would be 288 cavalry and 3,000 infantry recruits.

The committee have not before them at present any definite information as to the artillery.

The propositions placed before the committee are, that 10 months is to be regarded as the average period of training of each cavalry, and seven months of each infantry, recruit; and that payment should be made from Indian revenues for recruits, at rates per man to be calculated with reference to those periods.

It is proposed by the members appointed by the Secretary of State for War that a proportion of the staff charges of each regiment or battalion should be included in the calculation; but this is objected to by the members appointed by the Secretary of State for India, on the ground that the staff charges in question would not be increased in consequence of one troop or two companies being attached to each regiment or battalion, and that the object to be kept in view is the repayment to Imperial revenues of expenditure incurred for the purposes of the Indian Government, and not the relief of the Imperial Exchequer from charges which it would incur independently of any Indian requirements.

The committee have, therefore, submitted two statements, one exclusive, the other inclusive, of the regimental or battalion staff.

Appendix, No.

Proceeding to ascertain the charge of a cavalry recruit under the arrangements above indicated, the committee have taken into account the following items:—

	£. s. d.	£. s. d.
Pay for 10 months, at 1 *s.* 5 *d.* per diem -	21 10 10	
Beer money for 10 months, at 1 *d.* per diem -	1 5 4	
Marching money and cost of conveyance of recruits, &c., 16 per cent. on pay - -	3 8 11	
Recruiting staff charges - - - -	2 19 1	
Barrack accommodation for 10 months, at 6 *l.* 2 *s.* 11 *d.* per annum - - - -	5 2 5	
Excess cost of bread and meat for 10 months -	1 4 5	
Charge for accoutrements for 10 months -	– 1 4	
Charge for practice ammunition - - -	– 8 1	
Clothing for 10 months, at 4 *l.* 8 *s.* 9 *d.* per annum - - - - - - - -	3 14 –	
Hospital expenses, at 17 *s.* 7 *d.* per annum -	– 14 7	
Forage for 10 months, providing one horse for three recruits - - - - -	11 2 8	
Levy money - - - - - -	2 11 –	
Cost of free kit - - - - - -	4 3 1	
		58 5 9
The charge of the troop depôt:		
1 captain - - - - - - - -	266 2 11	
1 lieutenant - - - - - - -	164 5 –	
2 troop sergeant majors - - - -	121 13 4	
3 sergeants - - - - - - -	136 17 6	
1 trumpeter - - - - - - -	28 17 11	
1 artificer - - - - - - -	38 – 5	
10 rank and file - - - - - -	258 10 10	
Beer money - - - - - -	25 17 1	
Agency - - {Allowance £. 16 14 7 / Poundage - 2 13 9}	19 8 4	
Contingent allowance - - - - -	41 – –	
Postage, &c. - - - - - -	7 – –	
Mess allowance - - - - - -	25 – –	
Forage for 17 horses, at 1 *s.* 10 *d.* - - -	568 15 10	
Cost of remount horses - - - -	98 – –	
Forage for five officers' horses, at 1 *s.* 1½ *d.* a day each - - - - - - -	102 18 1	
For 43 recruits - - - - - £.	1,902 2 3	
At per recruit - - - - - -	- - -	44 4 8
If the proportion of the pay of the regimental staff in England be added, viz.:		102 10 5
1 lieutenant colonel - - - - -	419 15 –	
1 major - - - - - - -	351 6 3	
1 paymaster - - - - - -	228 2 6	
1 adjutant (allowance) - - - - -	45 12 6	
1 quartermaster - - - - - -	155 2 6	
1 surgeon - - - - - - -	273 15 –	
1 assistant surgeon - - - - -	182 10 –	
1 veterinary surgeon - - - - -	182 10 –	
Command allowance - - - - -	54 15 –	
Non-effective allowance - - - -	40 – –	
Special allowance to quartermaster - -	30 – –	
Agency (1½ *d.* per £ on 1,963 *l.* 8 *s.* 9 *d.*) -	12 5 5	
Forage for 21 officers' horses, at 1 *s.* 1½ *d.* a day each - - - - - - -	431 3 1	
	2,406 17 3	
For one troop (one-eighth) - - - -	300 17 2	
For each recruit for 10 months - - -	- - -	5 16 8
The rate per recruit would be - - -	- - -	108 7 1

On the same principles the charge for infantry recruits would be as follows:— Appendix, No. 6.

	£. s. d.	£. s. d.
Pay for seven months, at 1 *s.* 2 *d.* per diem	12 8 5	
Beer money for seven months, at 1 *d.* per diem	- 17 9	
Marching money, cost of conveyance of recruits, &c. (16 per cent on pay)	1 19 9	
Recruiting staff charges	2 19 1	
Barrack accommodation for seven months, at 3 *l.* 2 *s.* 11 *d.* per annum	3 11 8	
Excess cost of bread and meat for seven months	- 17 1	
Accoutrements for seven months	- 1 -	
Practice ammunition	- 8 1	
Clothing for seven months, at 3 *l.* 1 *s.* 8 *d.* per annum	1 16 -	
Hospital expenses for seven months, at 17 *s.* 7 *d.* per annum	- 10 3	
Cost of free kit (exclusive of extra articles formerly in the kit, but now issued as clothing)	2 9 3	
Levy money and bounty	2 11 -	
		30 9 4
The charge of the two depôt companies:		
Pay of 2 captains	422 15 10	
„ 2 subalterns	237 5 -	
„ 2 colour sergeants	97 6 8	
„ 6 sergeants	237 5 -	
„ 4 drummers	91 5 -	
„ 6 privates	127 15 -	
Beer money	27 7 6	
Contingent allowance	36 10 -	
Postage and stationery	14 - -	
Mess allowance	50 - -	
Agency	18 5 -	
Ditto poundage	8 7 9	
For 80 recruits	1,368 2 9	
Or, per recruit	- - -	17 2 -
		47 11 4
If a proportion of the pay of the regimental staff in England be added, viz.:		
1 lieutenant colonel	310 5 -	
2 majors	584 - -	
1 paymaster	228 2 6	
1 adjutant (allowances)	63 17 6	
1 instructor of musketry (allowances)	45 12 6	
1 quartermaster	118 12 6	
1 surgeon	273 15 -	
1 assistant surgeon	182 10 -	
Command allowance	54 15 -	
Non-effective allowance	40 - -	
Special allowance to quartermaster	30 - -	
Forage for seven horses	234 4 2	
Agency	13 10 7	
	2,179 4 9	
For two companies (one-sixth)	363 4 1	
For each recruit for seven months	- - -	2 12 11
The rate per recruit would be	- - -	50 4 3

In the above calculation no provision is made for deaths or desertions among the recruits, nor for those who are unable, through ill health, to embark for India. Under the system hitherto existing, the charge on this account has been very heavy, as shown in the accompanying memorandum; but in future, as the recruits would form part of a home regiment or battalion, instead of a depôt battalion, it may be anticipated that their association with a larger body of trained men would reduce materially the extent of desertion.

Appendix, No. 6.

The committee are of opinion that if to the expense of each recruit, as already shown, a sum equal to one-third thereof be added, adequate provision would be made for the charge consequent on deaths, desertions, or inability of recruits to proceed to India. The charge for each cavalry recruit would thus be 136*l.* 13*s.* 11*d.*, and for each infantry recruit 63*l.* 8*s.* 5*d.*, or 144*l.* 9*s.* 5*d.* and 66*l.* 19*s.*, if the regimental staff charges are to be paid by India.

In regard to invalids or time-expired men awaiting their discharge, it appears to the committee that the expenditure actually incurred on that account should not be included in the rate per recruit.

They understand that all invalids will in future be sent to the Invalid Hospital at Netley, or to a consolidated depôt near the port of disembarkation, and they consider that the maximum period of remaining there should be six months; that at the expiration of that time, at the latest, the soldiers should either be discharged or brought on the strength of their regiments at home, the time-expired men and those incapable of further service being discharged as soon as possible after arrival in this country.

A statement of the charge on this account should be annually furnished by the War Office, and, after examination by the officers of the Secretary of State for India in Council, should be paid independently of the charge for recruits.

The charge for difference of men on passage should remain as specified in the second report of this committee, an addition of 10*l.* –*s.* 5*d.* per man being made on account of forage to the charge for each cavalry soldier, which was inadvertently omitted in the calculation annexed to the second Report.

In addition to the above charges, India would have to pay directly the colonels' allowances and furlough pay.

In this Report the committee have shown what would be the estimated cost of recruiting cavalry and infantry regiments in India under certain conditions placed before them. They have not entered upon the question how far those conditions are consistent with a due regard to economy. But they desire to express their concurrence in the view taken by the committee presided over by Major General Jameson, in their Report, dated 5th August 1869, that, for the purpose of raising and training the number of recruits required for battalions of infantry in India, it is not necessary to maintain more than one company with the depôt in this country.

In a subsequent report the committee, when supplied with information as to the artillery, will be prepared to recapitulate their recommendations as to the mode of adjustment of the several claims.

(signed) *T. L. Seccombe.*
H. W. S. Whiffin.
G. I. Jameson, Major General.
J. Milton.

(signed) *Robert P. Daye,* Secretary.

India Office, 28th February 1870.

We have agreed to the foregoing report, as showing the cost of cavalry and infantry recruits under certain prescribed conditions, which include the following charges:

For Cavalry Recruits.—The pay of two officers, seven non-commissioned officers, and 10 rank and file for each cavalry regiment, as well as the levy money, free kit, pay, and all allowances of 43 men for 10 months, in order to provide 32 recruits for India.

For Infantry Recruits.—The pay of four officers, 12 non-commissioned officers, and six rank and file for two companies of infantry, as well as the levy money, free kit, pay, and allowances for 80 men for seven months, in order to provide 60 recruits.

We consider that the mere enumeration of the strength in officers and men, with reference to the number of recruits to be provided, is sufficient to show that any scale of charges based thereon must be excessive; whereas among the advantages specified in the confidential "plan for carrying out certain reductions of expenditure upon the army in India, and organising a system for training recruits for battalions serving abroad," it is expressly stated that the plan "affords a more economical mode than that now existing of training and supplying drafts."

How far the charge involved in the propositions before the committee may be justified by other considerations than the best and cheapest mode of training recruits it is not our province to consider. But we feel it to be our duty again to refer to the fact, stated in the first report of the committee, that the East India Company were able to send efficient artillery and infantry recruits to India at a cost of 26*l.* 7*s.* 5*d.* per man, instead of 136*l.* 13*s.* 11*d.* for cavalry and 63*l.* 8*s.* 5*d.* for infantry recruits, as now proposed.

We are fully aware that the changes made in the terms of enlistment, pay, clothing, &c., would have increased the charge as incurred by the East India Company; but the proposed establishments for, and the periods of, training which have formed the bases of this third Report of the committee appear to us to be enormously in excess of what can be possibly required for the purpose of properly recruiting the British army in India.

(signed) *T. L. Seccombe.*
G. I. Jameson, Major General.

Appendix, No. 6.

FOURTH REPORT of the COMMITTEE appointed by the Secretaries of State for War and for India to make Arrangements for adjusting the Home Charges for Effective Services of Her Majesty's Regiments on the East Indian Establishment, on the principle of Actual Charges.

MEMBERS:

T. L. Seccombe, Esq., C.B., Financial Secretary, India Office.	J. Milton, Esq., Accountant General, War Office.
Major General J. C. Hannyngton, Bengal Army.	R. H. Knox, Esq., War Office.

THE committee have been unable, until the present time, to obtain the necessary data for determining the charge to India for artillery recruits. Having now obtained that information, they submit the following rates as chargeable for those recruits, the time of training being taken at 10 months for the Royal Horse Artillery, and nine months for the Royal Artillery, those periods, in accordance with the plan adopted in regard to cavalry and infantry recruits, being one month in excess of the minimum time required for training recruits as laid down in the letter from the Deputy Adjutant General at the Horse Guards to the Secretary of State for War, dated the 23rd July 1869, which formed Appendix G. to the second Report of this committee.

Royal Horse Artillery.

	£.	s.	d.
Pay for 10 months, at 1 *s.* 7½ *d.* per diem	24	7	10
Beer money for 10 months, at 1 *d.* per diem	1	5	3
Marching money and cost of conveyance of recruits, &c. (16 per cent. on pay)	3	18	1
Barrack accommodation for 10 months, at 6 *l.* 2 *s.* 11 *d.* per annum	5	2	5
Excess cost of bread and meat for 10 months	1	4	5
Accoutrements for 10 months	–	–	10
Clothing, at 3 *l.* 5 *s.* 9 *d.* per annum, for 10 months	2	14	10
Hospital expenses, at 17 *s.* 7 *d.* per annum, for 10 months	–	14	7
Levy money	1	8	–
Charge for practice ammunition	1	–	–
Cost of free kit (exclusive of extra articles formerly in the kit, but now issued as clothing)	3	7	8
Recruiting staff expenses	3	1	–
Depôt expenses	30	9	9
£.	78	14	9

An additional sum of 13 *l.* 11 *s.* being charged for each man who shall be certified to have passed through the riding-house establishment and been dismissed his drill.

Royal Artillery.—Mounted Men.

	£.	s.	d.
Pay for nine months, at 1 *s.* 5½ *d.* per diem	19	13	6
Beer money for nine months, at 1 *d.* per diem	1	2	9
Marching money, cost of conveyance of recruits, &c. (16 per cent. on pay)	3	3	–
Barrack accommodation for nine months, at 6 *l.* 2 *s.* 11 *d.* per annum	4	12	3
Excess cost of bread and meat for nine months	1	2	1
Accoutrements for nine months	–	–	9
Clothing, at 3 *l.* 4 *s.* 6 *d.*, for nine months	2	8	4
Hospital expenses, at 17 *s.* 7 *d.* per annum, for nine months	–	13	1
Levy money	1	8	–
Charge for practice ammunition	1	–	–
Cost of free kit (exclusive of extra articles formerly in the kit, but now issued as clothing)	4	1	3
Recruiting staff expenses	3	1	–
Depôt expenses	16	16	10
£.	59	2	10

An additional sum of 13 *l.* 11 *s.* being charged for each man who shall be certified to have passed through the riding-house establishment and been dismissed his drill.

Appendix, No. 6.

Royal Artillery,—Dismounted Men.

	£.	s.	d.
Pay for nine months, at 1 *s.* 5¼ *d.* per diem	19	13	6
Beer money for nine months, at 1 *d.* per diem	1	2	9
Marching money, cost of conveyance of recruits, &c. (16 per cent. on pay)	3	3	–
Barrack accommodation for nine months, at 6*l.* 2*s.* 11*d.* per diem	4	12	3
Excess cost of bread and meat for nine months	1	2	1
Accoutrements for nine months	–	–	9
Clothing, at 3*l.* 4*s.* 6*d.*, for nine months	2	8	4
Hospital expenses, at 17*s.* 7*d.* per annum, for nine months	–	13	1
Levy money	1	8	–
Charge for practice ammunition	1	–	–
Cost of free kit (exclusive of extra articles formerly in the kit, but now issued as clothing)	3	7	8
Recruiting staff expenses	3	1	–
Depôt expenses	16	16	10
£.	58	9	3

The system under which artillery recruits are trained in this country with the depôt brigade of the Royal Artillery differs materially from that under which recruits are trained at the depôts of regiments of cavalry or infantry. At the depôt brigade of artillery recruits are trained for other brigades as well as for those in India, and any recruits found unfit to embark for India are, in a very short period, fit for duty with a brigade stationed elsewhere, and do not remain at the depôt waiting for the embarkations of the ensuing year. The charge on that account is consequently so small that it does not call for any increase to the ascertained cost of the recruits sent to India. The committee are, therefore, of opinion that any such addition as that made to the cost of a cavalry or infantry recruit, on account of deaths or desertions at the depôt, or for recruits who are unable, through ill-health at the time of embarkation, to proceed to India, should not be made in regard to artillery recruits.

The committee now proceed to recapitulate their several recommendations as applicable to the settlement of these claims.

That, estimating the charge for difference of men on passage to and from India, according to the minimum period of training prescribed by the letter from the Deputy Adjutant General to the Under Secretary of State for War, already referred to, the charges will be as follows:

	£.	s.	d.	£.	s.	d.
Cavalry	45	16	10			
Add for forage	10	–	5			
				55	17	3
Infantry				27	7	11
Royal Horse Artillery				47	10	7
Royal Artillery				40	11	5

These rates to be chargeable on the numbers embarked with regiments of cavalry and infantry and troops and batteries of artillery as reliefs, and also on such non-commissioned officers or men, if any, as may be sent from regiments, troops, and batteries not belonging to the Indian depôts, India being reimbursed at the same rates for every non-commissioned officer or soldier disembarked who shall not be within two years of the completion of his term of service.

The practice of not sending out men who have less than two years to serve should be continued, and in calculating the number on which the prescribed sums are to be paid for effective men going out or returning with their corps, India will not receive credit for men who have not less than two years to serve.

That the charge to India for recruits, based, so far as regards cavalry and infantry, on the principle of maintaining a troop for each regiment of cavalry, and two companies for each regiment of infantry, for the purpose of recruiting, and adding one month to the minimum period of training as already referred to, will be:

	£.	s.	d.	
For each Cavalry recruit	136	13	11	
„ Infantry recruit	63	8	5	
„ Royal Horse Artillery recruit	78	14	8	With an addition of 13*l.* 11*s.* if the recruit shall have passed through the riding-house establishment.
„ Royal Artillery mounted recruit	59	2	10	
„ Royal Artillery dismounted recruit	58	9	3	

That the rates at present chargeable for non-commissioned officers of Royal Engineers required for special service in India, as fixed in the Report of the committee which considered the subject in March 1867, should remain in force.

In

In addition to the above charges, India will pay directly the colonels' allowances and furlough pay.

In regard to invalids or time-expired men awaiting their discharge, it appears to the committee that the expenditure actually incurred on that account should not be included in the rate per recruit. They understand that all invalids will in future be sent to the Invalid Hospital at Netley, and they consider that the maximum period of remaining there should be six months; that at the expiration of that time, at the latest, the soldiers should either be discharged or brought on the strength of their regiments or depôts at home, the time-expired men, and those incapable of further service, being discharged as soon as possible after arrival in this country.

A statement of the charge on this account should be annually furnished by the War Office, and, after examination by the officers of the Secretary of State for India in Council, should be paid independently of the charge for recruits.

The committee recommend that the foregoing rates should be adopted in the settlement of the War Office claims for the years 1870–71 and 1871–72. As great changes are being made in the constitution of the army, the committee are of opinion that the rates should be re-considered, and, if necessary, revised in regard to the year 1872–73 and subsequent years.

The committee desire to record their acknowledgments of the valuable assistance rendered by Mr. Day, as secretary to this committee.

(signed) *T. L. Seccombe.*
J. Hannyngton.
John Milton.
Ralph H. Knox.

(signed) *Robert P. Daye*, Secretary.

London, 12 April 1872.

Having agreed to this Report, which shows the sums chargeable to India under the special conditions placed before the committee, and which recapitulates the recommendations contained in their previous reports, we consider it necessary to refer to the observations of the members appointed by the Secretary of State for India, which were attached to the committee's second and third Reports, and to repeat that we entertain serious objections to the arrangements herein referred to, especially as to the charges for cavalry and infantry recruits.

1st. As regards cavalry, we consider that, for the purpose of providing annually 32 recruits for each cavalry regiment in India, it is not necessary that India should bear the whole charge of two officers, seven non-commissioned officers, and 10 rank and file, as well the levy money, free kit, pay, and all allowances of 43 men for 10 months.

2nd. As to the infantry, we do not consider that, in order to provide 60 recruits for each regiment, it is necessary that India should bear the pay of four officers, 12 non-commissioned officers, and six rank and file for two companies of infantry, as well as the levy money, free kit, pay, and all allowances for 80 men for seven months.

We are also of opinion that, as these several troops of cavalry and companies of infantry are entirely at the disposal of the Secretary of State for War, and are available to meet any emergency for which a home garrison is required, a considerable portion of the charge on their account should be defrayed by the British Exchequer.

We also desire to draw attention to the observations contained in the first and third Reports of the committee as to the cost of recruits provided by the East India Company and the rates referred to in this Report, and we consider that, after making every allowance for changes in the terms of enlistment, pay, clothing, &c., the difference between those rates clearly indicates that it is not necessary, if Indian interests alone be considered, that recruits should be supplied under so expensive a system as that now existing.

(signed) *T. L. Seccombe.*
J. Hannyngton.

Appendix, No. 6.

REPORT of the COMMITTEE appointed by the Secretaries of State for War and for India to make Arrangements for adjusting the Home Charges for Effective Services of Her Majesty's Regiments on the East Indian Establishment on the principle of Actual Charges.

MEMBERS:

T. L. Seccombe, Esq., C.B.	J. Milton, Esq.
Major General J. C. Hannyngton.	R. H. Knox, Esq.

IN pursuance of the reference made to this committee by the letters from the Under Secretary of State for War to the Under Secretary of State for India, dated the 30th January 1872, and the reply from the India Office, dated the 6th March following, the committee have considered what would be the best mode of adjusting the charge which will arise in consequence of the promotion of British colonels to be major generals, in succession to vacancies caused by the deaths of Indian general officers.

The committee have referred to the Royal Warrant of the 27th December 1870, Articles 24 to 27, an extract of which is annexed, and they find that under the arrangement therein ordered it was estimated that a number equal to 1 in 28 of the Staff Corps officers, or about 90 in all, would be eventually added as major generals to the Imperial list.

Up to the present time 48 Staff Corps generals have been transferred to the Imperial list, and four British colonels have since been promoted in succession to Indian vacancies. So far as an estimate can be formed, about 150 British colonels must be promoted before another Staff Corps colonel can succeed to the vacancy of a major general.

There are two plans on which the varying charge for the pay of these major generals can be adjusted with due regard to the interests of the British and Indian Treasuries:—

1st. That British revenues should bear the charge for each British colonel, and that Indian revenues should bear the charge for each Staff Corps colonel promoted to be a major general on the Imperial list; or,

2nd. That Indian revenues should bear the charge for each British colonel promoted under the Royal Warrant, in excess of the fixed establishment of 275 general officers; India receiving hereafter the unattached pay of 25*s.* a day for each Staff Corps colonel promoted to be a major general.

Under the first plan the British Exchequer would for a time have to bear a somewhat larger expenditure in consequence of the amalgamation, but it appears from calculations that have been made that this excess would be repaid in subsequent years. This plan would have the advantage of securing to officers of the British army the whole of the sum voted from Imperial revenues for unattached pay, and the British and Indian Governments respectively would be in a position to remedy any exceptional cases of officers, of either the British or Indian establishment, who might be deprived for a time of a fair share of advancement.

If the second plan were adopted, the Indian Treasury would have to bear at first an increased charge, which would be repaid in subsequent years when a number of Indian Staff Corps officers in excess of 1 in 28 will have succeeded as major generals on the Imperial list.

The committee recommend that the first of the two plans be adopted; that accordingly the pay of each British colonel promoted be paid from British revenues, and the pay of each Staff Corps colonel promoted be paid from Indian revenues. Also that the system in force under which India pays the capitalised value of the proportion chargeable on account of Indian service of the non-effective charge for British general officers on the unattached list be continued, and that it be applied to those who may temporarily be in excess of the British portion (275) of the fixed establishment.

(signed) *T. L. Seccombe.*
J. Hannyngton.
John Milton.
Ralph H. Knox.

(signed) *Robert P. Daye*, Secretary.

London, 26 July 1872.

Appendix, No. 6.

EXTRACT from ROYAL WARRANT, dated 27th December 1870.

Art. 24. WHEN a vacancy shall occur on List A. to which a colonel of the Staff Corps on List B. would have succeeded, had promotion to List A. been continued, an addition of one shall be made to the Guards and Line establishment of general officers of the British Army, by the promotion to it of the senior qualified colonel of that branch on List B., whether he be a British officer or an officer brought in from the Staff Corps. This shall continue until the number of general officers added to the British establishment, including the first transfer, shall be one for every 28 combatant officers in the Staff Corps of the three Presidencies.

Art. 25. On the first addition being made under Article 24, the general officers of the Staff Corps on List A. shall be transferred to the British establishment, which shall be increased by the same number as the Indian establishment will be diminished by such transfer.

Art. 26. Promotion into List A. shall, after the transfer provided for in Article 25, be limited to officers of cavalry and infantry of our late Indian army who shall not have joined our Indian Staff Corps.

Art. 27. As the number of general officers on the Guards and Line establishment of the British army increases, under the operation of Article 24, the establishment of generals, lieutenant generals, and major generals shall be from time to time so adjusted as to maintain, as nearly as may be, the proportions now existing in the British service; but any reductions that may be requisite shall be made only by gradual absorption of every third vacancy amongst supernumeraries in the higher grade.

LETTER to the Under Secretary of State, War Office, dated India Office, 8th September 1871, No. 652 W.

Sir,

1. WITH reference to Sir E. Lugard's letter to this office, dated the 24th October 1870, and its enclosure, and to previous correspondence upon the subject therein referred to, I am directed by the Secretary of State for India in Council to request that you will inform the Secretary of State for War that the attention of the Duke of Argyll has been again called to the very high rate which it has been proposed to charge against the revenues of India on account of recruits sent to that country for the cavalry and infantry, and to the remarks made thereon in a Report by a committee appointed to consider the question, dated the 28th February 1870, and to the further remarks made in a postcript to the same Report by the two members of the committee representing this office.

2. The remarks of the committee, which consisted of two gentlemen representing the War Office and two representing the India Office, were as follows: "In this Report the committee have shown what would be the estimated cost of recruiting cavalry and infantry regiments in India, under certain conditions placed before them. They have not entered upon the question how far those conditions are consistent with a due regard to economy; but they desire to express their concurrence in the view taken by the committee presided over by Major General Jameson, in their Report dated 5th August 1869, that, for the purpose of raising and training the number of recruits required for battalions of infantry in India, it is not necessary to maintain more than one company with the depôt in this country."

3. While the further remarks, signed by Mr. Seccombe and Major General Jameson, concluded with the following passage: "We are fully aware that the changes made in the terms of enlistment, pay, clothing, &c., would have increased the charge as incurred by the East India Company, but the proposed establishments for, and the periods of, training, which have formed the basis of this third Report of the committee appear to us to be enormously in excess of what can be possibly required for the purpose of properly recruiting the British army in India."

4. In Lord Northbrook's letter of the 25th May 1870, it was stated that the "arrangement under which two depôt companies are to be provided for out of Indian revenues, having formed part of the general arrangements which were made by Her Majesty's Government, in consequence of the reductions urged by the Government of India in the autumn of last year in the establishment of Her Majesty's forces serving in India. These arrangements were framed in concert with the India Office, and involve other considerations than those which relate solely to the number of officers required for the training of recruits, and the Army Estimates for the present year have been framed on the understanding that the cost of two depôt companies will be borne by Indian revenues"; and it was intimated that some further claims for contribution from the revenues of India would be made by the War Office.

5. The Duke of Argyll, therefore, having in view the heavy burden which the people of India have to bear at the present time in the item of army charges, considers it necessary

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to call Mr. Cardwell's serious attention to the following facts, and to urge upon him the absolute necessity of making some arrangements by which the recruiting of the British forces in India may be effected at a cost more suited to the financial resources of that country, and less strikingly in excess of the cost at which the same end was accomplished under the East India Company.

6. According to the present arrangement, which has been accepted by the War Office provisionally, the charge against the revenues of India is to be—

	£.	s.	d.
For a cavalry recruit - - - - -	136	13	11
For an infantry „ - - - - -	63	8	5

that for an artillery recruit being under consideration.

7. The mode in which the above charges have been arrived at will be sufficiently shown by reference to the calculation made by the committee in the case of an Infantry recruit.

	£.	s.	d.
The pay and personal expense of the recruit for seven months is estimated at - - - - - - - - - -	30	9	4
Charge for two depôt companies - - - - - - - -	17	2	—
	47	11	4
One-third of the amount allowed for death, desertion, &c. - -	15	17	1
£	63	8	5

8. The committee stated in the same Report that the annual average number of recruits required for an infantry battalion in India would be 60, and the total number required would be 3,000; allowing, however, the very liberal proportion of one-third for death and desertion, there would be in the aggregate 4,000 men for seven months of the year, or its equivalent, 2,333 recruits for the whole year, with an establishment of—

100 captains,	300 sergeants,
100 subalterns,	200 drummers,
100 colour sergeants,	300 privates,

maintained at an aggregate cost per annum of 68,406*l.* 17*s.* 6*d.*, being something more than half of the pay and personal expenses of the men themselves.

9. This arrangement gives 200 combatant officers for 2,333 men, or about one officer to 12 men, and one non-commissioned officer to every six men, while the proportion of combatant officers to rank and file in a battalion on actual service in India, where they are still far short of a war establishment, is only 28 combatant officers and 43 non-commissioned officers to 820 rank and file, or one commissioned officer to every 29 men and one non-commissioned officer to every 19 men.

10. The Duke of Argyll does not consider it within his province to call in question the propriety of any regimental arrangements which the military authorities in this country may deem it necessary to adopt, with a view solely to the efficient organisation of the army at home, some of which arrangements are probably recommended by those "other considerations" referred to in Lord Northbrook's letter of the 25th May 1870. But his Grace cannot consider it either politic or just to lay upon the revenues of India the entire cost of an organisation for furnishing recruits to that country which experience has shown to be far beyond what is needed for that particular purpose. The subject, important as it is at the present moment on account of the large annual payment which India is called upon to make for this purpose, becomes still more important in view of the possible effect of the new system of enlistment under the Army Enlistment Act* of last year, by which the annual number of recruits for India will be considerably augmented.

*33 & 34 Vict. c. 67.

11. The Duke of Argyll is desirous, therefore, of urging upon Mr. Cardwell's consideration the possibility of introducing a different and more economical system for the enlistment and training of recruits for India.

12. With this view, it appears to his Grace that general depôts might be established with special relation to the regiments in that country, and that one such depôt would suffice for the artillery, one for the cavalry, and three for the infantry branch.

13. The contrast between the cost of recruits under the system which I have now reviewed and the cost at which the East India Company formerly recruited its European regiments is very striking. Mr. Cardwell is probably aware that the establishment of officers at the Warley depôt under the East India Company consisted of five combatant officers, four of whom constituted a permanent staff, while the fifth was usually an officer on furlough from India.

14. With this staff, and a suitable establishment of non-commissioned officers, a force consisting of nine regiments of infantry, and of about 7,000 artillery, was maintained and supplied regularly with recruits at an average cost of 26*l.* 7*s.* 5*d.* per man.

15. Recognising

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15. Recognising the importance of having able and experienced officers at depôts of this nature, the Duke of Argyll assumes that the number of commissioned officers may be, in proportion to the men, far smaller than with a regiment, the proper drilling and instruction of the men being dependent mainly upon the presence of an efficient staff of non-commissioned officers, and he presumes, therefore, that the establishment of commissioned and non-commissioned officers for such depôts would be regulated accordingly.

16. As an argument in favour of regimental depôts, it has been stated that "so long as the term of service in India is maintained at from 10 to 12 years, it is necessary as a measure of efficiency, as well as of due consideration to the health of the officers, that a proportion of their number should have the opportunity of change of climate to the depôt;"* while again, much importance is attached by some authorities to the recruits of each regiment being commanded and drilled by officers of that regiment.

* Remarks by Colonel Egerton, see Report of General Jameson's Committee, 5th August 1869.

17. The Duke of Argyll cannot admit that there is force in either of these arguments.

18. With regard to the question of health and efficiency, the experience of the Indian Government in the Military Department does not establish the necessity of giving to British officers serving in that country, in addition to the ordinary leave within their reach, the privilege, with a view of retaining their health and efficiency, of having a tour of duty in England for two years, and (as it may be) more than once during a service of 10 or 12 years abroad, while it may be added that the expense of relieving these officers from time to time is very large.

19. With regard to the second argument, that the present expensive system is necessary because recruits should be from the first with officers of their own regiments, his Grace thinks it can hardly be maintained that the efficiency of the men as soldiers can be in any degree affected by such a consideration, and that the fact of a young man having learnt his drill and duty as a soldier under one set of officers, provided they are well fitted for imparting such instruction, during the seven months prior to joining his own corps, can in the least degree affect his value upon joining his proper battalion.

20. Moreover, the system now introduced and encouraged of enlisting men for general service, necessarily leads to the men undergoing the whole of the preliminary training in many cases before it is determined what regiment they shall be ultimately attached to.

21. I am further desired to add, with reference to this point, that while in the artillery the battery may be taken as the unit of organisation, corresponding with the battalion in the infantry, the recruits for this arm of the service are trained and instructed at a general depôt, under officers appointed for that duty, without any reference to batteries, and without any reasonable expectation that these officers and the recruits they are instructing will ever serve in the same batteries, or meet again in the course of their career.

22. His Grace considers that a further argument might be found in favour of the proposed system of general depôts in the fact that service in India is believed to be popular with the army, and that the assurance that in presenting themselves at such depôts they would be enrolled for that service would promote enlistment generally, and tend to facilitate the completion of the battalions in India to their proper numbers with men of suitable age and qualifications.

23. Lastly, such a system would tend greatly to simplify the question of expenditure as between the Home and Indian Governments, as there could be no doubt as to the expenditure of establishments framed and maintained solely for Indian purposes.

24. In conclusion, I am directed by the Duke of Argyll to urge this question on Mr. Cardwell's most serious and immediate attention. The abolition of a local European army in India was a measure dictated by considerations of Imperial policy. But it is questionable whether that measure could have been so easily carried if it had been fully known how great would be the additional burden thrown upon the Government of India. Part of that addition was unavoidable, and may not be too great a price to pay for the expected advantages. But the Duke of Argyll is confident of Mr. Cardwell's support in his desire that this additional cost should be kept within the limits of real necessity, and should not be aggravated by the maintenance of a system of recruiting which appears to be extravagant, and to have no reference to the exigencies of Indian service.

(signed) *J. P. Thom,*
For the Military Secretary.

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LETTER from the War Office, dated 14th April 1872, No. 7023/436, to the Under Secretary of State for India.

Sir,

I AM directed to inform you that Mr. Secretary Cardwell has had under his most careful consideration the subject of the payments which may properly be demanded by the Imperial Government from Indian revenues on account of the British military forces supplied to the Indian Government for service in India, especially as regards the cost of raising and training recruits for India with reference to the letter of the late Mr. Pattison Thom, dated the 8th September 1871.

In that letter the views entertained by the Secretary of State for India in Council relative to the cost of raising and training recruits for India are stated in detail, founded on the most correct and precise data of the organisation and numbers of the recruiting establishment in this country.

But Mr. Cardwell regrets that he is unable to concur in the conclusions arrived at by his Grace the Duke of Argyll, as Mr. Cardwell is clearly of opinion that the cost to this country of supplying British soldiers to maintain the establishment of European troops in India is by no means represented by the disbursements made on the several individual soldiers or recruits drafted to India.

It is the policy of the Indian Government to keep the numbers of the European troops serving in that country at the lowest strength consistent with the safety of the Indian Empire in time of peace; while the troops in Great Britain or in her colonies serve as reserves to which the Government of India looks for reinforcements of troops in the case of any emergency, and it is only through the existence of these available reserves that Indian revenues are spared the vast expense that would arise were the troops in India always maintained at their maximum instead of their minimum requirements.

The maintenance, therefore, of these available reserves forms, in Mr. Cardwell's opinion, an important item in the actual disbursements out of British revenues, for repayment of which Indian revenues are directly liable; and whatever may be the strength or organisation of the British army as determined by Her Majesty's Government to be most conducive to the maintenance of the constant efficiency of the troops, the Government of India is directly interested in the keeping up of that strength and that organisation, as involving the question, so important to that Government, whether the reserves on which it depends for the immediate conversion of the peace establishment in India to a war establishment in case of emergency are at all times available to be drawn upon at any, the shortest, notice.

Moreover, Mr. Cardwell is unable to overlook the fact that, in providing British troops for service in India, the civil population of this country is called upon to give to the army a number of men, which represents a very considerable portion of the numbers available for military service, and to that extent India competes at all times with this country in obtaining from the civil population the numbers of recruits required for the military forces of the Crown, adding to the difficulty, and consequently to the cost, of raising each individual recruit.

Mr. Cardwell is therefore of opinion that Indian revenues are justly liable to bear, in the widest sense of the term, their full proportion of the cost of the reserves of effective soldiers maintained in this country as well as their proportion of the cost of the whole machinery for drawing recruits from the civil population, and of training them for efficient service abroad by whatever organisation or system may be adopted by Her Majesty's Government as being most conducive to the strength and efficiency of the British army.

That the organisation and system so adopted shall be at all times carried out with the utmost possible regard to economy, so far as is compatible with real efficiency, is the anxious care and constant object of Her Majesty's Ministers in the discharge of their duties in the Government of this country, while at the same time the Secretary of State for War has always acted on the principle that Indian financial considerations ought not to be overlooked in dealing with questions of military expenditure.

Mr. Cardwell is therefore unable to concede the position apparently assumed in the letter from the India Office, that the charges for British recruits sent to India are extravagant or unfair in their demand upon Indian revenues.

The expenses disbursed on recruits for India are subjected to the same minute and unvarying control as are those incurred for the recruits for home and colonial service, and in no way could Mr. Cardwell consent to a diminution of the charges, founded as they are on ascertained expenditure, without unfairly throwing upon British revenues expenses incurred solely for Indian purposes.

In the foregoing remarks I have, by the Secretary of State's direction, confined myself mainly to the matter of the charges for recruits, being the subject matter of the India Office letter, but Mr. Cardwell desires me to take this occasion to state that, in his opinion, there still remains a considerable amount of expenditure on the army in this country by which Indian revenues are relieved, and for the reimbursement of which no provision is made in the terms by which the Indian Government is able to draw on the British army at home in case of emergency.

Of these indirect charges the following may be instanced:

The cost of the military staff and head-quarter departments at home.

The regimental staff of the corps to which the Indian depôts are attached or affiliated.

The

The full assessed cost of raising and training the soldiers who proceed, not as drafts or recruits, but as relieving corps, allowing to India for such efficient men as return with relieved corps.

The full cost of the educational establishments for officers and for men.

The cost of experiments in arms and ammunition.

The cost of rewards to inventors of military weapons or machines.

And, in every case in which India calls for an augmentation of the number of what may be termed the professional branches or departments, such as artillery, engineers, and medical officers, such sums as may be determined on as representing the cost that has been incurred by British revenues to prepare such professional officers for the efficient discharge of their duties.

The object which Mr. Cardwell has in view in this letter is not to take any action or to propose any change in the subsisting arrangements which, however, he reserves to himself the full liberty of proposing at any time, but merely to point out to the Secretary of State for India in Council, that the pecuniary advantages at present derived by India from those arrangements are much greater than appears to be contemplated in the letter now under reply.

I have, &c.,
(signed) *H. Campbell.*

LETTER to the Under Secretary of State, War Office, dated India Office, 9th August 1872, No. 367 W.

Sir,

Para. 1. I AM directed to inform you that the Secretary of State for India in Council has had under his serious consideration Mr. Campbell's letter of the 24th April, being a reply to a letter from this office, of the 8th September 1871, upon the subject of the rates at which the cost of recruiting for the European regiments employed in India is charged to the revenues of that country.

2. In his letter of the 8th September 1871, the Secretary of State in Council pointed out that the cost of recruiting appeared to be swelled by needless expenditure on the organisation of depôts; that is to say, by expenditure which did not seem to be required for the efficient training of recruits. The Secretary of State for India in Council further thought it his duty to suggest a plan for recruiting, by which much of this unnecessary expenditure might be saved, and which at the same time would tend to simplify the system by which the share of recruiting expenses due from India is annually ascertained.

3. Mr. Campbell's letter passes over these representations and suggestions altogether. It takes no other notice of them than to admit that all the facts are accurately stated. It does not defend the depôt organisation as necessary for the efficient training of recruits; nor does it state that there is any objection, so far as the efficiency of training is concerned, to the cheaper system which had been suggested from this office. The charges made against India for recruiting are indeed defended, but they are defended not upon the ground that they are required for the purpose for which they are nominally paid, but upon the ground that they are required for a totally different purpose—the purpose, namely, of making India contribute towards what is called an army of reserve, that is to say, for the purpose of making India pay towards the cost of the home garrison of England, on the plea that some part of it, at some future time, may possibly be required in India.

4. Mr. Campbell's letter further intimates that the same principle on which this charge is defended would equally justify many other charges which are not now actually made, but which it is distinctly said Mr. Cardwell reserves his right to bring forward at any future time. Of these other charges Mr. Campbell's letter furnishes a list.

5. The Secretary of State for India in Council entirely concurs with Mr. Cardwell that the principle laid down in Mr. Campbell's letter would cover many other charges which have never hitherto been either made or contemplated; and he doubts whether even the list of them which is indicated in that letter exhausts the contributions which, on the same principle, India might be called upon to make. But taking that list alone, it would appear that, in Mr. Cardwell's opinion, India may be justly called upon to pay a proportion (quite undetermined) of the total cost of the whole military staff and head-quarters' department of the army at home; a like proportion of the regimental staff of all the regiments which have, though serving in England, a nominal connection with the recruiting depôts; a like proportion of all home educational establishments; of all experimental outlays at Woolwich and other arsenals; and of all rewards to inventors.

6. It is not easy to see why this list of heads under which India may be called to pay direct tribute to the Imperial Exchequer should stop here. A share of the cost of every home establishment, or institution of whatever kind, to which the Indian Government affords custom or employment, or which has any contact, direct or indirect, with the administration of that country, might be claimed upon the same principle and under the same plea. If India, besides defraying the whole cost of the India Office, as it now does,

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is to be required to pay also largely to the cost of the establishment of the Horse Guards and of the War Office, the principle on which this claim is made, would not stop with the demands of the particular department on behalf of which Mr. Campbell writes. In like manner the navy may possibly be required in the defence of India. Therefore the revenues of that country ought to defray part of the expenses of the department of the Admiralty, of all the naval arsenals, of all the naval stations, and probably, also, of all the Mediterranean garrisons.

7. If such a scheme for exacting tribute from India towards the maintenance of Imperial establishments, both at home and abroad, is to be entered upon, it is better that it should be pushed at once to its logical results. It is only in the light of those results that its real character can be appreciated. The most injurious system which can possibly be adopted is the system of asserting the principle, but of leaving it to be applied gradually, as successive Governments may from time to time find it convenient to apply it, to relieve their Parliamentary Estimates, and yet so as not to alarm too much the people of India, or shock too much the conscience of the public at home.

8. The problems of Indian finance are difficult enough already, but they will be rendered infinitely more difficult if the Indian Government is to be kept in complete uncertainty as to the extent to which "indirect claims" are to be raised for Imperial subventions.

9. The Secretary of State for India in Council, therefore, cannot allow the principle of such claims to be laid down for the first time in an official letter from the War Office, without entering against it his formal protest. The principle is certainly a new one. He believes it to be illegal, and he is satisfied that it is unjust.

10. As, however, the gravity of this question is apparent, and as Mr. Campbell's letter sets forth the arguments on which Mr. Cardwell relies for establishing the justice of such claims, the Secretary of State for India considers it his duty in like manner to explain the grounds on which he holds these arguments to be fallacious.

11. The argument of Mr. Cardwell begins with, and mainly rests upon, the assertion that it is the policy of the Government of India to maintain the smallest possible amount of European troops in that country, to rely habitually on reinforcements from the army at home, and thus practically to lean upon that army as an army of reserve.

12. The Secretary of State for India regards this assertion as not only incorrect, but as completely inverting the real facts of the case.

13. It would be much nearer the truth to affirm that the Imperial Government keeps in India, and quarters upon the revenues of that country, as large a portion of its army as it thinks it can possibly be required to maintain its own dominion there; that it habitually treats that portion of the army as a reserve force, available for Imperial purposes; that it has uniformly detached European regiments from the garrison of India to take part in Imperial wars, whenever it has been found necessary or convenient to do so; and, more than this, that it has drawn not less freely upon the native army of India, towards the maintenance of which it contributes nothing, to aid it in contests outside of India, and with which the Indian Government has had little or no concern.

14. The extraordinary case of the great mutiny of 1857-58 is the only case which gives even plausibility to Mr. Campbell's representation of the facts upon this subject.

15. In that case, altogether unprecedented in the history of British India, the Imperial Government was compelled, under the imminent risk of losing its empire in the East, to make one of those great efforts which are at times inseparable from Imperial power and Imperial obligations. It must be remembered, however, that, if similar exertions had been called for by war in any other part of Her Majesty's dominions, not only must the same effort have been made, but the burden of it must necessarily have been borne, in great part at least, by the Imperial Government. But in regard to the Indian mutiny, no part of the cost of suppressing it was allowed to fall on the Imperial Exchequer. The whole of it was, or is now being, defrayed by the Indian taxpayer.

16. Since the period of the mutiny, the Imperial Government has largely increased the portion of its army which it keeps in and at the expense of India; and both before and since that event it has been in the habit of drawing upon that portion of its army, as an army of reserve for Imperial wars, whenever occasion required. The Secretary of State need not now refer to the celebrated case of the expedition to Egypt in 1801, further than to observe that, in any similar contest which may occur in future, it is more certain than ever that the Indian army would be drawn upon as an army of reserve, and that the maintenance of a large force in that country, available for operations in the intervening regions, must always be one of the main elements to be considered by an enemy in estimating the danger and the difficulty of hostile operations against Great Britain in that direction.

17. The expeditions to Mauritius and Java, in 1810 and 1811, are further instances of aid derived from India during the great French war.

18. But without dwelling on these cases, and looking back no further than the history of the last 30 years, there have been only two occasions, besides the mutiny, on which reinforcements were sent for Indian wars, whilst during the same period there have been no less

less than seven different occasions on which India has been called upon to supply either whole armies, or considerable reinforcements, for the Imperial purposes.

19. The two occasions referred to on which reinforcements to India were sent from home were the Sutlej campaign of 1846, when one regiment of cavalry and three regiments of infantry were sent from England. and the Punjaub campaign of 1849, when five regiments of infantry were similarly supplied.

20. Against these occasions, when India has borrowed troops from England, are to be set the following occasions when England has borrowed troops from India: *

In 1842, the China expeditionary force, consisting of two battalions of artillery, three companies of sappers, four regiments of European infantry, six regiments of native infantry, and all the staff of the army.

In 1855, two regiments of cavalry and two regiments of infantry were sent from India to reinforce the Crimean army.

In 1856–57, the Persian expedition was drawn from India, to the extent of—

2 troops, 3 battalions, and 5 companies of artillery,
2 companies sappers,
1 regiment European cavalry,
3 regiments European infantry,
3 regiments and 3 squadrons native cavalry,
8 regiments native infantry, and
Commander and staff.

In 1859–60, another China expeditionary force was reinforced from India by four batteries of artillery, a company of engineers, a company of sappers, six regiments of European infantry, two regiments of native cavalry, 11 regiments of native infantry, and a considerable portion of the staff.

In 1860, two regiments were sent from India to New Zealand.

In 1861, another regiment was afforded to the same colony.

In 1867, the army for the invasion of Abyssinia was (mainly) drawn from India, including—

5 batteries artillery,
1 company engineers,
6 companies sappers,
1 regiment European cavalry,
4 regiments native cavalry,
4 regiments European infantry,
8 regiments and 1 company native infantry,
Coolie corps,
Army works corps, and
Commander and staff.

21. As regards this list of occasions on which India has been drawn upon as affording an army of reserve for Imperial purposes, it may possibly be alleged that these wars were all Indian wars. In the House of Commons, in 1857, Mr. Gladstone did indeed denounce this plea, in respect to the Persian war, as one which "could not be advanced by any fair or candid man"; but the Secretary of State is aware that, nevertheless, it is a plea which is sure to be put forward on behalf of the Imperial Exchequer. It is certain, however, that all these wars were dictated entirely by the Imperial Government, and that the interests of British commerce, the grievances of British merchants, or the honour of the British Crown, were the determining considerations in them all. The policy of charging the Persian war in largest proportion to Indian revenues was severely commented on in Parliament, and led to a statutory enactment limiting such uses of Indian revenues for the future.

22. If it be argued only that India, as a part of the empire, has had its own share of interest in these wars, the plea may be admitted, but only in the proportion in which the same plea is admitted as against the Imperial Exchequer in respect to wars within the limits of India. Many of these have been wars dictated from home, and have been undertaken with reference to Imperial policy. In view of this fact, the Secretary of State in Council sees much force in the declaration of Sir R. Peel, quoted and adopted by Mr. Gladstone in the same speech, which has already been referred to, "that there is a virtual connection between Indian expenditure and British liability." Community of interests within certain limits may fairly be alleged; but it must not be alleged only when it tells in favour of the Imperial Exchequer, and repudiated when it tells in favour of the Indian taxpayer.

23. The fact of India having been so continually drawn upon as an army of reserve for Imperial wars is a conclusive answer to Mr. Campbell's letter on this part of the subject, whatever may have been the system of account by which the charges for that army have been adjusted. But in this matter also it is the duty of the Secretary of State in Council to remind Mr. Cardwell what that system has been.

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24. In every instance in which reinforcements from home have been sent to India, the whole pay of the troops so sent has been charged to India from the moment of their departure from the shores of England. On the other hand, when India has been called on to provide troops for foreign expeditions, it has been the general practice to continue to charge the ordinary pay of the troops to the Indian Exchequer during their absence from India. In the very last case (the Abyssinian war) the ordinary pay of the troops, both European and native, furnished to that expedition was paid out of Indian revenues.

25. These facts are a sufficient comment on the fairness of an attempt to charge India for Imperial military establishments at home on the plea that they furnish to India an army of reserve, without any notice whatever being taken of the much more numerous cases in which India has been drawn upon as affording an army of reserve for the Imperial Government.

26. And here I am directed to observe, that it would make no difference in the argument now maintained, even if it were true, that all this had been done with the consent of the Court of Directors or of the India Office. In so far as that consent may be supposed to represent, however roughly, the consent of the people of India, it only shows that the authorities specially charged with the interests of India have taken a higher and more generous view of the relations which ought to exist between the two Governments than prevails in Mr. Campbell's letter. On the other hand, in so far as these charges have been thrown on India by the power or influence of the Imperial Government, it shows that the Imperial Government has habitually assumed, not merely that India should furnish an army of reserve, but also that India should furnish the pay of that reserve even when serving out of India, and when, therefore, it was useless to the Government of that country.

27. In regard to another argument used in Mr. Campbell's letter, namely, that the Indian empire, by increasing the total number of soldiers which require to be raised from the civil population at home, competes with the Imperial Government in the recruiting market, and thus raises the total price of the recruit, I am instructed to point out to Mr. Cardwell that this is an incident of wide Imperial dominions, and that, even if India is to be considered in no other light than as the cause of an increase in the total cost of troops, India pays its full share of that total cost when it pays for those troops in the proportion in which it actually recruits and actually employs them.

28. But I have further to point out that all arguments which imply that India is nothing but a burden, and a cause of embarrassment in military affairs, are arguments inconsistent with many notorious facts—with the anxiety of officers to secure Indian employment, and with the advantages which Indian exigencies afford in the way of augmentations and promotions in the army. It is well known that India offers the best, if not indeed the only, training ground for the British army in time of European peace; that as Indian pay and allowances are much higher than those given to the army either at home or when employed elsewhere abroad, Indian service is highly popular in the army, and that in consequence of the liberal treatment which, up to the present time, the Government of that country has been enabled to bestow upon the officers and men, it has contributed one great inducement to numbers of both classes to enter the British army; and, moreover, that under the new army organisation by which Her Majesty's Government hope to augment the military power of the country, and to save the expense of pensions by the introduction of a short service system and the establishment of a reserve, a very large, and certainly not the least valuable, portion of that reserve will consist of men whose entire military training and experience will have been acquired at the expense of the people of India.

29. For these reasons, the Secretary of State in Council is of opinion that the adoption of any new principle of charge founded on the pleas set forth in Mr. Campbell's letter would be unjust to the people of India.

30. I am instructed to add that, in the opinion of the Secretary of State in Council, the adoption of any such principle would require the sanction of an Act of Parliament, as being entirely novel and at variance with the principle laid down in the existing law.

31. That principle is laid down in the 2nd clause of the Act 21 & 22 Vict. c. 106, which directs that Indian revenues shall be expended "for the purposes of the Government of *India* alone;" and also in the 52nd clause, which directs the auditor to report on the accounts, "specially noting any case in which it shall appear to him that any money arising out of the revenues of India has been appropriated to other purposes than those of the Government of India, to which alone they are applicable."

32. In the application of this principle to particular cases of charge there is room, no doubt, for a reasonable latitude of interpretation; and this latitude is largely made use of when, for example, such a position as that of Aden is maintained at the sole expense of the people of India. But, allowing for such latitude of interpretation, the general scope and import of the principle seem sufficiently apparent, namely, that India cannot be justly charged with any expenditure which would have to be maintained if the Indian empire did not exist. The word "alone" negatives the application of the revenues of India to any such mixed purposes, and it is deprived of all force and effect if the Indian revenues may be applied to such expenditure. It is not easy to conceive for what purpose a word so distinct and emphatic should have been introduced, if it was not to exclude the application of those revenues

revenues to such purposes. No expenditure in respect to which it cannot honestly be said that it is incurred on behalf of India can possibly come within the description of expenditure for Indian purposes alone.

33. As regards the novelty of the charges referred to in Mr. Campbell's letter, it is enough to say that the Imperial Government has supplied India with recruits and soldiers for nearly a century; but during the whole of that time, notwithstanding the comprehensive words used in the Acts of Parliament directing payment of the expenses incurred for "raising, transporting, and maintaining such forces," and "raising and supplying recruits for the same," and appropriating the revenues of India to defray "all the charges and expenses of raising and maintaining the forces, as well European as native,"* no attempt has ever been made until now to render the Indian finances liable to such charges.

* 28 Geo. c. 8, s. 1; 33 Geo. 3, c. 52, ss. 128, 149. 53 Geo. 3, c. 155, s. 55.

34. In conclusion, I am instructed to say that this general question of re-constructing the whole system on which Indian charges have hitherto been regulated stands in no necessary or even natural connection with the immediate subject of the cost of recruiting. The Secretary of State for India does not contest the necessity of India paying for its recruits under whatever system is determined upon at home as necessary for the efficiency of military training; and if the present expenditure be defended on this ground, the Secretary of State for India can only represent his views on possible economies in the system, in order that these representations may be considered by the Secretary of State for War. But if the cost of recruiting be swollen by artificial system of charge, so as to include outlays which have really nothing to do with the cost of training, but are connected entirely with the organisation of the home garrison of England, he must record, as he now does, his protest against the principle involved, namely, that of charging India with any outlay which cannot fairly be said to be occasioned by the service of India.

I have, &c.
(signed) *T. T. Pears*, Major General,
Military Secretary.

LETTER to the Under Secretary of State, War Office, dated India Office, 14th April 1874.

Sir,

IN a letter from the War Office, dated the 1st July last, No. 7023/509, Mr. Campbell-Bannerman informed the Secretary of State for India that Mr. Secretary Cardwell concurred in the fourth Report of the Committee appointed by the Secretaries of State for War and for India to make arrangements for adjusting, from the 1st April 1870, the home charges for effective services of Her Majesty's regiments serving in India, on the principle, as far as possible, of actual charges.

In that Report, dated the 12th April 1872, the committee, while recommending that the rates of charge specified therein should be adopted in the settlement of the War Office claims for the years 1870–71 and 1871–72, expressed their opinion that, as great changes were being made in the constitution of the army, the rates should be re-considered, and, if necessary, revised, in regard to the year 1872–73 and subsequent years.

In a previous Report, dated the 24th November 1869, that committee recorded their unanimous opinion that the then existing rate of expenditure for effective services was excessive when compared with the charge incurred by the East India Company in the maintenance of their depôt at Warley, and "that, without any sacrifice of efficiency, it was practicable to effect a very large reduction in those charges;" and the members of the committee appointed by the Secretary of State for India stated that, in their opinion, India was entitled to a considerable credit for the value to the Imperial Government of the presence in this country of the staff and men engaged in course of training, as those troops are available to meet any emergency for which a home garrison is required, and that they considered that the periods of training on which the charge for difference of numbers of men was based were longer than was necessary with reference to the requirements of India.

In another Report, dated the 28th February 1870, the same committee, when stating what the charge for each cavalry and infantry recruit would be under the conditions which had been placed before them, and which included charges for 10 months for the training of each cavalry, and seven months for each infantry recruit, as well as the cost of two depôt companies for each battalion of infantry, added that, in their opinion, it was not necessary to maintain more than one company with the depôt in this country; and the India Office members of the committee, in agreeing to the Report, stated that they considered that "the proposed estimate for, and the periods of training which formed the basis of that Report, were enormously in excess of what can be possibly required for the purpose of properly recruiting the British army of India.'

The Secretary of State for War did not consider that it would be right to deduct from the rate for the infantry recruits the cost of one depôt company, and in a letter, dated the 15th October 1870, Mr. Stansfeld stated that the Lords of the Treasury did not admit the soundness of the reasons urged by the India Office members of the committee for a reduction of the charge.

The practicability of introducing a different and more economical system for the enlistment and training of recruits for India was, as the Secretary of State for War is aware, strongly

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urged on his consideration by the Secretary of State for India in Council, in a letter from this Office, dated the 8th September 1871. That letter was replied to in a letter from the War Office, dated the 24th April 1872, in regard to which a further communication was sent from this office on the 9th August 1872, to which no reply has yet been received.

The question is, therefore, still undecided. No arrangement has been determined on as to the final adjustment of charges for effective services subsequent to the year 1871–72, and the Secretary of State for India in Council considers that the charge to which India is to be subject on this account ought no longer to remain in doubt.

In a military letter, dated the 15th May last, the Government of India referred to the several Reports of the committee above mentioned, and to the fact that, in the face of the opinions expressed therein, the charges against India had increased, and they observed that, as the depôt system in England is undergoing revision, and the nature and extent of the duties assigned to depôt centres have been clearly specified, it would seem to be a convenient time to re-consider the charges made against India for maintaining battalions and regiments serving in India, and to re-adjust charges which in the opinion of that Government are out of proportion to the service for which they are paid.

Of that letter I am directed to forward a copy herewith.

The Secretary of State for War will observe that the objections of the Government of India in regard to the charge for recruits are of a twofold nature, viz.:

1. To the charge for the depôts engaged in training recruits which is imposed on Indian revenues.
2. To the period of training on which the charge for each recruit is based.

In regard to the depôt charges, which are ascribed to recruiting purposes, the Government of India point out that the duties rendered by the depôts are of a very varied character, and chiefly for purposes foreign to Indian services, that it cannot now be maintained that the depôts of Indian regiments are retained exclusively for Indian purposes, or that the Imperial Government derive no advantage from their presence and duties at home, and should bear no portion of their cost. They accordingly suggest that the relative values of the depôt services should be ascertained, and that the revenues of India should be charged only with the cost of services rendered to India.

They further observe that, under the new system, recruits will be trained at the depôt for three months, when they will be passed into and become part of the home battalion, and that it is not apparent why India should pay for the training of recruits beyond the period when the depôt training ceases.

The Secretary of State for India is not fully informed as to the existing arrangements in regard to the duties of the several depôts, but, assuming that the classification in paragraph 8 of the military letter from the Government of India is correct, he is of opinion that, even if it could be admitted that the maintenance of a separate depôt for each battalion of infantry in India is necessary, the arrangement under which the rate of payment by India was agreed to for the years 1870-71 and 1871-72 cannot, in justice, be maintained in regard to subsequent years.

The period* of training on which India has been charged for recruits is open to equally grave objections. If the statements of the Government of India that, under the new system, recruits will be trained at the depôt for three months, and will be then passed into and become part of the home battalion, from which men required for the battalion on foreign service will be drawn be correct, it appears to the Secretary of State for India that the principle of charging India for a longer period of training than three months would be unjust.

* Recruits for Cavalry - - 10 months.
„ for Horse Artillery - 10 „
„ for Artillery - - 9 „
„ for Infantry - - 7 „

That a longer period of training is not, in the opinion of the authorities at the War Office and Horse Guards, absolutely necessary, is proved by the fact that numerous recruits have been in recent years, and still are, sent to India after a much shorter training.

For instance, on the 13th January 1874 a draft of 133 men proceeded on Her Majesty's ship "Crocodile" to join the 8th Brigade, Royal Artillery, in India. It included 68 men of less than three months' training, and of those 42 embarked in less than two months, and nine in less than one month, from the date of their enlistment. On the same day a draft of 76 men proceeded to join the 73rd Regiment at Bombay. It included 37 men of less than two months' training, and of those no less than 26 embarked within one month of the date of their enlistment.

The charge for difference of men on passage is open to similar objections, and it is, moreover, obvious that, under the new system of short service, the rule hitherto in force, under which India receives no allowance for men who land with less than two years to serve, cannot justly be maintained.

The Secretary of State for India in Council desires again to press upon the attention of the Secretary of State for War the importance of introducing a different and more economical system for the enlistment and training of recruits for India, as advocated in the letter from this office of the 8th September 1871. Pending, however, a definite arrangement of that nature, I am directed to express the earnest hope of the Marquis of Salisbury that Mr. Gathorne Hardy will recognise the necessity for a revision of the rates of charge in regard to years subsequent to 1871–72, and, as the best means of effecting that object, will agree to refer to the Committee on Effective Charges the reconsideration of the payment under the several heads, on a principle similar to that which has been suggested by the Government of India, viz.:

That, in regard to the home depôts of regiments serving in India, the value should be

be ascertained of the service of raising and training recruits for India, of the other general services of the depôt, and of the presence of the troops in this country; and, Appendix, No. 6.

That the charge for each recruit should be based on a three months' training at the depôt.

If, however, Mr. Hardy should be of opinion that the matter in issue will be more authoritatively determined by a decision independent of both offices, I am instructed to say that Lord Salisbury will cordially concur in the reference of the principles in dispute to some impartial arbitrator.

I have, &c.
(signed) *Louis Mallet.*

Enclosure.

(Separate.)

(Military Department.—No. 94 of 1873.)

To His Grace the Duke of *Argyll*, K.T., Secretary of State for India.

My Lord Duke, Simla, 15 May 1873.

We have had under consideration the three Reports* of the joint committees appointed by the India and War Offices to "make arrangements for adjusting the charges for effective services of Her Majesty's regiments on the East Indian establishment on the principle of actual charges," the first two of which formed an enclosure to your Grace's Despatch, Financial, No. 14, of 20th January 1870.

* Dated 11th March 1869. 24th November 1869. 28th February 1870.

2. The charges made by the Secretary of State for War against this country for recruits, as per margin,† are so out of proportion to the expense incurred under the East India Company, as per margin,‡ that the difference is clearly not mainly attributable to the enhanced pay and allowances of the soldier, to his more perfect training, or to the increased cost of his equipment, but to the altered system under which regiments are recruited, and to the manner in which the cost of troops stationed in the United Kingdom is apportioned to India.

† 136 *l.* 13 *s.* 11 *d.* for Cavalry.
63 *l.* 8 *s.* 5 *d.* for Infantry.
78 *l.* 14 *s.* 8 *d.* for Royal Horse Artillery.
59 *l.* 2 *s.* 10 *d.* for Royal Artillery, mounted.
58 *l.* 9 *s.* 3 *d.* for Royal Artillery.

‡ Average for 10 years ending 1859 for all arms, 19 *l.* 14 *s.* 10¼ *d.*

3. Before reviewing in detail the charges which are enumerated in the Reports quoted, it is necessary to consider the principle on which the "actual charges" are assessed, with a view to ascertain how far it is equitable to make the whole cost of the home depôts of regiments serving in India chargeable to India, on the ground that some portion of their service is given to raising and training recruits for their battalions in India, while they actually form a part of the home garrison and perform duties of a local and Imperial character. It is assumed that the sums reclaimed by the War Office from this country should only comprise the expenditure entailed on Imperial funds for raising and equipping troops for India, and that the contributions levied on this account should not be based on the cost entailed by the distribution of troops at home, when that distribution is made for Imperial purposes, and is not necessarily involved in the provision of troops for India.

4. The system under which recruits were formerly procured at Warley, and that, much resembling it, under which the Guards are at present recruited, illustrate the minimum establishment requisite for the provision of recruits. In both cases the establishment was framed solely for the purposes to be achieved, and in deciding what is the necessary actual cost of a recruit a somewhat similar establishment should alone be included. When establishments are maintained not only for recruiting, but also for the fulfilment of other duties, it is evident that, if the whole expense be charged to recruiting, the cost of the recruit is unduly enhanced, while the cost of the other services is unduly diminished, and when the former charges fall on one Government and the latter on another, it is clear that the incidence of the charge is unequally divided.

5. Under the system of depôt battalions, and subsequently of affiliated depôts, which existed until the establishment of the depôt centre system, the depôts, though nominally maintained solely for recruiting purposes, were available for, and actually performed, other general duties. It was the unanimous feeling of the committees, reiterated in each of their reports, that the expenditure incurred for recruiting, that is, for the depôts, was in excess of the amount which, if devoted solely to that one purpose, would have produced the same number of recruits. In para. 10 of the first Report, after stating that the depôt and recruiting charges were then in excess of the capitation allowance of 10 *l.*, it is added, "but the committee have no hesitation in expressing their unanimous opinion that the charge for a recruit, as shown in the War Office return, is susceptible of very great reduction, and that whatever loss has resulted to the Imperial Government must be attributed mainly to the excessive amount of the depôt charges." Notwithstanding this expression of opinion the charge against Indian revenues was increased, thus throwing on this country, as the cost of a recruit, the expense of a system which the financial authorities of the War Office had declared to be unnecessarily expensive. In para. 29 of the second Report the committee again refer to the excessive charges. They state, "in concluding their report, the committee would again refer to the heavy expenses of the Indian depôts as at present

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constituted. They are unanimously of opinion that the present rate of expenditure is too large when compared with that incurred prior to the mutiny in India, and, as shown in their former report, excessive when compared with the charges incurred by the East India Company in the maintenance of the depôt at Warley. The committee are therefore of opinion that, without any sacrifice of efficiency, it is practicable to effect a very large reduction in these charges." In the face of this reiterated opinion the charges against India were again increased.

6. Now that the whole depôt system of the army at home is undergoing revision, and the nature and extent of the various duties assigned to depôt centres have been clearly specified, it would seem a convenient time to re-consider the charges made against this country for the depôts retained in England of regiments serving in India, and to re-adjust charges which, in our opinion, are out of proportion to the service for which they are paid.

7. In order to arrive at the proportion of the total depôt charges which may be fairly ascribed to recruiting purposes, it is necessary to review the duties on which the officers and men of the various depôts are to be engaged. This is clearly laid down in the Report of the Committee, presided over by Major General McDougall, on the "Organisation of the various Military Land Forces of the Country," and confirmed by the Secretary of State for War, in his speech on the introduction of the Army Estimates of 1873–74.

8. The duties to be performed at the depôt are thus stated:

(1.) Training of recruits both for the line and the militia.
(2.) Training of infantry militia.
(3.) Training of rifle volunteer corps.
(4.) Registry, payment, and training of army reserve and enrolled pensioners.
(5.) Recruiting.
(6.) Care of arms and stores of regular and auxiliary forces.
(7.) Military instruction to officers of auxiliary forces.

9. These duties, it will be observed, are of a very varied character, and chiefly for purposes foreign to Indian services, and we consider that only that portion of the establishment which is necessary for the raising and drilling of recruits for India should be charged to India.

10. It cannot now be maintained that the depôts of Indian regiments are retained exclusively for Indian purposes, or that the Imperial Government, deriving no advantage from their presence and duties at home, should bear no portion of their cost, and it seems very desirable that the question should be finally settled as to what portion of the expense of the depôt establishments under the new system may fairly be assigned to home service generally, and what portion to recruiting purposes alone.

11. It is impossible here, from the absence of detailed information as to the relative values of the different services assigned to the depôts, to state what amount should be apportioned to recruiting. This can be more easily determined at home in communication with the War Office, the calculation being based on the principle that the revenues of India can only be applied to services rendered to India, and that no portion of its revenues should be indirectly applied to the cost of the defences of Great Britain.

12. The details of the charges made for infantry recruits will now be considered and reported upon, as far as the information available in this country will permit.

13. Even assuming that the principle on which the depôt establishment charges have been assessed be correct, it appears to us that the details charged under that principle have been calculated adversely to the interests of India. The first item is for pay. It was determined in a letter from the Deputy Adjutant General, Horse Guards, dated 2nd July 1869, published with the committee's second Report, that the period of recruit training should be for—

Cavalry - - - - - -	9 months.
Infantry - - - - - -	6 „

But in fixing the schedule of prices in their third Report ten and seven months have been taken as the basis of calculation, on what authority is not stated.

14. It is true that a recruit is a better soldier after a long training; but on the same principle it might be argued that he is not a perfect soldier under one or two years' service, and the charges might on such grounds be indefinitely increased. In comparing the present with the former cost of recruits, it is admitted that those now sent to India are for the most part more perfectly trained, and consequently more valuable than the half-trained recruits formerly sent to this country, and that, other conditions remaining the same, India might justly be debited with an enhanced charge for their provision.

15. It must, however, be remembered, in dealing with this question, that the terms of enlistment have undergone an important change. Formerly recruits were enlisted for long service, and India, when she incurred the expense of raising recruits, had the advantage of their services for many years. Now, while the cost of the recruit has been increased, the term of his service has been diminished. India, therefore, for a larger charge, receives a less service; while Great Britain will receive from India, as recruits for the army reserve, young

young, thoroughly trained, and seasoned soldiers, immediately available for service if required. It may be argued that the army reserve is equally valuable to the Indian and to the Imperial services, but we do not think that this argument will bear examination. The existence in Great Britain of the army reserve enables her to reduce the strength and cost of the battalions on the home establishment to a minimum, as she can at any moment recruit them from the reserve, while that reserve is too remote to have any such effect on the strength and cost of the Indian battalions. Again, if soldiers be recalled from the reserve to replenish a home battalion, its ranks are completed at a comparatively trifling outlay, whereas, if they are recalled for the purpose of reinforcing the Indian establishment, India will be called upon to bear the full charge for the increased strength. Soldiers discharged from Indian service will therefore be of no further value to India, but they will form a highly trained and valuable portion of the home reserves. If the whole cost of their recruitment and training be charged to India, while so valuable a portion of their service is devoted to Great Britain, the revenues of India will indirectly be made to contribute towards the military expenditure of Great Britain, a course which would be contrary to law and to the policy of the Imperial Government.

16. Under the new system recruits will be trained at the depôt three months, when they will be passed into and become part of the home battalion. These recruits will not necessarily proceed to India. In the first Report of General McDougall's Committee, it is proposed that after their training recruits shall be drafted from the depôt into, and form the lower stratum of, the home battalion, and the supplies of men required to feed the foreign battalion shall be drawn off from the upper stratum of the home battalion.

17. Under these circumstances, it is not evident why India should pay for the training of recruits beyond the period of three months, when their depôt training ceases, and they join the home battalion. The arrangement under which recruits will swell the ranks of the home battalion, while older soldiers will be sent to India, will in itself be advantageous to the Home Exchequer and disadvantageous to India, inasmuch as India will bear the cost of training a man who has, say, five years and nine months to serve with the colours, and receive one who may have only four or five years to serve, and will thus bear the maximum charge for training a soldier, and get the minimum amount of service from him. Great Britain, on the other hand, for the cost of training one recruit, will obtain the full service of one man and a portion of the service of another, making in all more than the full period of service of one man, without incurring any extra expense for establishment to train the recruit who replaces the older soldier in the home battalion.

18. It is true that India has the advantage of getting a more highly trained recruit than she gives; but this, as stated in the preceding paragraph, entails no extra expense on the home Government, and is counterbalanced by the increased service obtained. We, therefore, cannot admit that India should bear a greater charge for its recruits than is incurred for the full period they are required to remain at the depôt, and the period of seven months should, in our opinion, be reduced to the period of actual training at the depôt.

19. The next item requiring remark is that for marching money and cost of conveyance of recruits, 16 per cent. on pay.

20. The average number of recruits annually raised from 1865 to 1870 would appear to have been about 15,000. The average amount voted for marching money and conveyance of recruits was 11,666 *l.*, being about 15 *s.* 6 *d.* per recruit, while the charges made against India for the service are—

	£.	*s.*	*d.*
For Cavalry - - - - - - - - - -	3	8	11
For Infantry - - - - - - - - - -	1	19	9

These charges would appear to be very excessive, but no detail is given by which it can be ascertained how they have been arrived at.

21. The item for recruiting staff charges, 2 *l.* 19 *s.* 1 *d.*, is not understood, as the whole expense of the recruiting agency, *i.e.*, the depôt, is separately charged.

22. The manner in which the barrack and hospital charges are arrived at is not stated. They appear excessive, and apparently require investigation and reduction.

23. In addition to these charges and to the whole cost of the depôt is added one-third, or 33 per cent. on the total charge, for recruits who desert, die, or are unable through ill-health to embark for India.

24. It is not stated how this proportion was arrived at, the memorandum referred to in the committee's Report not having accompanied it; but we believe, from a reference to army statistics, that this charge is out of proportion to the contingencies for which it is supposed to provide.

25. It must be remembered that the committee were dealing with recruits, and therefore that the casualties amongst recruits should alone have been considered. From the Report of the Commissioners on Recruiting, it appears that the average loss on the whole army during the five years from 1861 to 1865, from death, desertion, and invaliding, was 5·29 per cent. This would, however, not be a fair average to take, as the desertions in the first year of service are in much larger proportion than in later years.

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*See Army Medical Report, 1870, p. 36.

26. The average loss by desertion during the seven years ending in 1865* of men of one year's service and under was 12·16 per cent. The average deaths of cavalry, infantry, and artillery soldiers under 20, ·18 per cent. The number of invalids discharged during the first year of service was, for the same arms, an average of 1·28 per cent., making in all 13·62 per cent. This average is not given as perfectly correct. It is probably approximately so, and sufficiently near the truth to show that the average of 33 per cent. charged to India is excessive. Even 13·62 per cent. would be excessive, as it includes, on the one hand, the desertions and invalidings of a whole year, instead of for 7 and 10 months already referred to, and deaths up to 20 years of age, an age exceeding that of most recruits; while, on the other hand, no credit appears to have been given to India for smart or discharge money paid by recruits.

27. The charge for agency should, in our opinion, be withdrawn, as it is believed that such a charge is no longer incurred, or has been greately reduced, and is in course of extinction, and that no expense which could be charged to Indian revenues has been entailed in suppressing the system under which it was paid.

28. The proposal to charge a portion of the cost of the staff of the regiments to which depôts were affiliated requires no remark. It was not adopted at the time, and the system under which it was proposed is no longer in force.

29. The preceding remarks have reference, principally, to the charge for infantry recruits, as there is not before us sufficient information to enable us to discuss separately those made for the other arms of the service, but, with the necessary modifications, they will no doubt be found applicable to the charges made for all recruits sent to this country.

30. We would now beg to recommend—

1st. That the charge for the home depôts of regiments serving in India should be divided into two parts, the one representing the value of the presence of such troops at home, and of the general service rendered by them, the other representing the value of the labour of raising and training recruits for the battalions in India. The latter may be fairly charged to this country, while the former should be borne by Imperial revenues.

2nd. That the charge for the cost of training the infantry recruit should be limited to three months, during which he remains at the depôt.

3rd. That the items of charges which are arrived at by general averages should be supported by detail statements showing how they are arrived at.

31. There now only remains to consider the question of the charges for the difference of the number of men on passage.

32. The remarks which have been made as to the charges for recruits will apply equally to the payment for the difference in number of men on passage; but it is necessary in connection with this service to re-consider the drawback which should be paid to India for men landed in England with less than two years to serve.

33. Even under the old system of enlistment the rule of giving no drawback for men landed with less than two years' service was often inequitable. The whole expense of recruiting such men, and a large portion of their pension charges, fell on India, while the Home Government had the advantage of their services as enrolled pensioners. Such men were practically not discharged; they were simply transferred from one branch of the service to another, and their value in that other branch should have been credited to the Government which bore the expense of their enrolment and a portion of the expense of their pensions. Under the new system of short service with the colours, and subsequent service in the army reserve, India should receive, on the disembarkation and discharge of soldiers for home service, such a drawback of enrolment charges as may be considered to represent their value as recruits to the army reserve, an amount which would vary in proportion to the period served in India and to that remaining due to the Imperial Government for service with the colours or in the reserve.

34. The charges made for both effective and non-effective services have increased, and are increasing so rapidly, that it is very important these questions should be finally adjusted, and that every charge made by the War Office against the revenues of India should be fully substantiated, and shown to be fairly chargeable in principle, and to be just and reasonable in amount. We have, since 1869, reduced the military expenditure in this country to the extent of 1,000,000*l.* sterling, and hope to effect still further reductions, and to this end we trust that Her Majesty's Government will not fail to give that careful consideration to the questions in controversy between the India Office and the War Office as will relieve India from expenses which we cannot regard as properly chargeable.

We have, &c.

(signed) *Northbrook.*
Napier of Magdala.
R. Temple.
B. H. Ellis.
H. W. Norman.
A. Hobhouse.
E. C. Bayley.

Appendix, No. 7.

PAPERS delivered in by Sir *George Balfour*, and referred to in his Evidence of 26 and 30 June 1874.

(Question 2327.)

STRENGTH of EUROPEAN CORPS serving in *India* before the MUTINY.

Bengal, 1 January 1857.	Non-Commissioned Officers, Farriers, Trumpeters, Drummers, and Privates.			
IMPERIAL ARMY.	Established Strength.	Effective Strength.	Wanting.	Excess.
6th Dragoons	743	634	109	—
9th Lancers	743	676	67	—
14th Light Dragoons	743	656	87	—
12th Lancers	743	609	134	—
Total, 4 Regiments	2,972	2,575	397	—
8th Foot	1,067	935	132	—
10th „	1,067	948	119	—
24th „	1,067	999	68	—
27th „	1,067	1,016	51	—
29th „	1,067	908	159	—
32nd „	1,067	864	203	—
35th „	1,067	652	415	—
52nd „	1,067	954	113	—
53rd „	1,067	948	119	—
60th „	1,067	963	104	—
61st „	1,067	1,021	46	—
70th „	1,067	808	259	—
75th „	1,067	1,006	61	—
81st „	1,067	904	163	—
87th „	1,067	995	72	—
16th „	1,067	1,089	–	22
78th „	1,067	957	110	—
83rd „	1,067	942	125	—
86th „	1,067	945	122	—
43rd „	1,067	1,109	–	42
74th „	1,067	973	94	—
84th „	1,067	892	175	—
Total, 22 Regiments	23,474	20,828	2,710	64
Wanting, 1 Regiment	1,067	- -	1,067	—
„ 1 „	1,067	- -	1,067	—
Total, 24 Regiments	25,608	20,828	4,844	64
Total, 28 Regiments	28,580	23,403	5,241	64
Total, 26 Regiments	26,446	23,403	3,107	64

Madras, 1 March 1857. Artillery of Bombay and Madras, 1 May 1857.	Non-Commissioned Officers, Farriers, Trumpeters, Drummers, and Privates.			
INDIAN ARMY.	Established Strength.	Effective Strength.	Wanting.	Excess.
1st Bengal European Fusiliers	977	863	114	—
2nd „ „ „	977	583	394	—
3rd Bengal European Regiment	977	808	169	—
1st Bombay European Fusiliers	977	885	92	—
2nd „ „ „	977	1,158	–	181
3rd Bombay European Regiment	977	777	200	—
1st Madras European Fusiliers	977	1,002	–	25
2nd Madras European Light Infantry	977	979	–	2
3rd Madras European Regiments	977	964	13	—
Total, 9 Regiments of Infantry	8,793	8,019	982	208
Total, 31 Regiments of Infantry	32,267	28,847	3,692	272
Bengal Artillery	3,000	2,886	114	—
Bombay „	1,292	1,473	–	64
Madras „	1,792	1,856	–	161
TOTAL ARTILLERY in India	6,084	6,215	114	225
GRAND TOTAL INDIAN	14,877	14,234	1,096	433
GRAND TOTAL OF BOTH ARMIES	41,323	37,637	4,203	497
GRAND TOTAL, including 2 Regiments wanting	43,457	37,637	6,337	497
In BENGAL:				
Cavalry	1,486	1,310	176	—
Infantry of Imperial Army	16,005	13,921	2,084	—
„ of Indian Army	2,931	2,254	677	—
Artillery	3,000	2,886	114	—
TOTAL in Bengal	23,422	20,371	3,051	—
In BOMBAY:				
Cavalry	743	656	87	—
Infantry of Imperial Army	4,268	3,933	357	22
„ of Indian Army	2,931	2,820	292	181
Artillery	1,292	1,473	–	64
TOTAL in Bombay	9,234	8,882	736	267
In MADRAS:				
Cavalry	743	609	134	—
Infantry of Imperial Army	3,201	2,974	269	42
„ of Indian Army	2,931	2,945	13	27
Artillery	1,792	1,856	–	161
TOTAL in Madras	8,667	8,384	416	230

(Question 2335.)

INFANTRY.

STATEMENT showing the ESTABLISHMENT of REGIMENTS of INFANTRY for Service in *India* from before the Mutiny to the present Year; also the Number of Regiments, and the Totals, according to the former Establishments of the several Grades, to make up the present Strength of 39,000 Privates.

RANKS.	Prior to 1857.	1857 to 1861.	1861.	1863 to 1864.	1865 to 1866.	1866 to 1867.	1868 to 1869.	1870 to 1871.	1873-74 and 1874-75.	Total Strength in Privates as at present, will require the Number of Regiments to be as follows:—								
	Per Regiment.									Number of Regiments.								
										41.	41.	48.	48.	48.	52.	52.	50.	50.
Colonels	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Lieutenant Colonels	2	2	1	1	1	1	1	1	1	82	82	48	48	48	52	52	50	50
Majors	2	2	2	2	2	2	2	2	2	82	82	96	96	96	104	104	100	100
Total Field Officers	5	5	4	4	4	4	4	4	4	205	205	192	192	192	208	208	200	200
Captains	10	10	10	10	10	10	10	8	8	410	410	480	480	480	520	520	400	400
Lieutenants and Sub-Lieutenants	12	12	12	12	12	12	12	10	10	492	492	576	576	576	624	624	500	500
Ensigns	8	8	8	8	8	8	8	6	6	328	328	384	384	384	416	416	300	300
Total	30	30	30	30	30	30	30	24	24	1,230	1,230	1,440	1,440	1,440	1,560	1,560	1,200	1,200
Paymasters	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Adjutants	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Quartermasters	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Total Staff	3	3	3	3	3	3	3	3	3	123	123	144	144	144	156	156	150	150
Surgeon Major	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surgeons	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Assistant Surgeons	3	3	3	3	2	2	2	2	2	123	123	144	144	96	104	104	100	100
Total Medical	4	4	4	4	3	3	3	3	3	164	164	192	192	144	156	156	150	150
TOTAL Officers	42	42	41	41	40	40	40	34	34	1,722	1,722	1,968	1,968	1,920	2,080	2,080	1,700	1,700

Serjeant Major	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Bandmaster Serjeants	–	–	–	1	1	1	1	1	1	–	–	–	48	48	52	52	50	50
Quartermaster Serjeants	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Paymaster Serjeants	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Schoolmaster Serjeants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Armourer Serjeants	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Hospital Serjeants	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Serjeant Pioneer	–	–	–	–	–	–	–	–	1	–	–	–	–	–	–	–	–	50
Cook Serjeant	–	–	–	–	–	1	–	–	–	–	–	–	–	–	52	–	–	–
Serjeant Instructor in Musketry	–	1	1	1	1	1	1	1	1	–	41	48	48	48	52	52	50	50
Orderly-room Clerk	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Total	6	7	7	8	8	9	8	8	9	246	287	336	384	384	468	416	400	450
Colour Serjeants	9	10	10	10	10	10	10	8	8	369	410	480	480	480	520	520	400	400
Serjeants	36	40	30	30	30	30	30	32	32	1,476	1,640	1,440	1,440	1,440	1,560	1,560	1,600	1,600
Total	45	50	40	40	40	40	40	40	40	1,845	2,050	1,920	1,920	1,920	2,080	2,080	2,000	2,000
Drum Majors	1	1	1	1	1	1	1	1	1	41	41	48	48	48	52	52	50	50
Drummers	19	20	20	20	20	20	20	16	16	779	820	960	960	960	1,040	1,040	800	800
Total	20	21	21	21	21	21	21	17	17	820	861	1,008	1,008	1,008	1,092	1,092	850	850
Total Non-Commissioned	71	78	68	69	69	70	69	65	66	2,911	3,198	3,264	3,312	3,312	3,640	3,588	3,250	3,300
Corporals	45	50	40	40	40	40	40	40	40	1,845	2,050	1,920	1,920	1,920	2,080	2,080	2,000	2,000
Privates	950	950	810	810	810	750	750	780	780	39,150	39,150	38,880	38,880	38,880	39,000	39,000	39,000	39,000
Total Rank and File	995	1,000	850	850	850	790	790	820	820	40,995	41,200	40,800	40,800	40,800	41,080	41,080	41,000	41,000
Total Non-Commissioned, Rank and File	1,066	1,078	918	919	919	860	859	885	886	43,906	44,398	44,064	44,112	44,112	44,720	44,668	44,250	44,300
GRAND TOTAL, ALL Ranks	1,108	1,120	959	960	959	900	899	919	920	45,628	46,120	46,032	46,080	46,032	46,800	46,748	45,950	46,000
Number of Companies	10	10	10	10	10	10	10	10	10	410	410	480	480	480	520	520	500	500

(Question 2335.)

CAVALRY.

COMPARATIVE STATEMENT of Cavalry for Service in *India*, as organised at different Periods, with Additions during that Time.

RANKS.	For Service in India and at Home.						For Service in India.						For Home Service.					
	Prior to Mutiny.	During Mutiny.	1861.	1863.	1867.	1870.	Prior to Mutiny.	During Mutiny.	1861.	1863.	1867.	1870.	Prior to Mutiny.	During Mutiny.	1861.	1863.	1867.	1870.
Colonels	6	6	7	8	9	9	–	–	–	–	–	–	6	6	7	8	9	9
Lieutenant Colonels	12	12	14	16	18	9	12	12	14	16	18	9	–	–	–	–	–	–
Majors	12	12	14	16	18	9	12	12	14	16	18	9	–	–	–	–	–	–
Total	30	30	35	40	45	27	24	24	28	32	36	18	6	6	7	8	9	9
Captains	54	60	63	64	72	63	48	54	56	56	63	54	6	6	7	8	9	9
Subalterns	156	120	126	128	144	117	144	108	112	112	126	108	12	12	14	16	18	9
Staff Officers	48	48	56	64	72	72	48	48	56	64	72	72	–	–	–	–	–	–
Total Officers	288	258	280	296	333	279	264	234	252	264	297	252	24	24	28	32	36	27
Staff Serjeants	66	66	77	88	99	99	66	66	77	88	99	99	–	–	–	–	–	–
Troop Serjeant-majors	54	60	63	64	72	72	48	54	56	56	63	54	6	6	7	8	9	18
Serjeants	240	240	224	232	261	189	192	192	168	168	189	162	48	48	56	64	72	27
Farriers and Shoeing Smiths	48	60	56	56	72	63	48	60	56	56	63	54	–	–	–	–	9	9
Trumpeters	78	84	84	88	99	63	54	60	56	56	63	54	24	24	28	32	36	9
Corporals	240	240	280	288	324	243	240	192	224	224	252	216	–	48	56	64	72	27
Total	660	684	707	728	828	630	582	558	560	560	630	540	78	126	147	168	198	90
Privates	3,756	3,756	3,815	3,864	3,834	3,933	3,588	3,636	3,472	3,472	3,402	3,456	168	120	343	392	432	477
Total Troopers	4,416	4,440	4,522	4,592	4,662	4,563	4,170	4,194	4,032	4,032	4,032	3,996	246	246	490	560	630	567
Total Non-Commissioned Rank and File	4,482	4,506	4,599	4,680	4,761	4,662	4,236	4,260	4,109	4,120	4,131	4,095	246	246	490	560	630	567
Total all Ranks	4,770	4,764	4,879	4,976	5,094	4,941	4,500	4,494	4,361	4,384	4,428	4,347	270	270	518	592	666	594
Number of Regiments	6	6	7	8	9	9	6	6	7	8	9	9	–	–	–	–	–	–
Number of Troops	54	60	63	64	72	63	48	54	56	56	63	54	6	6	7	8	9	9

(Question 2364.)

STATEMENT of CLAIMS against the REVENUES of *India* in respect of Her Majesty's Forces on the India Establishment for the Years ended 31st March 1871 and 31st March 1872.

Reference to Statement.		Amount. 1870–71. £.	s.	d.	1871–72. £.	s.	d.
No. 1	Pay of Officers, Non-commissioned Officers, and Men, and Contingent Disbursements (*vide* Statement annexed)	109,246	2	1	99,803	12	7
2	Charge for Drafts embarked	* 334,733	4	3	* 293,290	7	1
3	Difference of Numbers of Men on Passage with Regiments	26,222	2	–	36,154	4	6
4	Charge for Barrack Accommodation at the Royal Victoria Hospital, Netley, and Discharge Depôt, Chichester	3,948	15	–	2,463	11	8
5	Charge for Excess Cost of Bread and Meat at the Discharge Depôt, Chichester	83	9	6	211	6	9
6	Proportion of Staff Expenses at the Discharge Depôt, Chichester	1,422	1	1	1,936	5	4
7	Proportion of Staff Expenses at the Royal Victoria Hospital, Netley	7,881	13	6	6,994	–	1
8	Excess Cost of Hospital Supplies at Netley Hospital beyond the Stoppages	3,147	5	1	3,658	19	6
	£.	486,684	12	6	444,512	7	6

* NOTE.

	Numbers Charged. 1870–71.	1871–72.	Cost. 1870–71. £.	1871–72. £.
Armourer Serjeants	6	11	176	322
Royal Horse Artillery	314	330	24,722	25,982
Royal Artillery, mounted	465	518	27,501	30,635
Royal Artillery, dismounted	176	529	10,289	30,927
TOTAL Royal Artillery	955	1,377	62,512	87,544
Cavalry	369	375	50,441	51,261
Infantry	3,316	2,218	210,303	140,667
TOTAL Numbers Charged	4,646	3,981	323,432	279,794
Extra Training: Artillery in Riding School	834	996	11,301	13,496
TOTAL Charge as above £.			334,733	293,290

ACCOUNT, No. 1.

CHARGES on account of Pay of Officers, Non-commissioned Officers and Men, and Contingent Disbursements included in the Agent's Accounts, Pay List, &c., for the Years ended 31st March 1871 and 31st March 1872.

SERVICE.	Amount. 1870–71. £.	s.	d.	1871–72. £.	s.	d.
Pay of Colonels of Regiments serving in India—Cavalry	12,150	–	–	12,150	–	–
Pay of Colonels of Regiments serving in India—Infantry	38,831	–	4	41,225	4	7
Pay of Officers on Passage to and from India	3,114	17	5	6,042	13	10
Pay of Men on Passage to and from India	4,903	19	11			
Miscellaneous Charges	–	–	–	632	19	8
Charge for Pay of Officers of Two Regiments of Cavalry and Two Regiments of Infantry, consequent on the Reduction of the British Forces in India	31,953	7	4	19,800	14	11
Pay of Invalids at the Royal Victoria Hospital, Netley	14,726	5	–	9,343	5	6
Pay of Men awaiting Discharge at the Chichester Depôt	4,017	16	8	1,797	3	2
Advance Pay to Armourer Serjeants	50	3	–	–		
Agency on Pay of Officers	337	18	3	10,640	14	3
£.	110,085	7	11	101,632	15	11
Less— Miscellaneous Credits	839	5	10	1,829	3	4
£.	109,246	2	1	99,803	12	7

(Question 2403.)

COMPARATIVE STATEMENT showing the Effective Strength in Non-commissioned Officers, Rank and File, of the to Native Regiments, also the Veterans and Invalids; for each Month of the Twelve Months in the undermentioned Years, as

YEAR.	Presidencies.	April.		May.		June.		July.		August.		September.	
		Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.
1860-61	Bengal	–	–	–	50,488	–	50,322	49,996	50,199	–	49,991	–	49,807
	Madras	–	–	15,495	15,330	15,289	14,327	14,505	14,505	14,541	14,411	14,319	14,255
	Bombay	–	–	15,658	15,707	15,324	15,144	15,382	15,273	15,396	15,238	15,675	15,497
	TOTAL	–	–	–	81,228	–	79,793	79,883	79,977	–	79,640	–	79,559
1861-62	Bengal	–	–	47,922	48,433	47,836	48,268	47,648	47,859	–	47,755	–	47,000
	Madras	–	–	15,754	15,152	15,647	15,185	15,494	15,004	15,267	14,800	15,226	14,821
	Bombay	–	–	12,850	12,737	12,804	12,683	12,712	12,576	15,590	12,592	12,534	12,434
	TOTAL	–	–	76,526	76,322	76,287	76,136	75,854	75,439	–	75,147	–	74,255
1862-63	Bengal	–	–	45,728	45,045	45,376	44,856	45,183	44,863	47,950	44,630	44,712	44,348
	Madras	–	–	†13,985	13,985	14,045	13,927	12,995	13,867	13,922	13,769	13,835	13,687
	Bombay	–	–	†12,337	†11,810	12,294	†11,762	12,244	11,737	12,196	†11,686	12,142	†11,653
	TOTAL	–	–	72,050	70,840	71,715	70,545	70,422	70,467	74,068	70,085	70,689	69,688
1863-64	Bengal	–	–	43,562	†43,131	43,338	42,964	43,114	42,843	42,922	42,670	42,704	42,552
	Madras	–	–	12,903	12,887	12,879	12,859	12,748	12,743	12,713	12,723	12,682	12,670
	Bombay	–	–	12,856	†12,478	12,846	†12,385	12,744	12,617	12,625	†12,221	12,596	†12,212
	TOTAL	–	–	69,321	68,496	69,063	68,208	68,606	68,203	68,260	67,614	67,982	67,434
1864-65	Bengal	–	–	42,232	42,083	42,140	42,109	41,686	41,613	41,584	41,504	41,468	41,367
	Madras	–	–	13,454	13,378	13,384	13,296	13,353	13,177	13,270	13,228	13,286	13,639
	Bombay	–	–	12,604	†12,129	12,485	†12,011	†12,444	12,241	12,395	†11,998	12,316	†11,876
	TOTAL	–	–	68,290	67,590	68,009	67,416	67,483	67,031	67,249	66,730	67,070	66,882
1865-66	Bengal	–	–	37,886	37,853	37,736	37,690	37,406	37,374	37,277	37,258	37,164	37,153
	Madras	–	–	13,412	13,271	13,394	13,349	13,454	13,204	13,245	13,184	13,367	13,343
	Bombay	–	–	12,119	11,712	11,937	11,530	11,824	11,408	11,936	11,542	11,890	11,511
	TOTAL	–	–	63,417	62,836	63,067	62,569	62,684	61,986	62,458	61,984	62,421	62,007
1866-67	Bengal	–	–	35,645	35,666	35,445	35,476	35,359	35,387	35,258	35,288	35,107	35,149
	Madras	–	–	12,010	11,995	11,960	12,002	11,912	11,726	11,729	11,596	11,632	11,534
	Bombay	–	–	12,144	11,790	11,986	11,634	11,967	11,613	11,939	11,586	11,919	11,562
	TOTAL	–	–	59,799	59,451	59,391	59,112	59,238	58,726	58,926	58,470	58,658	58,245

Note.—The men composing the Eurasian Battery of Artillery have always been returned by the Adjutant General as Europeans. The Quartermaster General, treated as Europeans, and are so included in the returns of both officers.

† These figures have been supplied in India.

* In these years the Returns received from India

‡ Average of 11 months only, being the new official year.

(Question 2403.)

EUROPEAN FORCES in *India* of all ARMS of the Imperial and Indian European Forces, including Non-commissioned attached returned by the Adjutant General and Quartermaster General respectively, together with the Established Strength in each Year.

October.		November.		December.		January.		February.		March.		April.		Established Strength as given in Budget.	Average Monthly Effective Strength.
Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.		
49,164	49,872	–	50,164	–	50,338	51,698	50,848	52,139	53,029	50,429	49,212	48,779	47,654	–	
14,832	14,358	15,302	15,413	15,906	15,519	15,967	15,518	16,117	15,488	15,959	15,350	15,703	15,136	–	
15,676	15,494	16,014	15,778	15,353	15,234	14,453	15,102	12,842	14,070	13,004	13,871	12,919	13,754	–	
79,672	79,724	–	81,355	–	81,091	82,118	81,468	81,098	82,587	79,392	78,433	77,401	76,544	–	*79,927
–	46,828	46,633	46,704	45,355	46,710	46,106	42,261	45,726	43,638	45,500	43,887	–	44,130	44,916	
15,237	15,013	15,455	15,131	15,419	15,098	15,248	15,375	15,389	15,423	14,506	14,309	14,293	13,973	15,161	
12,573	12,475	12,551	12,438	12,814	12,617	13,689	12,541	13,208	12,690	13,003	†12,472	12,702	12,198	13,500	
–	74,316	74,639	74,273	73,588	74,425	75,043	70,177	74,323	71,751	73,009	70,668	–	70,301	73,577	*74,908
44,457	44,079	44,550	44,051	44,579	44,017	45,467	44,222	43,942	42,268	44,422	42,108	44,228	42,155	42,859	
13,761	13,592	14,174	14,048	14,327	14,162	14,448	14,425	14,462	14,457	13,292	13,255	12,922	13,056	13,575	
12,096	11,546	12,065	†11,866	12,848	†11,763	12,828	†12,029	12,504	†11,936	13,008	†12,519	12,905	12,390	12,890	
70,314	69,217	70,789	69,965	71,754	69,942	72,743	70,676	70,908	68,661	70,722	67,882	70,055	67,601	69,324	71,026
42,539	42,473	40,423	41,306	41,520	41,442	43,086	42,813	42,262	42,213	41,729	41,929	42,363	42,242	43,286	
12,658	12,646	12,626	13,285	13,802	12,898	12,885	13,758	13,594	14,163	14,042	13,362	13,493	13,220	13,675	
12,558	12,334	12,611	†12,229	12,691	†12,326	13,238	†12,648	13,128	†12,561	12,834	†12,212	12,621	12,341	13,056	
67,755	67,453	65,660	66,820	68,013	66,666	69,209	69,219	68,984	68,937	68,605	67,503	68,477	67,803	70,017	68,411
41,345	41,290	41,836	43,002	44,820	44,204	43,343	43,147	42,260	42,208	39,658	39,599	39,155	39,213	–	
13,853	13,796	13,776	13,696	13,808	13,723	14,214	14,049	13,447	13,269	13,325	14,176	13,920	13,473	–	
12,311	12,136	12,395	†11,713	13,060	†12,598	12,940	12,627	12,684	12,299	12,394	12,087	12,266	11,905	–	
67,509	67,222	68,007	68,411	71,688	70,525	70,497	69,823	68,391	67,776	65,377	65,862	65,341	64,591	69,646	67,909
37,065	37,166	37,421	37,419	38,969	38,949	39,513	39,523	37,379	37,411	36,396	36,451	36,003	36,034	40,707	
14,029	13,911	13,685	13,744	14,331	14,355	14,533	14,465	13,400	13,645	12,597	12,563	12,113	12,217	13,675	
11,834	11,702	11,577	11,586	12,435	11,980	12,644	11,586	12,643	12,279	12,497	12,140	12,177	11,829	12,749	
62,928	62,779	62,683	62,749	65,735	65,284	66,690	65,574	63,422	63,335	61,490	61,154	60,293	60,080	67,131	63,107
34,919	34,950	35,775	35,504	38,025	37,967	37,052	36,943	36,469	36,372	36,984	36,569	–	–	38,271	
11,544	11,582	11,581	11,561	11,581	11,554	11,563	11,521	12,084	11,969	11,818	11,640	–	–	12,137	
11,899	11,746	13,259	11,818	14,079	12,851	14,421	13,345	12,178	11,833	11,986	11,661	–	–	12,046	
58,362	58,278	60,615	58,883	63,685	62,372	63,036	61,809	60,731	60,174	60,788	59,870	–	–	62,454	‡60,293

however, has returned them as Europeans up to the month of May 1866; after this date he returns them as Natives. In this return they have been uniformly were very defective; the average has been therefore formed on six and eight months respectively, instead of 12 months, as in other years.

COMPARATIVE STATEMENT showing the Effective Strength in Non-commissioned Officers, Rank and File, of the European Forces

YEAR.	Presidencies.	April.		May.		June.		July.		August.		September.	
		Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter master General.	Adjutant General.	Quarter master General.	Adjutant General.	Quarter master General.
1867-68	Bengal	35,769	35,731	35,526	35,500	35,249	35,232	35,084	35,060	34,851	34,902	33,925	34,697
	Madras	11,553	11,454	11,315	11,202	11,264	11,147	11,239	11,116	11,205	11,069	11,205	11,127
	Bombay	11,752	11,420	11,718	11,382	11,509	11,253	11,576	11,233	11,563	11,218	11,582	11,242
	TOTAL	59,074	58,605	58,559	58,084	58,112	57,632	57,899	57,409	57,619	57,189	56,712	57,066
1868-69	Bengal	32,140	31,952	33,612	33,425	33,831	33,647	33,741	33,747	34,770	34,716	34,844	34,789
	Madras	10,351	10,214	10,671	10,517	10,712	10,679	11,381	11,999	11,357	11,236	11,202	11,095
	Bombay	13,332	9,001	14,019	9,654	14,201	9,749	10,134	9,905	9,895	9,658	10,016	9,799
	TOTAL	55,823	51,167	58,302	53,596	58,744	54,075	55,256	54,751	56,022	55,610	56,062	55,683
1869-70	Bengal	36,125	36,065	35,986	35,931	35,813	35,754	35,457	35,397	35,574	35,514	35,398	35,339
	Madras	11,100	11,002	11,315	11,260	11,269	11,165	11,238	11,171	11,366	11,254	11,652	11,156
	Bombay	11,548	11,220	11,825	11,470	11,793	11,440	11,674	11,332	11,550	11,258	11,402	11,203
	TOTAL	58,773	58,287	59,126	58,661	58,875	58,359	58,369	57,900	58,490	58,026	58,452	57,698
1870-71	Bengal	35,021	34,395	34,348	35,301	34,332	34,287	34,093	34,050	34,118	34,072	34,243	34,198
	Madras	11,801	11,697	11,891	11,948	11,769	11,651	11,659	12,033	11,608	11,503	11,281	11,132
	Bombay	10,133	9,971	11,565	11,410	11,540	11,407	11,504	11,376	11,490	11,360	11,321	11,191
	TOTAL	56,955	56,063	57,804	58,659	57,641	57,345	57,256	57,459	57,211	56,935	56,845	56,521
1871-72	Bengal	36,180	36,245	36,009	36,070	35,789	35,849	35,715	35,774	35,512	35,678	35,303	35,365
	Madras	11,606	11,524	11,608	11,470	11,486	11,420	11,457	11,360	11,450	11,331	11,359	11,248
	Bombay	10,583	10,223	11,422	11,067	11,388	11,029	11,362	11,008	11,344	10,985	11,401	11,046
	TOTAL	58,369	57,992	59,039	58,607	58,663	58,298	58,534	58,142	58,306	57,994	58,063	57,659
1872-73	Bengal	37,363	36,377	37,130	37,127	37,028	37,039	36,928	36,938	36,845	36,756	36,611	36,622
	Madras	12,510	12,326	12,271	12,075	12,212	12,021	12,085	11,893	12,018	11,823	11,997	11,804
	Bombay	11,610	11,286	11,411	11,061	11,389	11,040	11,349	10,996	11,313	10,996	11,282	10,938
	TOTAL	61,483	59,989	60,802	60,263	60,629	60,100	60,362	59,827	60,176	59,575	59,890	59,364
1873-74	Bengal	37,645	37,668	37,412	37,423	37,333	37,346	37,251	37,264	37,199	37,213	36,984	36,991
	Madras	12,394	12,155	12,271	12,086	12,221	12,021	12,086	11,878	12,104	11,852	12,092	11,821
	Bombay	11,067	10,719	10,986	10,632	10,962	10,608	10,933	10,585	10,921	10,564	10,784	10,550
	TOTAL	61,106	60,542	60,669	60,141	60,516	59,975	60,270	59,727	60,224	59,629	59,860	59,362

Note.—The men composing the Eurasian Battery of Artillery have always been returned by the Adjutant General as Europeans. The Quartermaster General, treated as Europeans, and are so included in the returns of both officers.

in *India* of all Arms, including Non-commissioned and Invalids, for each of the Twelve Months in the undermentioned Years – *cont^d.*

October.		November.		December.		January.		February.		March.		April.		Established Strength as given in Budget.	Average Monthly Effective Strength.
Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.	Adjutant General.	Quarter-master General.		
33,059	33,880	34,499	33,574	32,845	30,364	30,546	29,280	31,583	29,347	31,747	30,819	–	–	38,224	
11,552	11,474	11,577	11,485	10,764	10,578	10,538	10,471	10,542	10,382	10,491	10,382	–	–	11,909	
11,529	11,175	11,265	10,922	11,170	9,764	11,371	10,011	13,627	10,551	13,547	10,232	–	–	12,077	
56,140	56,529	56,341	55,981	54,779	50,706	52,455	49,762	55,752	50,280	55,785	51,433	–	–	62,210	56,602
34,819	34,782	34,754	34,695	36,550	35,104	35,044	34,982	35,374	35,324	36,473	36,420	–	–	36,445	
11,295	11,047	10,270	10,227	10,474	10,301	11,106	10,533	11,334	11,292	11,293	11,151	–	–	11,265	
10,040	9,327	10,168	9,089	9,869	9,516	9,907	9,540	8,978	8,611	9,750	9,339	–	–	14,640	
56,154	55,156	55,192	54,011	56,892	54,921	56,057	55,055	55,686	55,227	57,516	56,910	–	–	62,350	56,476
35,081	35,022	34,986	34,935	35,995	35,947	35,019	35,309	34,761	34,773	35,540	34,121	–	–	38,131	
10,641	10,584	10,316	10,189	10,305	10,186	10,124	9,576	11,212	11,007	11,851	11,626	–	–	11,798	
11,324	11,133	10,556	10,391	10,518	10,292	11,474	10,738	10,106	9,586	9,519	9,106	–	–	12,066	
57,046	56,739	55,858	55,515	56,818	56,425	56,617	55,623	56,086	55,366	56,911	54,853	–	–	61,995	57,619
34,297	34,235	34,327	34,284	33,721	33,678	34,188	34,146	34,647	34,606	36,020	35,867	–	–	37,031	
11,252	11,106	11,398	10,263	11,384	11,262	11,270	11,365	11,740	11,594	11,662	11,311	–	–	11,980	
11,296	10,944	10,644	10,308	11,193	10,840	10,605	10,253	10,556	10,175	10,883	10,586	–	–	11,414	
56,845	56,285	56,369	54,855	56,298	55,780	56,063	55,764	56,943	56,375	58,565	57,764	–	–	60,425	57,067
35,619	35,634	35,577	35,590	36,785	36,803	35,793	35,802	36,178	36,199	37,525	37,540	–	–	37,366	
10,589	10,481	11,470	11,354	10,945	10,804	11,124	10,918	11,388	11,095	12,542	11,397	–	–	11,841	
11,425	11,065	11,362	11,014	11,912	11,591	11,504	10,995	11,479	10,443	11,610	10,307	–	–	11,246	
57,633	57,180	58,409	57,958	59,642	59,198	58,421	57,715	59,045	57,737	61,677	59,244	–	–	60,453	58,817
36,401	36,414	36,394	36,406	37,797	36,964	37,293	37,307	37,249	37,261	37,996	38,010	–	–	37,275	
11,786	11,579	11,709	12,138	12,017	11,227	12,435	12,261	11,827	11,617	12,205	11,615	–	–	11,808	
11,270	10,928	11,282	10,931	10,896	10,316	10,815	10,457	10,800	10,443	11,301	10,879	–	–	11,334	
59,457	58,921	59,385	59,475	60,710	58,507	60,543	60,025	59,876	59,321	61,502	60,504	–	–	60,417	60,491
36,684	36,918	36,678	36,688	36,960	37,030	36,891	36,115	36,847	36,713	37,884	37,879	–	–	37,764	
12,129	11,851	12,180	11,878	12,161	11,897	12,380	12,177	12,451	12,157	12,489	12,211	–	–	11,800	
10,905	10,672	10,948	10,693	12,078	11,802	*11,934	11,575	11,063	10,710	11,236	10,882	–	–	10,888	
59,718	59,441	59,806	59,259	61,199	60,729	61,205	59,867	60,360	59,580	61,609	60,972	–	–	60,452	60,545

however, has returned them as Europeans up to the month of May 1866; after this date he returns them as Natives. In this return they have been uniformly

* These figures have been supplied in India.

(Question 2417.)

EMBARKATIONS of DRAFTS, 1870–71, 1871–72, 1872–73, 1873–74, as shown by Nominal Rolls furnished by Officers commanding Detachments charged as Recruits, showing Years in which Enlisted.

Date of Enlistment.	CAVALRY.				ARTILLERY.				INFANTRY.				TOTAL—Cavalry, Artillery, and Infantry.				TOTAL.			GRAND TOTAL.
	1870–71.	1871–72.	1872–73.	1873–74.	1870–71.	1871–72.	1872–73.	1873–74.	1870–71.	1871–72.	1872–73.	1873–74.	1870–71.	1871–72.	1872–73.	1873–74.	Cavalry.	Artillery.	Infantry.	
1845	–	–	–	–	–	–	–	–	1	–	–	–	1	–	–	–	–	–	1	1
1846	–	–	–	–	–	–	–	–	–	1	–	–	–	1	–	–	–	–	1	1
1847	–	–	–	–	–	–	–	–	1	–	–	–	1	–	–	–	–	–	1	1
1848	–	–	–	–	–	–	–	–	1	–	–	–	1	–	–	–	–	–	1	1
1849	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1850	–	–	–	–	–	–	–	–	–	–	1	–	–	–	1	–	–	–	1	1
1851	–	–	–	–	–	–	–	–	–	3	–	–	–	3	–	–	–	–	3	3
1852	–	–	–	–	3	–	–	–	4	5	–	2	7	5	–	2	–	3	11	14
1853	–	–	–	–	1	2	–	–	12	3	3	–	13	5	3	–	–	3	18	21
1854	–	–	1	–	1	7	1	4	33	33	8	3	34	41	9	7	1	13	77	91
1855	–	3	2	–	4	24	5	3	29	37	19	3	33	64	26	6	5	36	88	129
1856	4	2	1	–	3	15	3	4	7	20	14	8	14	37	18	12	7	25	49	81
1857	2	11	2	3	5	25	6	3	24	74	37	21	31	110	45	27	18	39	155	211
1858	1	33	6	6	3	21	11	14	84	101	63	61	88	155	80	81	46	49	306	399
1859	1	13	2	1	7	35	9	10	52	68	40	44	60	116	51	55	17	61	203	280
1860	2	6	1	1	11	44	8	16	31	57	29	54	44	107	38	71	10	79	165	253
1861	–	3	2	2	9	31	14	16	5	21	14	4	14	55	30	22	7	70	44	119
1862	–	8	1	–	5	8	4	4	16	16	14	15	21	32	19	19	9	21	61	91
1863	–	12	1	1	4	20	5	8	25	29	19	18	29	61	25	27	14	37	89	140
1864	1	7	1	–	6	16	4	5	42	49	40	40	49	72	45	45	9	31	169	209
1865	2	8	1	1	5	13	3	9	39	43	31	15	46	64	35	25	12	30	125	167
1866	2	15	2	3	10	58	4	20	24	61	33	33	36	134	39	56	22	92	147	260
1867	2	24	4	2	10	50	18	25	35	76	46	48	47	150	68	75	32	103	202	338
1868	3	16	5	2	29	65	18	19	82	96	63	58	114	177	86	79	26	131	291	447
1869	7	12	3	1	62	95	24	16	139	95	123	85	208	202	150	102	23	197	439	658
1870	30	45	20	9	69	336	183	72	1,588	399	277	298	1,687	780	480	379	104	660	2,551	3,304
1871	–	155	94	21	–	520	265	127	–	885	475	270	–	1,560	834	418	270	912	1,625	2,806
1872	–	1	124	65	–	–	406	272	–	2	710	556	–	3	1,240	893	190	678	1,239	2,106
1873	–	–	–	46	–	–	–	301	–	–	8	931	–	–	8	1,278	46	301	851	1,198
1874	–	–	–	–	–	–	–	35	–	–	–	57	–	–	–	92	–	35	44	79
Date not given	–	–	–	–	3	–	3	19	–	1	1	1	3	1	4	20	–	25	159	184
	57	375	272	164	250	1,385	994	1,002	2,273	2,175	2,068	2,625	2,580	3,935	3,334	3,791	868	3,631	9,141	13,640

(Question 2417.)

EMBARKATION of DRAFTS in 1870-71, 1871-72, 1872-73, 1873-74, Charged as Recruits, showing Ages of Men.

Ages on Embarkation.	CAVALRY.				ARTILLERY.				INFANTRY.				TOTAL CAVALRY, ARTILLERY, AND INFANTRY.				TOTAL.			GRAND TOTAL.
	1870-71.	1871-72.	1872-73.	1873-74.	1870-71.	1871-72.	1872-73.	1873-74.	1870-71.	1871-72.	1872-73.	1873-74.	1870-71.	1871-72.	1872-73.	1873-74.	Cavalry.	Artillery.	Infantry.	
14	-	-	-	-	1	-	-	-	1	-	1	-	2	-	1	-	-	1	12	13
15	2	-	-	-	-	-	-	-	5	3	5	10	7	3	5	10	2	-	33	35
16	1	-	-	-	1	-	-	-	18	9	17	20	20	9	17	20	1	1	66	68
17	1	1	-	3	1	-	1	1	51	9	24	22	53	10	25	26	5	3	107	115
18	8	-	1	2	11	24	-	4	554	15	25	23	573	39	26	29	11	39	685	735
19	10	38	5	3	38	21	18	14	471	74	59	91	519	133	82	108	56	91	1,155	1,302
20	10	68	105	55	39	252	281	96	265	519	507	551	314	839	893	702	238	668	1,894	2,800
21	5	47	56	44	23	267	261	209	168	285	473	603	196	599	790	856	152	760	1,294	2,206
22	3	43	33	18	19	191	117	149	119	228	191	368	141	462	341	535	97	476	755	1,328
23	2	25	29	12	20	137	78	126	97	168	160	217	119	330	267	355	68	361	607	1,036
24	4	28	12	5	17	122	64	107	103	187	114	182	124	337	190	294	49	310	541	900
25	-	14	6	1	10	86	49	78	73	119	122	137	83	219	177	216	21	223	367	611
26	-	13	2	5	6	34	23	51	23	45	61	53	29	92	86	109	20	114	179	313
27	-	8	5	-	8	26	9	16	17	30	24	50	25	64	38	66	13	59	100	172
28	2	9	1	1	9	27	7	14	16	33	25	29	27	69	33	44	13	57	114	184
29	-	7	2	1	3	18	13	9	28	45	15	40	31	70	30	50	10	43	107	160
30	1	9	2	2	6	24	14	10	53	53	19	19	60	86	35	31	14	54	138	206
31	2	15	1	1	4	22	5	14	55	79	32	13	61	116	38	28	19	45	204	268
32	1	8	-	-	9	17	7	9	23	64	45	38	33	89	52	47	9	42	174	225
33	1	17	3	-	4	17	13	6	32	50	49	42	37	84	65	48	21	40	179	240
34	1	5	2	2	4	19	4	15	29	57	28	48	34	81	34	65	10	42	140	192
35	-	7	2	-	2	22	7	6	25	30	21	26	27	59	30	32	9	37	91	137
36	-	5	2	5	5	21	3	7	17	20	25	15	22	46	30	27	12	36	69	117
37	-	4	3	2	3	13	7	5	8	16	6	7	11	33	16	14	9	28	36	73
38	1	2	-	-	2	8	2	8	8	11	8	6	11	21	10	14	3	20	36	59
39	1	2	-	1	-	6	3	3	7	7	2	9	8	15	5	13	4	14	17	35
40	1	-	-	-	2	4	-	1	2	6	1	1	5	10	1	2	1	5	12	18
41	-	-	-	-	-	3	2	1	2	5	4	3	2	8	6	4	-	6	11	17
42	-	-	-	-	-	3	2	1	2	3	1	-	2	6	3	1	-	6	6	12
43	-	-	-	1	-	1	-	-	1	1	2	-	-	2	2	1	1	1	3	5
44	-	-	-	-	-	-	-	-	-	3	-	-	1	3	-	-	-	-	4	4
45	-	-	-	-	-	-	-	1	-	-	1	1	-	-	1	2	-	1	2	3
48	-	-	-	-	-	-	-	1	-	-	1	-	-	-	1	1	-	1	1	2
56	-	-	-	-	-	-	1	1	-	-	-	1	-	-	1	2	-	2	1	3
Age not given	-	-	-	-	3	-	3	39	-	1	-	-	3	1	3	39	-	45	1	46
	57	375	272	164	250	1,385	994	1,002	2,273	2,175	2,068	2,625	2,580	3,935	3,334	3,791	868	3,631	9,141	13,640

(Question 2461.)

TIME of Training of Recruits sent to *India* in the Four Years from 1870-71 to 1873-74.

YEARS.	ARMS.	Nos.	Actual.	Proper.	Short.	Should be per Man.	Average per Man, Actuals.	Money Value of Short Time.
			M. D.	M.	M. D.	M.	M. D.	£. s. d.
1870-71	Cavalry	30	56 20	300	243 10	10	1 26	3,326 5 –
	Artillery	25	103 11	275	171 19	9	4 4	1,114 17 –
	Infantry	1,345	4,959 13	9,415	4,455 17	7	3 20	40,367 12 –
	TOTAL	1,400	5,119 14	9,990	4,870 16	–	3 19	44,808 14 –
1871-72	Cavalry	97	543 1	970	426 29	10	5 17	5,836 9 –
	Royal Horse Artillery	101	471 19	1,010	538 11	10	4 20	4,238 15 –
	Royal Artillery	315	1,294 27	2,835	1,540 3	9	4 4	10,004 2 –
	Infantry	486	2,246 10	3,402	1,155 20	7	4 18	10,470 10 –
	TOTAL	999	4,555 27	8,217	3,661 3	–	4 16	30,549 16 –
1872-73	Cavalry	121	478 19	1,210	731 11	10	3 29	9,997 10 –
	Royal Horse Artillery	1	3 13	10	6 17	10	3 13	51 15 –
	Royal Artillery	234	1,344 12	2,106	761 18	9	5 22	4,947 4 –
	Infantry	454	1,724 23	3,178	1,453 7	7	3 23	13,166 10 –
	TOTAL	810	3,551 7	6,504	2,952 23	–	4 11	28,162 19 –
1873-74	Cavalry	43	177 24	430	252 6	10	4 4	3,447 10 –
	Royal Horse Artillery	3	15 13	30	14 17	10	5 4	114 12 –
	Royal Artillery	227	667 3	2,043	1,375 27	9	2 28	8,937 10 –
	Infantry	448	1,337 8	3,136	1,798 22	7	2 29	16,296 15 –
	TOTAL	721	2,197 18	5,639	3,441 12	–	3 1	28,796 7 –
Four Years	Cavalry	291	1,256 4	2,910	1,653 26	10	4 9	22,607 14 –
	Royal Horse Artillery	105	490 15	1,050	559 15	10	4 20	4,405 2 –
	Royal Artillery	801	3,409 23	7,259	3,849 7	9	4 7	25,003 13 –
	Infantry	2,733	10,267 24	19,131	8,863 6	7	3 22	80,301 7 –
	GRAND TOTAL	3,930	15,424 6	30,350	14,925 24	–	3 29	132,317 16 –

The Month is taken at 30 days.

Sums charged for Recruits per head.

	£. s. d.
Cavalry	136 13 11
Royal Horse Artillery	78 14 8
Royal Artillery	58 9 3
Infantry	63 8 5
Artillery, for Instruction in Riding School	13 11 1

FIRST

REPORT

FROM THE

SELECT COMMITTEE

ON

EAST INDIA FINANCE;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

Upon TUESDAY, the 29th APRIL 1873.

Ordered, by The House of Commons, *to be Printed,*
2 *May* 1873.

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Friday, 7th February 1873.

Ordered, THAT a Select Committee be appointed "to inquire into the Finance and Financial Administration of India."

Monday, 10th February 1873.

Ordered, THAT the Committee do consist of Thirty Members.

Committee nominated of—

Mr. Ayrton.
Mr. Stephen Cave.
Mr. Crawford.
Mr. Baring.
Mr. Fawcett.
Mr. Beckett Denison.
Sir Charles Wingfield.
Mr. Eastwick.
Mr. Dickinson.
Mr. Bourke.
Mr. Candlish.
Sir James Elphinstone.
Mr. Lyttelton.
Mr. Birley.
Sir David Wedderburn.
Mr. Beach.
Sir Thomas Bazley.
Mr. Hermon.
Mr. M'Clure.
Mr. Cross.
Mr. John Benjamin Smith.
Mr. Grant Duff.
Mr. Robert Fowler.
Mr. Haviland-Burke.
Mr. Charles Dalrymple.
Sir Stafford Northcote.
Lord Edmond Fitzmaurice.
Mr. Baillie Cochrane.
Sir George Balfour.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Seven be the Quorum of the Committee.

Friday, 21st March 1873.

Ordered, THAT Mr. *Campbell-Bannerman* be added to the Committee.

Tuesday, 1st April 1873.

Ordered, THAT it be an Instruction to the Committee to consider and report whether the Indian financial year which now terminates on the 31st March, should be altered to the year ending on the 31st December, in order that the Secretary of State for India may be enabled to make his Financial Statement to the House before the Easter Recess.

Friday, 2nd May 1873.

Ordered, THAT the Committee have power to report their Observations from time to time to The House.

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PROCEEDINGS OF THE COMMITTEE - - - - - - - p. iv

FIRST REPORT.

THE SELECT COMMITTEE appointed "to inquire into the FINANCE and FINANCIAL ADMINISTRATION of INDIA," and who were instructed to consider and report whether the Indian Financial Year which now terminates on the 31st March, should be altered to the year ending on the 31st December, in order that the Secretary of State for India may be enabled to make his Financial Statement to the House before the Easter Recess;——HAVE made progress in the Matters to them referred, and have agreed to the following FIRST REPORT:—

THE practice of making the Indian Financial Statement appears to have been revived in 1853, when the President of the Board of Control, in submitting to the House the measure which subsequently became law, for improving the administration of the Government of India, proposed that the President should make an annual statement to the House on the finances of India. On the 9th of August of the following year, the House having resolved itself into a Committee of the whole House on the Accounts of the Indian Revenues for the year ending the 30th of April 1852, the President of the Board of Control made a comprehensive exposition of the financial condition and prospects of India, and concluded with moving a series of Resolutions recording the total amounts of the receipt and expenditure of the Government of India, of the several subordinate Governments, as well as of the Home Government, for the year ending 1852, a period of more than two years before the Resolutions were passed.

The same [redacted] adopted yearly until 1857, when it was suspended; but in the meantime [redacted] of the annual accounts had been accelerated, so that the Committee [redacted] consider those of the year preceding its appointment.

The transfer of the Government of India to the Crown then engaged the attention of Parliament, and the measures then adopted materially affected the relations of the House of Commons to the revenues of India. It was provided by the Act passed in 1858 that the expenditure of the revenues of India, both in India and elsewhere, should be subject to the control of the Secretary of State for India in Council, and no grant or appropriation of any part of such revenues or of any other property coming into the possession of the Secretary of State in Council, was to be made without the concurrence of a majority of votes at a meeting of the Council. In 1861 the powers of the Legislative Council of India were greatly extended, and the power of disallowing any laws which might be passed, was reserved to the Queen.

In 1860, a member of the Council of the Governor General was charged with the superintendence of the finances of India, and undertook the duty of making an annual statement of the condition of the Indian finances, and proposing in the Legislative Council such measures as might be necessary to provide for the public expenditure on account of the Government of India.

In the years 1859, 1860, and 1861, the Secretary of State made an exposition of the condition of the finances of India in proceeding with Bills for the purpose of raising monies to meet the increase of expenditure which had been incurred in repressing the disturbances in India. It was not until 1862 that the practice

of the House resolving itself into a Committee of the whole House was resumed. In 1866 the general resolution recording the totals of the whole revenue and expenditure in England and in India was substituted for the several resolutions formerly passed by the Committee. In 1867, the period for which the accounts were made up, was changed from the 30th of April to the 31st of March, and the resolutions of the Committee of the House have since been passed upon the accounts for the financial year ending the 31st of March preceding the commencement of the Session.

The audited accounts on which the Resolutions of the House have been based have been accompanied by approximate accounts, known as the regular Estimate, for the following financial year; and in order to enable them to be revised at the close of that year, as well as to admit of the Secretary of State obtaining an estimate of the probable income and expenditure for the ensuing year, known as the Budget Estimate, and embracing it in his financial statement, it has been the practice to defer the financial statement in the House of Commons until after the month of April; but in consequence of the precedence given by successive Governments to other business, the time for the appointment of the Committee of the House has not been fixed before the last days of the Session. In 1871, in consequence of the repeated complaints at the lateness of the period when the affairs of India were brought under the notice of the House, the Under Secretary of State undertook to make his financial statement at the commencement of the Session, based upon the audited accounts for the year ending in March 1870, the estimated accounts for the year 1871, revised as far as was practicable, up to the 21st of February 1871, and on such further information respecting the financial policy for the ensuing year as could be obtained.

Your Committee are of opinion that no arrangement will prove satisfactory which does not admit of the appointment of the Committee on the Indian Accounts within the first three weeks of the Session, so as to afford adequate time for the discussion of Indian affairs without interfering with the other business which engages the attention of the House later in the Session; but it appears to your Committee that this object can be best attained by adhering to the course pursued by the Under Secretary of State in 1871, and they therefore recommend that there should be laid on the Table, and distributed to Members, on the opening of the Session, the audited accounts for the financial year ending on the 31st March preceding, together with the estimated accounts for the current financial year, revised as far as circumstances will admit, and that the House should resolve itself into a Committee on the [illegible] within three weeks after the commencement of the Session. [illegible]s, with such information respecting the financial conditi[illegible]e Secretary of State may be enabled to communicate to [illegible] to enable the Committee to discu[illegible] no doubt be found sufficient administration of its af[illegible]ss the state of the finances of India, and the [illegible]airs.

Entertaining these views, your Committee have deemed it undesirable to pursue an inquiry into the expediency of altering the period of the financial year in India. It cannot be doubted that such an alteration would be attended with inconvenience and embarrassment, and if the close of the year were altered from the 31st of March to the 31st of December, as suggested by the instruction to your Committee, there would be no efficient guarantee that the accounts for the year ending the 31st of December preceding the opening of the Session, or that the Estimates for the ensuing year would be laid upon the Table of the House at the commencement of the Session, without which no advantage would be gained by the proposed change. But whilst the House can, by altering its own arrangements, without inconvenience to itself, afford a sufficient opportunity for an adequate discussion on the finances and affairs of India, your Committee think it would be unreasonable to require that an important change should be made in the financial administration of India, and they do not, therefore, recommend that the Indian financial year should be altered to the year ending on the 31st of December.

PROCEEDINGS OF THE COMMITTEE.

Tuesday 29th April 1873.

MEMBERS PRESENT:

Mr. AYRTON in the Chair.

Mr. Dalrymple.	Mr. Cross.
Sir T. Bazley.	Mr. Birley.
Mr. J. B. Smith.	Sir C. Wingfield.
Lord E. Fitzmaurice.	Mr. Lyttelton.
Sir G. Balfour.	Mr. Fawcett.
Mr. Eastwick.	Mr. Hermon.
Sir Stafford Northcote.	Mr. Candlish.
Mr. Bourke.	Sir J. Elphinstone.
Mr. R. Fowler.	Mr. Cave.
Mr. Crawford.	

Motion made, and Question proposed, That the Committee do now proceed to consider the Draft Report proposed by the Chairman.

Amendment proposed to leave out from the word "That," to the end of the Question, in order to add the words: "in order to comply fully with the instruction given to them by the House (to consider and report whether the Indian financial year should be altered to the year ending 31st December), the Committee shall hear the arguments that can be adduced for or against the expediency and practicability of the suggested change, and shall proceed to examine gentlemen now in England who have held high financial position in India, and ask the Secretary of State for India to favour them with his views, and those of the Government of India, on the subject"—(*Sir C. Wingfield*)—instead thereof.—Question put, "That the words proposed to be left out stand part of the Question."—The Committee divided:

Ayes, 9.	Noes, 8.
Sir D. Wedderburn.	Sir T. Bazley.
Mr. Dalrymple.	Lord E. Fitzmaurice.
Sir G. Balfour.	Mr. Grant Duff.
Mr. Lyttelton.	Mr. Crawford.
Mr. Eastwick.	Mr. Cross.
Sir Stafford Northcote.	Mr. Birley.
Mr. Bourke.	Sir C. Wingfield.
Mr. R. Fowler.	Mr. Smith.
Mr. Fawcett.	

Main Question put, and *agreed to*.

DRAFT REPORT, proposed by the Chairman, read the first time, as follows:—

"The present practice of making the Indian Financial Statement appears to have originated in 1853, when the President of the Board of Control, in submitting to the House the measure which subsequently became law, for improving the administration of the Government of India, proposed that the President should make an annual statement to the House on the finances of India. On the 9th of August of the following year, the House having resolved itself into a Committee of the whole House on the Accounts of the Indian Revenues for the year ending the 30th of April 1852, the President of the Board of Control made a comprehensive exposition of the financial condition and prospects of India, and concluded with moving a series of Resolutions recording the total amounts of the receipt and expenditure of the Government of India, of the several subordinate Governments, as well as of the Home Government, for the year ending 1852, a period of more than two years before the Resolutions were passed.

"The same course was adopted yearly until 1857, when it was suspended; but in the meantime the completion of the annual accounts had been accelerated, so that the Committee of the House could consider those of the year preceding its appointment.

"The transfer of the Government of India to the Crown then engaged the attention of Parliament, and the measures then adopted materially affected the relations of the House

of Commons to the revenues of India. It was provided by the Act passed in 1858 that the expenditure of the revenues of India, both in India and elsewhere, should be subject to the control of the Secretary of State for India in Council, and no grant or appropriation of any part of such revenues or of any other property coming into the possession of the Secretary of State in Council, was to be made without the concurrence of a majority of votes at a meeting of the Council. In 1862 the powers of the Legislative Council of India were greatly extended, and a member of the Council of the Governor General who was charged with the duty of superintending the finances of India, was appointed a member of the Legislative Council for the purpose of making an annual statement of the condition of the Indian finances, and proposing in the Legislative Council such measures as might be necessary to provide for the public expenditure on account of the Government of India, the power of disallowing any laws which might be enacted being reserved to the Queen.

"It was not until 1862 that the practice of making an annual statement of the financial condition of India in a Committee of the House was resumed by the Secretary of State for India. In 1866 the general resolution recording the totals of the whole revenue and expenditure in England and in India was substituted for the several resolutions formerly passed by the Committee. In 1867, the period for which the accounts were made up, was changed from the 30th of April to the 31st of March, and the Resolutions of the Committee of the House have since been passed upon the accounts for the financial year ending the 30th of March preceding the commencement of the Session.

"The audited accounts on which the Resolutions of the House have been based have been accompanied by approximate accounts for the following financial year; and in order to enable them to be revised at the close of that year, as well as to admit of the Secretary of State obtaining an estimate of the probable income and expenditure for the ensuing year, and embracing it in his financial statement, it has been the practice to defer the financial statement in the House of Commons until after the month of April; but it has then been found impracticable, in consequence of the pressure of other business, to fix a time for the appointment of the Committee of the House before the last days of the Session. But in 1871, in consequence of the repeated complaints at the lateness of the period when the affairs of India were usually brought under the notice of the House, the Under Secretary of State undertook to make his financial statement at the commencement of the Session, based upon the audited accounts for the year ending in April 1870, the estimated accounts for the year 1871, revised as far as was practicable, and on such further information respecting the finances for the subsequent year as could be obtained.

"Your Committee are of opinion that no arrangement will prove satisfactory which does not admit of the appointment of the Commitee on the Indian Accounts within the first three weeks of the Session, so as to afford adequate time for the discussion of Indian affairs without interfering with the other business which engages the attention of the House later in the Session; but it appears to your Committee that this object can be best attained by adhering to the course proposed by the Under Secretary of State in 1871, and they therefore recommend that there should be laid on the Table, and distributed to Members, on the opening of the Session, the audited accounts for the financial year ending on the 31st March preceding, together with the estimated accounts for the current financial year, revised as far as circumstances will admit, and that the House should resolve itself into a Committee on the accounts within three weeks after the commencement of the Session. These accounts, with such information respecting the financial condition of India as the Secretary of State may be enabled to communicate to the House, will no doubt be found sufficient to enable the Committee to discuss the state of the finances of India, and the administration of its affairs.

"It is, however, deserving of consideration, whether it is expedient to continue the practice of passing a resolution in Committee, recording merely the results of bygone accounts. Parliament having delegated to the Legislative Council of India the supervision over the receipt and expenditure of the Government in India as incident to its legislative functions, in providing the means required to meet the expenditure, the House of Commons is not called upon to record the results of the financial proceedings of the Governor General in Council; but the position of the Secretary of State for India in Council is entirely different. It appears that he has to perform the duty of dealing with public monies in this country, with the aid of his Council, amounting to upwards of 12,000,000 *l.* yearly, in regard to which they are subject to no control or supervision. It would therefore be more consistent with the proper functions of the House of Commons, that it should pass a resolution not merely recording the result of these accounts, but exercising some control over them. Your Committee therefore recommend that the resolution to be passed in the Committee on the Indian Accounts should be limited to the Home Accounts, stating the result of them, and expressing the approval of the Committee or any other opinion thereon.

"Entertaining these views, your Committee have deemed it undesirable to pursue an inquiry into the expediency of altering the period of the financial year in India. It cannot be doubted that such an alteration would be attended with inconvenience and embarrassment, and if the close of the year were altered from the 31st of March to the 31st of December, as suggested by the instruction to your Committee, there would be no efficient guarantee that the accounts for the year ending the 31st of December preceding the opening of the Session, or that the Estimates for the ensuing year would be laid upon the

the Table of the House at the commencement of the Session, without which no advantage would be gained by the proposed change. But whilst the House can, by altering its own arrangements, without inconvenience to itself, afford a sufficient opportunity for an adequate discussion on the finances and affairs of India, your Committee think it would be unreasonable to require that an important change should be made in the financial administration of India, and they do not, therefore, recommend that the Indian financial year should be altered to the year ending on the 31st of December."

Draft Report proposed by the Chairman, read a second time, and considered paragraph by paragraph.

Paragraphs 1—5, amended, and *agreed to.*

Paragraph 5.—Amendments made.—Another Amendment proposed, to leave out the words "pressure of," in order to insert the words "precedence given by successive Governments to"—(Sir *Stafford Northcote*)—instead thereof.—Question put, That the words proposed to be left out stand part of the paragraph:—The Committee divided:

Ayes, 4.	Noes, 14.
Sir T. Bazley.	Mr. Hermon.
Mr. Grant Duff.	Sir D. Wedderburn.
Mr. Crawford.	Mr. Dalrymple.
Sir C. Wingfield.	Lord E. Fitzmaurice.
	Sir G. Balfour.
	Mr. Lyttelton.
	Mr. Eastwick.
	Sir Stafford Northcote.
	Mr. R. Fowler.
	Mr. Fawcett.
	Mr. Cross.
	Mr. Birley.
	Mr. Candlish.
	Mr. J. B. Smith.

Words inserted.—Paragraph, as amended, *agreed to.*

Paragraph 6.—Amendments made—Question, That this paragraph, as amended, stand part of the proposed Report:—The Committee divided:

Ayes, 18.	Noe, 1.
Mr. Hermon.	Sir C. Wingfield.
Sir D. Wedderburn.	
Mr. Dalrymple.	
Sir T. Bazley.	
Lord E. Fitzmaurice.	
Sir G. Balfour.	
Mr. Lyttelton.	
Mr. Eastwick.	
Mr. Grant Duff.	
Sir Stafford Northcote.	
Mr. R. Fowler.	
Mr. Fawcett.	
Mr. Crawford.	
Mr. Cross.	
Mr. Birley.	
Mr. Candlish.	
Sir J. Elphinstone.	
Mr. J. B. Smith.	

Paragraph 7, *agreed to.*

Paragraph 8, *agreed to.*

Question, That this Report, as amended, be the First Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report.

[Adjourned till Friday next, at Twelve o'clock.

FIRST

REPORT

FROM THE

SELECT COMMITTEE

ON

EAST INDIA FINANCE;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

Upon Tuesday, the 29th April 1873.

Ordered, by The House of Commons, *to be Printed,*
2 *May* 1873.

179.

Under 1 *oz.*

THIRD

REPORT

FROM THE

SELECT COMMITTEE

ON

EAST INDIA FINANCE;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printe*
28 *July* 1873.

Friday, 7th February 1873.

Ordered, THAT a Select Committee be appointed "to inquire into the Finance and Financial Administration of India."

Monday, 10th February 1873.

Ordered, THAT the Committee do consist of Thirty Members.

Committee nominated of—

Mr. Ayrton.	Mr. Beach.
Mr. Stephen Cave.	Sir Thomas Bazley.
Mr. Crawford.	Mr. Hermon.
Mr. Baring.	Mr. M'Clure.
Mr. Fawcett.	Mr. Cross.
Mr. Beckett Denison.	Mr. John Benjamin Smith.
Sir Charles Wingfield.	Mr. Grant Duff.
Mr. Eastwick.	Mr. Robert Fowler.
Mr. Dickinson.	Mr. Haviland-Burke.
Mr. Bourke.	Mr. Charles Dalrymple.
Mr. Candlish.	Sir Stafford Northcote.
Sir James Elphinstone.	Lord Edmond Fitzmaurice.
Mr. Lyttelton.	Mr. Baillie Cochrane.
Mr. Birley.	Sir George Balfour.
Sir David Wedderburn.	

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Seven be the Quorum of the Committee.

Friday, 21st March 1873.

Ordered, THAT Mr. *Campbell-Bannerman* be added to the Committee.

Tuesday, 1st April 1873.

Ordered, THAT it be an Instruction to the Committee to consider and report whether the Indian financial year, which now terminates on the 31st March, should be altered to the year ending on the 31st December, in order that the Secretary of State for India may be enabled to make his Financial Statement to the House before the Easter Recess.

Friday, 2nd May 1873.

Ordered, THAT the Committee have power to report their Observations from time to time to The House.

Tuesday, 15th July 1873.

Ordered, THAT the Order that "Seven be the Quorum of the Committee" be read and discharged, and that Five be the Quorum of the Committee.

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THIRD REPORT.

THE SELECT COMMITTEE appointed "to inquire into the FINANCE and FINANCIAL ADMINISTRATION of INDIA:"——HAVE made further progress in the matters to them referred, and have agreed to the following THIRD REPORT:—

1. YOUR Committee have proceeded with their inquiry, and have received evidence respecting the nature and extent of local taxation in India, and its great increase in recent years, as well as its relations to Imperial taxation. They have also received evidence of the military expenditure, and of its increase and decrease under various heads during the last few years, showing on the whole a very large increase of expenditure in proportion to the diminished numerical strength of the army.

2. They have also examined Lord Lawrence and Sir Charles Trevelyan respecting the general administration of the Finances of India, and some other witnesses on particular branches of receipt and expenditure.

3. Your Committee have received a communication from Her Majesty's Government that steps will be taken to provide for the expenses of natives of India who may be selected by the Government, and approved by the Committee, to attend before them for the purpose of giving evidence, in accordance with the recommendation contained in their former Report; and arrangements are being made for the attendance of these witnesses before the Committee at the commencement of the next Session. Two natives of India, of whom one, Mr. Nowrozjee Furdoonjee, was deputed by the British Indian Association of Bombay, have already given evidence of opinions entertained in India respecting its financial affairs.

4. It may also be found expedient to examine several witnesses who have filled high positions in connection with the administration of the Government of India, in addition to the witnesses expected from that country; it is therefore desirable that your Committee should be re-appointed in the next Session, when they trust their inquiry will be brought to a close.

28 *July* 1873.

PROCEEDINGS OF THE COMMITTEE.

Thursday, 13*th February* 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Lyttelton.
Sir Stafford Northcote.	Mr. Cross.
Sir George Balfour.	Mr. Robert Fowler.
Mr. Fawcett.	Mr. Eastwick.
Mr. Grant Duff.	Mr. M'Clure.
Mr. Baillie Cochrane.	Mr. Charles Dalrymple.
Sir David Wedderburn.	Mr. Hermon.
Mr. John Benjamin Smith.	

Mr. AYRTON was called to the Chair.

The Committee deliberated.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 18*th February* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Lyttelton.	Mr. Crawford.
Mr. Birley.	Mr. Fawcett.
Lord Edmond Fitzmaurice.	Sir Charles Wingfield.
Sir David Wedderburn.	Mr. Cross.
Mr. Eastwick.	Mr. Baillie Cochrane.
Sir Thomas Bazley.	Mr. Grant Duff.
Mr. John Benjamin Smith.	Mr. Dickinson.
Sir George Balfour.	Mr. Bourke.
Mr. Charles Dalrymple.	Mr. Beckett Denison.

Colonel *Crommelin* was examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 21*st February* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Cross.	Sir James Elphinstone.
Sir Thomas Bazley.	Mr. Hermon.
Mr. Eastwick.	Mr. John Benjamin Smith.
Mr. Bourke.	Sir Charles Wingfield.
Sir George Balfour.	Mr. Beckett Denison.
Mr. Fawcett.	Mr. Robert Fowler.
Mr. Lyttelton.	Mr. Dickinson.
Mr. Charles Dalrymple.	Mr. Grant Duff.
Sir David Wedderburn.	

Sir *Charles Trevelyan* was examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 25th February 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Charles Dalrymple.	Sir David Wedderburn.
Sir Thomas Bazley.	Mr. Beach.
Mr. John Benjamin Smith.	Mr. Dickinson.
Mr. Lyttelton.	Mr. Hermon.
Sir George Balfour.	Mr. M'Clure.
Lord Edmond Fitzmaurice.	Sir James Elphinstone.
Mr. Eastwick.	Mr. Baillie Cochrane.
Sir Stafford Northcote.	Mr. Bourke.
Mr. Fawcett.	Mr. Robert Fowler.
Mr. Cross.	Mr. Crawford.

Sir *Charles Trevelyan* was further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 28th February 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir James Elphinstone.	Sir Stafford Northcote.
Mr. Hermon.	Mr. Cross.
Sir Thomas Bazley.	Mr. Fawcett.
Mr. John Benjamin Smith.	Sir David Wedderburn.
Mr. Charles Dalrymple.	Mr. Robert Fowler.
Mr. Lyttelton.	Mr. Beach.
Lord Edmond Fitzmaurice.	Mr. Dickinson.
Sir George Balfour.	Sir Charles Wingfield.
Mr. Eastwick.	Mr. Beckett Denison.
Mr. Grant Duff.	Mr. Baillie Cochrane.

Sir *Charles Trevelyan* was further examined.

The room was cleared, and the Committee deliberated.

Motion made, and Question put, "That the names of the persons mentioned as the writer of the letter referred to in Question No. 938, and of the Newspaper, be furnished to the Committee"—(Mr. *Fawcett*).—The Committee divided:

Ayes, 6.	Noes, 9.
Mr. Lyttelton.	Sir James Elphinstone.
Sir George Balfour.	Mr. Beckett Denison.
Mr. Eastwick.	Mr. Baillie Cochrane.
Sir Stafford Northcote.	Mr. Charles Dalrymple.
Mr. Fawcett.	Mr. Grant Duff.
Sir David Wedderburn.	Mr. Robert Fowler.
	Mr. Beach.
	Mr. Dickinson.
	Sir Charles Wingfield.

Examination resumed.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 4th March 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir Thomas Bazley.
Mr. John Benjamin Smith.
Mr. Lyttelton.
Lord Edmond Fitzmaurice.
Mr. Eastwick.
Mr. Grant Duff.
Mr. Fawcett.
Sir David Wedderburn.
Mr. Robert Fowler.
Mr. Birley.
Mr. Beach.
Mr. Dickinson.
Sir Charles Wingfield.
Sir James Elphinstone.
Sir George Balfour.
Mr. Bourke.
Mr. Beckett Denison.
Mr. Cross.
Mr. Hermon.

Sir *Charles Trevelyan* was further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 7th March 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir Thomas Bazley.
Sir Charles Wingfield.
Sir Stafford Northcote.
Sir David Wedderburn.
Sir George Balfour.
Mr. Lyttelton.
Mr. Eastwick.
Mr. John Benjamin Smith.
Mr. Fawcett.
Mr. Birley.
Mr. Hermon.
Mr. Cross.
Mr. Beach.
Mr. Bourke.
Mr. Beckett Denison.
Mr. Baillie Cochrane.
Mr. Robert Fowler.

Sir *C. Trevelyan* was further Examined.

[Adjourned till Tuesday next, 11th March, at Twelve o'clock.

Tuesday, 11th March, 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir George Balfour.
Sir Thomas Bazley.
Sir Charles Wingfield.
Lord Edmond Fitzmaurice.
Mr. Dickinson.
Mr. Beach.
Mr. John Benjamin Smith.
Mr. Eastwick.
Mr. Robert Fowler.
Mr. Cross.
Mr. Fawcett.
Mr. Birley.
Sir David Wedderburn.
Mr. Lyttelton.
Mr. Baillie Cochrane.
Mr. Bourke.
Mr. Hermon.
Sir Stafford Northcote.
Mr. Grant Duff.

Sir *C. Trevelyan* was further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 14*th March* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir David Wedderburn.	Mr. Grant Duff.
Sir George Balfour.	Sir Charles Wingfield.
Mr. John Benjamin Smith.	Mr. Fawcett.
Mr. Lyttelton.	Mr. Cross.
Lord Edmond Fitzmaurice.	Mr. Bourke.
Mr. Eastwick.	Mr. Baillie Cochrane.

Sir *Charles Trevelyan* was further examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 18*th March* 1873.

MEMBERS PRESENT:

Mr: AYRTON, in the Chair.

Sir Stafford Northcote.	Sir David Wedderburn.
Sir George Balfour.	Mr. Birley.
Mr. Fawcett.	Mr. Beach.
Mr. John Benjamin Smith.	Mr. M'Clure.
Mr. Beckett Denison.	Mr. Bourke.
Lord Edmond Fitzmaurice.	Mr. Lyttelton.
Mr. Eastwick.	

Mr. *Harrison* and Mr. *Gay* were severally examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 21*st March* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir David Wedderburn.	Mr. Fawcett.
Sir George Balfour.	Mr. Birley.
Sir Thomas Bazley.	Mr. Beach.
Sir Charles Wingfield.	Mr. Robert Fowler.
Mr. Beckett Denison.	Mr. Hermon.
Mr. Candlish.	Mr. Baillie Cochrane.
Mr. John Benjamin Smith.	Mr. Dickinson.
Mr. Eastwick.	Mr. Lyttelton.
Mr. Bourke.	

Mr. *Harrison* and Mr. *Gay* were severally examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 25*th March* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir George Balfour.	Mr. Bourke.
Sir Thomas Bazley.	Mr. Cross.
Sir Charles Wingfield.	Mr. Fawcett.
Sir David Wedderburn.	Mr. Beach.
Mr. Campbell-Bannerman.	Mr. Dickinson.
Mr. Candlish.	Mr. James Elphinstone.
Mr. John Benjamin Smith.	Mr. Hermon.
Lord Edmond Fitzmaurice.	Mr. Robert Fowler.
Mr. Lyttelton.	Mr. Grant Duff.
Mr. Eastwick.	

Colonel *Crommelin* was examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 28*th March* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir David Wedderburn.	Mr. Birley
Sir Thomas Bazley.	Mr. Beacl
Mr. Lyttelton.	Mr. Grant Duff.
Mr. Candlish.	Mr. Bourke.
Mr. John Benjamin Smith.	Mr. Eastwick.
Mr. Fawcett.	Sir James Elphinstone.
Mr. Dickinson.	Lord Edmond Fitzmaurice.
Sir Stafford Northcote.	Mr. Robert Fowler.
Mr. Cross.	Mr. Hermon.
Sir George Balfour.	Sir Charles Wingfield.

Sir *C. Wingfield*, a Member of the House, Colonel *Crommelin*, and Colonel *James* were severally examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 4*th April* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Charles Dalrymple.	Mr. Robert Fowler.
Mr. Baillie Cochrane.	Mr. Beach.
Mr. John Benjamin Smith.	Sir Charles Wingfield.
Sir George Balfour.	Mr. Lyttelton.
Lord Edmond Fitzmaurice.	Mr. Fawcett.
Mr. Eastwick.	Sir James Elphinstone.
Mr. Cross.	Mr. Bourke.
Sir David Wedderburn.	

Mr. *Maclean* and Mr. *Goodliffe* were severally examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 25th April 1873.

Proceedings of the Committee of this day attached to the Second Report.

Tuesday, 29th April 1873.

Proceedings of the Committee of this day attached to the First Report.

Friday, 2nd May 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir Thomas Bazley.	Mr. John Benjamin Smith.
Sir George Balfour.	Mr. Bourke.
Mr. Lyttelton.	Mr. Stephen Cave.
Mr. Robert Fowler.	Mr. Eastwick.
Sir David Wedderburn.	Mr. Campbell-Bannerman.
Mr. Beach.	Mr. Grant Duff.
Mr. Fawcett.	Mr. Candlish.

Colonel *Johnson* and Mr. *Kellner* were examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 6th May 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir Thomas Bazley.	Sir David Wedderburn.
Sir George Balfour.	Mr. Candlish.
Mr. John Benjamin Smith.	Mr. Hermon.
Lord Edmond Fitzmaurice.	Mr. Fawcett.
Mr. Grant Duff.	Mr. Dickinson.
Mr. Bourke.	Mr. Beach.
Mr. Cross.	Mr. M'Clure.
Mr. Robert Fowler.	Mr. Eastwick.

Colonel *Johnson* and Mr. *Kellner* were further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 9th May 1873.

Proceedings of the Committee of this day attached to the Second Report.

Tuesday, 13*th May* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Eastwick.	Sir James Elphinstone.
Mr. Baillie Cochrane.	Mr. Lyttelton.
Mr. Fawcett.	Mr. Hermon.
Sir Thomas Bazley.	Mr. Crawford.
Mr. John Benjamin Smith.	Mr. Grant Duff.
Mr. Beach.	Mr. Beckett Denison.
Sir David Wedderburn.	Mr. M'Clure.
Sir George Balfour.	Mr. Cross.
Mr. Campbell-Bannerman.	Mr. Stephen Cave.
Sir Charles Wingfield.	

Colonel *Johnson* and Mr. *Kellner* were further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 16*th May* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir Thomas Bazley.	Mr. John Benjamin Smith.
Sir David Wedderburn.	Mr. Bourke.
Mr. Eastwick.	Mr. Candlish.
Sir George Balfour.	Mr. Fawcett.
Mr. Beach.	Mr. Baillie Cochrane.
Sir James Elphinstone.	Sir Stafford Northcote.

The Committee deliberated.

[Adjourned till Tuesday next, at Twelve o' clock.

Tuesday, 20*th May* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Grant Duff.	Sir James Elphinstone.
Mr. Candlish.	Mr. Lyttelton.
Sir Thomas Bazley.	Mr. Bourke.
Sir George Balfour.	Sir David Wedderburn.
Mr. Cross.	Mr. Dickinson.
Mr. Fawcett.	Mr. Campbell-Bannerman.
Mr. Birley.	Mr. Beckett Denison.
Mr. Beach.	Mr. Stephen Cave.

Mr. *T. L. Seccombe* and Mr. *Harrison* were examined.

[Adjourned till Tuesday, 10th June, at Twelve o'clock.

Tuesday, 10*th June* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Lyttelton.	Mr. Grant Duff.
Mr. Candlish.	Mr. Fawcett.
Mr. Hermon.	Sir David Wedderburn.
Mr. Bourke.	Mr. Beach.
Lord Edmond Fitzmaurice.	Sir Charles Wingfield.
Mr. Eastwick.	Sir George Balfour.
Sir Stafford Northcote.	Mr. M'Clure.
Mr. Stephen Cave.	Mr. Fowler.
Mr. Cross.	Mr. John Benjamin Smith.

Lord *Lawrence* was examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 13*th June* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Hermon.	Sir George Balfour.
Sir Stafford Northcote.	Mr. Fawcett.
Mr. Charles Dalrymple.	Sir James Elphinstone.
Mr. Cross.	Mr. Stephen Cave.
Mr. Baillie Cochrane.	Mr. Bourke.
Mr. Beach.	Sir Charles Wingfield.
Mr. Candlish.	Mr. Eastwick.
Mr. John Benjamin Smith.	Mr. Grant Duff.
Sir Thomas Bazley.	Mr. Lyttelton.
Mr. Birley.	Mr. Fowler.
Lord Edmond Fitzmaurice.	

Lord *Lawrence* was further examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 17*th June* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir James Elphinstone.	Lord Edmond Fitzmaurice.
Mr. Hermon.	Mr. Dickinson.
Mr. Bourke.	Sir Charles Wingfield.
Mr. Lyttelton.	Mr. Stephen Cave.
Mr. Eastwick.	Sir David Wedderburn.
Sir Stafford Northcote.	Mr. M'Clure.
Mr. Cross.	Mr. John Benjamin Smith.
Mr. Fawcett.	Mr. Grant Duff.
Mr. Beach.	Mr. Robert Fowler.
Mr. Baillie Cochrane.	Mr. Birley.
Mr. Beckett Denison.	Mr. Candlish.

Mr. *Nowrozjee Furdoonjee* was examined.

[Adjourned till Friday, 20th June, at Twelve o'clock.

Friday, 20*th June* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Birley.	Sir Charles Wingfield.
Mr. Beach.	Mr. Fawcett.
Sir David Wedderburn.	Mr. Lyttelton.
Mr. John Benjamin Smith.	Mr. Candlish.
Lord Edmond Fitzmaurice.	Mr. Grant Duff.
Sir George Balfour.	Mr. Robert Fowler.
Mr. Hermon.	Mr. Bourke.
Mr. Crawford.	Mr. Charles Dalrymple.

Mr. *Nowrozjee Furdoonjee* was further examined.

[Adjourned till Wednesday next, at Twelve o'clock.

Wednesday, 25*th June* 1873.

MEMBERS PRESENT:

Mr. Grant Duff.	Sir George Balfour.
Mr. Beckett Denison.	Mr. M'Clure.
Sir James Elphinstone.	Mr. Robert Fowler.
Mr. Campbell-Bannerman.	Mr. Birley.
Mr. Charles Dalrymple.	Sir David Wedderburn.
Mr. Fawcett.	Lord Edmond Fitzmaurice.
Mr. Dickinson.	

In the absence of Mr. *Ayrton*, Mr. *Denison* was called to the Chair.

Mr. *Nowrozjee Furdoonjee* was further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 27*th June* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir David Wedderburn.	Mr. Charles Dalrymple.
Sir James Elphinstone.	Mr. M'Clure.
Sir Thomas Bazley.	Mr. Candlish.
Sir George Balfour.	Mr. Cross.
Sir Charles Wingfield.	Mr. Baillie Cochrane.
Mr. Fawcett.	Mr. Grant Duff.
Mr. Beckett Denison.	Mr. Campbell-Bannerman.
Mr. Eastwick.	Mr. Robert Fowler.
Mr. Lyttelton.	Mr. Stephen Cave.
Mr. Birley.	

Lord *Lawrence* was further examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 1*st July* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Lyttelton.
Sir Thomas Bazley.
Sir Charles Wingfield.
Sir George Balfour.
Mr. Robert Fowler.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Beckett Denison.
Mr. Candlish.
Mr. Hermon.
Sir David Wedderburn.
Mr. Birley.
Mr. Bourke.
Mr. Beach.
Mr. Eastwick.
Mr. Grant Duff.
Mr. Stephen Cave.

Lord *Lawrence* was further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 4*th July* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Dickinson.
Mr. Beach.
Sir David Wedderburn.
Mr. Cross.
Sir Thomas Bazley.
Mr. Bourke.
Mr. Lyttelton.
Mr. Baillie Cochrane.
Mr. Candlish.
Mr. Fawcett.
Sir Charles Wingfield.
Lord Edmond Fitzmaurice.
Mr. M'Clure.
Mr. Birley.
Sir Stafford Northcote.
Mr. Eastwick.
Sir George Balfour.
Mr. Robert Fowler.
Mr. Hermon.

Mr. *Nowrozjee Furdoonjee* was further examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 8*th July* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Sir Thomas Bazley.
Sir George Balfour.
Mr. Beckett Denison.
Sir Stafford Northcote.
Mr. Crawford.
Sir David Wedderburn.
Mr. Beach.
Mr. Dickinson.
Mr. M'Clure.
Mr. Fawcett.
Mr. Cross.
Mr. Hermon.
Mr. Grant Duff.
Mr. Campbell-Bannerman.
Mr. Robert Fowler.
Mr. Stephen Cave.
Sir Charles Wingfield.

Mr. *Fleming* was examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 11*th July* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Charles Dalrymple.	Sir Charles Wingfield.
Mr. Fawcett.	Mr. Birley.
Sir Thomas Bazley.	Mr. M'Clure.
Sir David Wedderburn.	Mr. Hermon.
Mr. Robert Fowler.	Mr. Grant Duff.
Sir George Balfour.	Mr. Dickinson.
Mr. Baillie Cochrane.	Mr. Campbell-Bannerman.

Mr. *Dadabhai Naoroji* was examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 15*th July* 1873.

MEMBERS PRESENT:

Mr. Beckett Denison.	Mr. Beach.
Mr. Dickinson.	Mr. Candlish.
Sir Thomas Bazley.	Mr. Cross.
Sir George Balfour.	Sir David Wedderburn.
Lord Edmond Fitzmaurice.	Mr. Robert Fowler.
Mr. Lyttelton.	Mr. Hermon.
Mr. Fawcett.	Mr. Charles Dalrymple.
Mr. Grant Duff.	

In Mr. *Ayrton*'s absence, Mr. *Denison* took the Chair.

Mr. *Nowrozjee Furdoonjee* was further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 18*th July* 1873.

MEMBERS PRESENT:

Mr. Dickinson.	Mr. Robert Fowler.
Sir George Balfour.	Sir David Wedderburn.
Lord Edmond Fitzmaurice.	Mr. Charles Dalrymple.
Mr. M'Clure.	Mr. M'Clure.
Mr. Birley.	Mr. Grant Duff.
Mr. Lyttelton.	

In the absence of Mr. *Ayrton*, Mr. *Dickinson* took the Chair.

Mr. *Nowrozjee Furdoonjee* was further examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 22*nd July* 1873.

MEMBERS PRESENT:

Mr AYRTON, in the Chair.

Mr. Dickinson.	Lord Edmond Fitzmaurice.
Sir Charles Wingfield.	Mr. Hermon.
Sir Thomas Bazley.	Mr. Robert Fowler.
Mr. Bourke.	Mr. M'Clure.
Mr. Beach.	Mr. Grant Duff.
Sir David Wedderburn.	Mr. Campbell-Bannerman.
Mr. Fawcett.	Mr. Beckett Denison.
Mr. Lyttelton.	

Mr. *Nowrozjee Furdoonjee*, Mr. *Kellner*, and Colonel *Johnson* were further examined.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 25*th July* 1873.

MEMBERS PRESENT:

Mr. AYRTON, in the Chair.

Mr. Dickinson.	Mr. Fawcett.
Sir David Wedderburn.	Mr. Beckett Denison.
Sir Charles Wingfield.	Mr. Birley.
Sir George Balfour.	Mr. Hermon.
Sir Thomas Bazley.	Mr. Beach.
Lord Edmond Fitzmaurice.	Mr. Robert Fowler.
Mr. Bourke.	Mr. Campbell-Bannerman.
Mr. Lyttelton.	

Colonel *Johnson* and Mr. *Kellner* were further examined.

DRAFT REPORT proposed by the Chairman, read the first and second time, and *agreed to.*

Ordered, To Report, together with Minutes of Evidence and an Appendix.

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MINUTES OF EVIDENCE.

Tuesday, 18*th February* 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir George Balfour.
Sir Thomas Bazley.
Mr. Birley.
Mr. Bourke.
Mr. Baillie Cochrane.
Mr. Crawford.
Mr. Cross.
Mr. Beckett Denison.
Mr. Dickinson.
Mr. Grant Duff.
Mr. Charles Dalrymple.
Mr. Eastwick.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Lyttelton.
Mr. John Benjamin Smith.
Sir David Wedderburn.
Sir Charles Wingfield.

THE RIGHT HON. ACTON SMEE AYRTON, IN THE CHAIR.

Colonel WILLIAM ARDEN CROMMELIN, R.E., C.B., called in; and Examined.

Col. *W. A. Crommelin*, R.E., C.B.

18 February 1873.

1. *Chairman.*] WILL you be good enough to state what office you hold in India, and what office you have held for some time past?—At present I am Inspector General of Military Works, and Deputy Secretary to the Government of India in the military branch of the Public Works Department.

2. What office did you hold before that?—Chief Engineer in Oude.

3. Have you directed your attention particularly to the barrack accommodation afforded to the troops in India?—I have.

4. Can you give the Committee a general view of the nature of the barrack accommodation in India before 1857?—The very oldest accommodation consisted of low, narrow buildings, very slightly raised from the ground, and unprotected by verandahs.

5. Were they in large buildings, or small scattered buildings over a large area?—They were in long buildings generally. Immediately succeeding that kind of building were upper-storied barracks, in the Province of Bengal, in which both floors were occupied as dormitories by the men. These barracks were not arranged according to present ideas, but they were not altogether unsatisfactory.

6. What accommodation was provided for married soldiers?—The married soldiers were originally accommodated in the barracks of the unmarried men, but in compartments specially screened off for them. Subsequently, separate barracks were provided for them, in which each family was allowed one room; but before the time in question, that is 1857, the Government had built them quarters with an allowance for each family of two rooms, with a bath-room attached. But the accommodation for the unmarried men that I have mentioned in the preceding answers does not include all that existed before 1857. As time passed, and more barracks were required, a better description altogether of building was adopted, with high walls, fairly raised from the ground, and protected by verandahs. About the time when Sir Charles Napier was Commander in Chief in India, he considered the barrack accommodation very defective, and recommended the Government to build very lofty buildings. These buildings have been constructed all over the Punjaub, and their chief characteristics are, that they are exceedingly lofty and broad, and that they provide separate messing accommodation for the men. In former days the men had always messed in their sleeping-rooms, that is to say, sitting either on their beds or at tables between the rows of beds.

7. They had but one room for all purposes?—Yes; in the Punjab barracks there were separate rooms, which were provided in what may be called enclosed verandahs or corridors. The sleeping-rooms were generally arranged in long central wards; outside these were the enclosed verandahs; one verandah being occupied by beds, and the other for messing purposes, the whole being protected by outer open verandahs. In addition to those barracks, the Government of India had also provided in Fort William a very lofty barrack, of three storeys; and in the Allahabad Fort, at Sir Charles Napier's particular suggestion,

Col. *W. A. Crommelin*, R.E., C.B.

18 February 1873.

tion, the large barrack called the Ellenborough Barrack was built; that is also a double-storied building.

8. When you speak of there being lofty barracks in the Punjaub, do you mean that the rooms were lofty, or that there were several storeys?—That the rooms were very lofty, some of them being 35 feet in height.

9. Were they only one storey?—Only one storey in the Punjaub. At Allahabad, and Fort William, they were two-storied buildings.

10. Were the rooms as high in those cases as 35 feet?—The rooms were not quite so high as that.

11. The statements which you have made are entirely referring to the barracks for Europeans?—Entirely.

12. Were the barracks for natives of a very primitive character?—They very rarely existed. The natives generally hutted themselves.

13. What occurred in consequence of the great increase of European troops in India since 1857?—At first they were provided for in every possible way; for instance, all existing barrack accommodation was taken advantage of. Then in certain large towns where troops were quartered, such as Lucknow, Lahore, and Delhi, existing buildings (palaces in some places) were taken possession of, and adapted for the purpose; in other cases, standing camps were formed, in which temporary huts were erected; and in some cases the huts themselves were simply covered in with a roof of thatch.

14. Can you give any idea of the regular barrack accommodation, of the good and bad kinds, before 1857?—I am not prepared to state the exact extent of the accommodation; it would require some time to search into records for it. However, I may say, that the barrack accommodation was by no means complete for the garrison of India as it existed before the Mutiny. There were barracks under construction then. Old temporary barracks that had been hurriedly thrown up immediately after the Punjaub campaigns were being replaced; and at Cawnpore, there was a double-storied barrack in progress, which I remember. What I mean to convey, generally, is, that the accommodation was not then complete, even for the existing force in the country.

15. The Government at that time were in the course of gradually improving the barracks, bringing them up to the standard which was then considered requisite?—Precisely so.

16. When did the Government direct its attention to the necessity for making more permanent barrack accommodation to provide for the increase of the European troops?—When the permanent strength of the force to be quartered in India began to be determined, and when the makeshift portion of the existing accommodation had nearly served its time, the Government then found that it would be necessary to provide permanent accommodation for the additional number of troops that had been thrown into the country, and that were to form its permanent garrison.

17. Do you recollect what was the estimate of the accommodation that had to be provided, according to the number of men or otherwise?—The additional force that was thrown into the country at that time was about 20,000 men; but besides that, as I have stated before, there was some accommodation still to be provided for the old force.

18. What steps did the Government take to meet this want?—I will read the first Resolution to which they came, and which is dated the 2nd of July 1863: "His Excellency the Governor General having under his consideration the importance of taking all reasonable precautions to secure the economical application of the large expenditure that seems likely to be necessary for completing the permanent barrack accommodation of the Indian troops in India, and at the same time to provide for the adoption of the best possible designs for the buildings to be erected, and the selection of the most suitable sites for all new barracks, has been led to the conclusion that it will be expedient to nominate an officer, specially qualified for the purpose, to assist the Government of India in dealing with the various questions that may arise in connection with the points above adverted to."

19. Were you the officer so appointed?—I was the officer then appointed.

20. Consequent upon that Minute, was there any search and further investigation into the subject, as to the principles upon which the barracks ought to be built?—A very searching inquiry took place. I was directed to take particular care to pass in review all that had been already done from time to time by the Government of India, to see that no past regulations on the subject were thrown aside in any way; and to bring under the especial notice of Government any changes that seemed desirable.

21. When you speak of past regulations, you mean past regulations then in force?—Yes. Anything new that was proposed to be done was to be carefully brought forward; and I was particularly desired "to secure a proper regard for all substantial and recognised requirements of the military force, and at the same time to pay the greatest attention to the demands of economy. All superfluity of accommodation, all provision of separate quarters, &c. where a combined building will meet the real wants of the case with increased economy, should be eliminated. The simplest and least expensive style of workmanship should be adopted, consistent with the durability and cleanliness of the buildings. Decoration of any sort should be very sparingly admitted." These instructions were dated the 9th of July 1863.

22. Now had they before that, or was there consequent upon that, any medical investigation as to the best mode of providing for the health of the European troops?—The object was, first, that I should collect all the evidence and put it forward in as complete a shape as I could. This I did in a series of Memoranda. The first was upon Barracks for Unmarried Men; another was upon Barracks for Married Men; then followed that upon Hospitals. These Memoranda were then circulated to all local governments, to the several commanders in chief, to all the Indian sanitary commissions, to various military and medical officers, and, in fact, to every authority whose opinion was likely to prove of any use. When the reports of these several authorities were received, the Government took my general proposals into consideration in connection with them, and then passed a Resolution in December 1864, which concisely detailed, first, all the proposals that had been made by myself, then a general summary of all the opinions of the authorities consulted, and finally the conclusion of the Government of India upon each point of detail.

I should

I should mention that the points of detail were very considerable. They referred generally to the determination of what have been generally understood as standard plans, that is to say, the general plans which should be adopted, and in detail to the magnitude of the barrack buildings, the size of the barrack rooms, the number of storeys (whether the buildings should be single or double-storied), the space per man in barrack rooms, what the unit of a barrack room should be, the size of mess rooms, and so forth.

23. What is the date of that resolution?—The 16th of December 1864.

24. Now, without going into any technical questions connected with the construction of the barracks, can you give a general description of what was deemed necessary, so far as it bears upon the expenditure required to carry out your views or the views of the Government, so as to enable us to understand how far any increased expenditure became necessary in the construction of the barracks?—The plans that were eventually decided upon, after consultation with the authorities to whom I have referred, did not differ much in their general character or design from what had been already decided upon by the Government of India before this question was specially taken up. There was, however, one point of material difference as regards the occupation of the buildings, and it was this, that although in previous days double-storied barracks had been built (of which examples existed all over India), still, in those barracks, both storeys, the upper and lower, were occupied as dormitories. But in the case of the new buildings the Government of India, guided by the general advice that had been tendered, and looking also to the extreme necessity of diminishing as much as possible the high death-rate amongst the European troops, which had been so prominently brought to light in the report of the Sanitary Commission upon the Indian army, decided that as a rule throughout the plains of India the upper storeys of the barracks should only be occupied as dormitories, the lower storeys being set apart for day rooms, and for the various auxiliary requirements of regiments, such as reading rooms, recreation rooms, libraries, &c.; guard rooms and canteens were excluded from the general arrangements.

25. Would not the effect of that be, that though the design itself was not more expensive, yet the barrack would hold very much fewer people?—The upper storey would be alone used for dormitories, but at the same time the lower storey would furnish the auxiliary accommodation which would otherwise have to be provided in separate detached buildings.

26. Then may we understand that the cost of the plans that you finally arrived at was not greater per man than the cost that had been sanctioned immediately before the mutiny?—In this way the cost would be greater. I have said before that the auxiliary accommodation was to be placed in the lower floors; this arrangement did, of course, do away with the necessity of providing that accommodation in separate buildings; still the space required in upper floors to provide sleeping accommodation for the men gave greater area than was required absolutely for the auxiliary purposes in the lower floors; and not only that, the arrangement also involved a superior style of accommodation to what was absolutely necessary for the auxiliary purposes. I will explain that by saying, that in a sleeping-room, of course, a certain width is required; we will say 24 feet, as was eventually decided upon. Now such width as 24 feet was not necessary for reading-rooms, or for a great deal of the auxiliary accommodation. The consequence was, that there was not only an excess of auxiliary accommodation provided, but that accommodation was of a style superior to that which was actually necessary for the purpose.

27. Then, in effect, you put fewer men within the same area under the new system than you did under the old?—No, that can hardly be said; the sleeping accommodation was precisely the same.

28. But I mean in the whole area that you constructed?—The whole floor area constructed for all purposes would be larger than formerly, certainly.

29. Can you give an idea of the actual or percentage cost of the new system as compared with the old immediately preceding it?—I estimated at the time that the new system would add one-seventh to the cost.

30. What was the resolution of the Government of India consequent upon the investigation and report made by you?—It is comprised in this resolution that I have alluded to already, of the 16th of December. The resolution in question conveys the decision of Government upon each of my proposals which, as already stated, relate to numerous details. Then, after that, specimen plans, based upon the decisions of the Government, were prepared for guidance, viz., such as might be suitable to different parts of the country. These plans, the resolution of Government, and all the accompanying reports, were sent to England to the Secretary of State, by whom they were laid before the Army Sanitary Commission. The Army Sanitary Commission expressed their general assent to all that had been proposed, and the work then proceeded.

31. The Government of India then directed that all future barracks should be built upon these views; is that the conclusion?—Yes.

32. And can you state how far they went on in India, accordingly, at what rate, or to what extent?—The works then proceeded as rapidly as the estimates could be submitted and sanctioned, and as fast as the executive engineers had power to carry on the works.

33. So as to house all the additional troops?—So as to house all the additional troops as rapidly as possible.

34. And was any resolution taken with reference to old barracks not in accordance with the principles laid down?—Yes, the whole of the old serviceable barracks were to be utilised; accordingly, although they did not come up quite to the new principles, still all old and serviceable barracks were either made use of or modified; for instance, in the case of many of the Punjaub barracks, little or nothing has been done to them; the barracks built in Oude immediately after the Mutiny, but before this resolution was passed, remain to this day; and other large barracks were altered and modified. There was nothing whatever thrown away, except in some few stations which were abandoned. I mean nothing serviceable was thrown away simply because it was of no use in itself.

35. Has the work been completely carried out, or does much remain to be done?—A considerable amount of work still remains to be done.

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36. Do you know what extent, either measured by the number of men, or by the expenditure?—I have tried to make a calculation, but the returns from Bombay and Madras were not sufficiently complete to enable me to compile a statement for all India. Just before leaving India I prepared a return to show what accommodation we had in Bengal, with reference to the pending question of the redistribution of the army; and this return shows, that as far as the new barracks are concerned, there was completed accommodation for about 6,621 men; and in progress, and very nearly completed (probably completed by this time, as this report is now two years old), accommodation for 4,780, giving a total completed, and in progress at that time, for about 11,401 unmarried men. I see that I have noted at the commencement of my report that all new barracks in progress had been calculated as if completed with two storeys, except in a few cases where the progress in the lower storeys had been trifling. I conclude, therefore, that by this time the accommodation would be complete for the number I have mentioned.

37. What is the date of that?—March 1871. In addition to that accommodation for unmarried men, there was the following accommodation for married men, viz., completed, 4,650; in progress, 351; that is as nearly as possible 5,000 married men, for about one-half of which number the accommodation may be in new buildings.

38. Mr. *Fawcett.*] How much of the accommodation for the 11,000 unmarried men, that was completed or in progress, was in new buildings?—The whole in new buildings only; besides that, there was accommodation in old buildings for 25,554 men. These figures, however, allude only to the cantonments under the immediate management of the Government of India; that is to say, the cantonments which are known as those belonging to Bengal proper, and to the administrations which are ruled directly by the Government of India; they do not include the returns of the Bombay and Madras armies.

39. *Chairman.*] Can you give us any view of the Bombay and Madras barrack accommodation?—I have tried to obtain that, and have not succeeded.

40. Can you tell us how many troops remain to be provided with proper accommodation?—That I have also tried to get at, and stating it approximately it is just possible that throughout India we may require accommodation for 5,000 men.

41. On what standard is that based; upon the former one or the present one?—Upon the present one. My calculation is a very rough one, but, I rather think, it will eventually be found that we shall still require accommodation for 5,000 men.

42. For all India?—For all India. I base my calculation upon this: my Return shows that we have accommodation available of all sorts in old and new buildings, in the stations immediately under the Government of India, for 41,956 men; that was two years ago; and I calculate roughly the strength of the force distributed at the several stations noted in the return to be 44,588; the difference between those two would show what was still required in Bengal; that amounts to 2,632. Allowing for a margin, and for the requirements of Bombay and Madras, I consider that it would not be safe to estimate future requirements for all India under the figure I have stated, viz., 5,000 men. I have mentioned the peculiarity of the order relative to the exclusive occupation of the upper storeys of the new barracks as dormitories. But the Government of India, two years ago, just before I left India, rather modified this order. They resolved, on the 14th of December 1870, that, "Save at exceptional stations in damp climates and low-lying localities, the rule quoted in the second paragraph of this resolution" (that is the rule regarding exclusive occupation of upper floors as dormitories throughout India) "shall no longer be in force, and that the plans of barracks to be built hereafter under ordinary circumstances shall be modified," the modification being that it would not be necessary in these dry climates to build upper-storied barracks, and that in all these dry climates, with regard to barracks already built or in progress, the lower floors might be occupied as dormitories.

43. Can you explain why, after all the researches that you made, that was not discovered at the beginning, instead of near the end of the operation?—I think it is only a matter of opinion; whether the measure will be attended with satisfactory sanitary results remains to be shown. I merely say that the particular order which tended to increase the expense, has been to a certain extent modified.

44. You have not stated what was the estimated expenditure either per man or in gross for the system of barracks which was sanctioned in 1863?—There was an estimate framed to give some idea of what the cost would be in January 1865.

45. I want to know whether you could give us the estimate upon which the Governor General proceeded in 1863?—The estimate for the whole of India was not made originally.

46. I mean whether per head, per man, or per barrack, any estimate was made in 1863, when the Governor General sanctioned the new scheme of accommodation?—At the first start no distinct estimate was made. It was thought that the cost would be much the same as before, allowing for the increase of rates, and for that addition of one-seventh that I have mentioned before.

47. But can you tell us what was the known figure at that time, and what was the supposed increase of rates?—No, I have not got that information; I have no statement of the costs of the former accommodation.

48. Sir *C. Wingfield.*] The total amount was, I think, estimated by the Government of India, because it was originally proposed to borrow money for it, and the Secretary of State refused to sanction that?—Yes, an estimate was made which I was about to describe, of the new works; but I understood the Chairman to refer to the estimated cost of barrack accommodation before this period.

49. *Chairman.*] I want to know upon what estimate the Governor General gave his sanction in 1863 or 1864?—There was no estimate made then; the estimate was made subsequently in 1865.

50. Will you give us that, if you please?—There is an estimate which amounted on the whole to ten millions of money; but that estimate included not only barracks but all other military works connected with military stations.

51. Now will you give us, if you can, the estimate that was made with reference to barracks per man, taking it either per married and unmarried

married man, the general average, or for each class?—The distribution of that ten millions is as follows, as nearly as I can make it: new buildings for new barracks, four and a half millions; alterations of old barracks, two and a half millions; other military works, one and a half millions; and establishments, one and a half millions, making a total of ten millions for all military works.

52. Then the other military works are wholly irrespective of barrack accommodation?—They comprised general cantonment works, temporary accommodation for troops, ordnance and commissariat buildings, quarters for native troops, &c.

53. For how many men was the four and a-half millions to be spent?—I have already stated that the increase to the force was about 20,000 men. Supposing (I can only suppose this) that 5,000 men had still to be provided for under the original scheme that the Government of India was engaged upon at the time of the Mutiny, the expenditure of the four and a-half millions may be calculated, I think, upon 25,000 men.

54. Sir *C. Wingfield.*] Do those four and a-half millions include subsidiary buildings, racket courts and wash-houses, for instance?—Yes.

55. *Chairman.*] Everything connected with the barracks?—Yes.

56. Can you state how far that estimate has been borne out by the progress of the works since?—When my estimate was made, I was guided by the existing rates. There is no doubt that the proportion of work done has not been done at the rates set down in my estimate.

57. According to the figures that you have given us in gross, it would seem to be at the rate of about 180 *l.* per man, taking the married and unmarried together and throwing them into an average?—The rate for actual construction is more, I think, than that; that would be the rate according to the original estimate.

58. Does that include the quarters for the officers proportioned to the men?—It does not include quarters for officers. In those days officers were not provided with quarters; and, in fact, they are only provided with them now to a small extent.

59. Then to what extent has the rate been exceeded since then, and can you explain the cause of the excess?—That estimate has been arrived at merely upon the supposition that the force to be provided for then was 25,000 men. I cannot say that that is absolutely correct; it is as near as I can make it. I have a return here that shows the cost per man at various stations, calculated partly with reference to work done, and partly with reference to detailed estimates for particular stations. This return shows the cost per man in various details. It shows it for the stations of Lucknow, Morar, Nusseerabad, Allahabad, Saugor, and Mhow. The total rate per man, including everything, hospitals, married men's quarters, and auxiliary accommodation, varies from 189 *l.* to 286 *l.*; and there is one exceptional station, Mhow, where, owing to a scarcity of labour and the necessity of importing it, and also the very high price of materials, the cost is as high as 425 *l.* a man; that is quite exceptional.

60. Mr. *Fawcett.*] What is the cost of Saugor per man?—£. 286.

61. And would you give the cost for Allahabad and Nusseerabad, and the others?—I will state it, first of all, simply for the barracks of the unmarried soldiers, and then for the total accommodation, to show that the soldier could be provided for in his barrack only for just about half the sum that is required for his total accommodation that is to say, that it takes as much to give him all the auxiliary accommodation, such as quarters for the married men, his canteens and hospital, and so forth, as it does, simply, to house him in his barrack. The returns relate to Lucknow, Morar, Nusseerabad, Allahabad, Saugor, and Mhow. The cost per man for the barracks only of the unmarried soldiers is, at Lucknow, 100 *l.*; Morar, 109 *l.*; Nusseerabad, 110 *l.*; Allahabad, 134 *l.*; Saugor, 147 *l.*; and Mhow, 230 *l.* The total cost, including everything, is 189 *l.* per man for Lucknow; Morar, 211 *l.*; Nusseerabad, 225 *l.*; Allahabad, 253 *l.*; Saugor, 286 *l.*; and Mhow, 425 *l.*

62. Have you Jubbulpore there?—No.

63. How is that?—This is not a return prepared especially for the present investigation, but a return made out by me some time ago for Lord Mayo; he wished to know the average cost per man, and I took the stations that seemed to give a fair average throughout India. I did not take Jubbulpore, but it could have been easily ascertained.

64. Mr. *J. B. Smith.*] Do you think that Jubbulpore was more expensive than the others?—Certainly not more expensive. (*The Return was handed in*, vide *Appendix.*)

65. *Chairman.*] Can you state now what has been the total expenditure up to this time under the new system?—The last Progress Report that I have applies to the year 1869-70; that is to say, down to April 1870; but it includes the Budget allotments for 1870-71.

66. When you speak of the last Progress Report, do you mean your last Progress Report?—Yes; it shows a total expenditure on military works of all kinds, of 6,272,713 *l.*

67. How much of that is on account of barracks and their auxiliaries?—The figures for Bombay and Madras are in lump sums, and not in detail; but, out of the above six millions and a quarter, the expenditure at the close of 1870–71 on new barracks, including rest-houses on lines of railway, amounted to 3,152,069 *l.* for all India.

68. Sir *G. Balfour.*] From what date is that?—That includes the expenditure of 1864–65.

69. *Chairman.*] That would be on account of barracks complete and barracks then in progress?—Yes.

70. So that we cannot infer from that any rate per head of expenditure?—I have attempted to show it for Bengal. The total expenditure in Bengal at the close of 1870–71 was 2,540,644 *l.*, including rest-houses.

71. But was that an expenditure for completed barracks, or for barracks completed and in progress?—For new buildings completed and in progress.

72. Can you give us up to any point the total expenditure for barracks completed, so that we may see what has been the average rate of the whole?—I am afraid that that cannot be given in detail.

73. I want it *in toto*?—Nor *in toto*; the expenditure on buildings completed and on those in progress is so mixed up that I cannot subdivide it accurately.

74. Then you are not in a position to tell us now what is the practical result of the operation as regards the expenditure per man for new barracks?

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racks?—I can give an approximate idea with reference to the buildings that have been constructed in Bengal. At the close of 1870–71 the expenditure on new barracks only was 2,540,644 *l.* I will add to that the Budget grants for 1871–72 and 1872–73, so as to bring us to the present date; that addition is 450,000 *l.*; therefore the total expenditure on new buildings to the present date in Bengal is 2,990,644 *l.*, say three millions.

75. Would that be for barracks completed up to this time?—It would be for new barrack accommodation completed, or nearly so. With regard to the number of men, I must refer for that to the occupation return which I have already quoted, which states the number for which we have got accommodation. I believe by this time the number may fairly be represented by 12,000 unmarried men and 2,500 or 3,000 married men. The rate struck on these figures would be only 200 *l.* per man, but the buildings are not quite completed. Supposing that we have to complete for 5,000 men, I would assume a rate of 250 *l.* per man; that is lower than some of the rates quoted in that other statement which I have handed in; still, allowance has to be made for the reductions that the Government of India have ordered in the style of the construction; so that if 250 *l.* per man be the cost, and 5,000 the number of men still remaining to be provided for, an expenditure of one and a quarter million has still to be contemplated.

76. Can you explain, generally, what has been the cause of the increase of expenditure above your estimate; has it arisen from the increase of prices?—Increase of prices with reference to both labour and material; they have largely increased since the time of the Mutinies.

77. With regard to some of the barracks, for instance, at Mhow, it would seem that you did not appreciate the difference in rates in Western India as compared with Bengal?—That is quite an exceptional rate at Mhow, and it is for that reason that I put it in the return.

78. Are we to take it that the last orders of the Governor General represent the present rate of expenditure, and regulate the expenditure for the future?—The last orders of the Governor General will regulate it, and I must state that further economical steps have been taken. It has been thought that, with a view to economy, an inferior description of building altogether may be provided at hill stations.

79. Has there been much question raised in India respecting the character of this expenditure, as to its being excessive and unnecessary?—I do not recollect any official complaints upon that score.

80. But do you think that the expenditure has been economically conducted, supposing that the system of the barracks was a right one?—I think so.

81. Has any controversy arisen respecting the scale of accommodation?—None whatever. As regards "scale," I understand that to mean the room, the space that is provided for the soldier, and none has arisen on that. I may say that we have given even less space than was suggested to us by the Army Sanitary Commission in England.

82. Mr. *Crawford.*] You advised the Government, in the first instance, upon the general plan?—Yes.

83. Were you afterwards employed in carrying that plan into operation?—I was so far employed that I made reports to the Government of India upon all projects which came from the several stations, and I was the general adviser of the Government.

84. Were you, so to say, then, responsible for what was done?—I was responsible as regards the general scheme of operations which was carried out, but not as regards constructive or executive details.

85. Will you describe as shortly as you can the method by which these plans were carried out, as regards construction?—The local governments, who had the charge of all constructive details, having received the resolution of Government which laid down the principles that should be followed, and having received also certain specimen plans which had been prepared in view to illustrate these principles, then submitted their detailed plans and estimates to the Government of India; these plans were reviewed in the first instance by me, and then submitted to the Government of India for final orders and sanction.

86. After the sanction was given, were the buildings erected under the responsibility of executive officers in the department?—Executive and superintending officers in the department acting under the orders of their local governments.

87. Each executive officer being responsible, I suppose, for the buildings that were erected under his direction?—Yes.

88. And what was the method generally adopted; was it done, as it is called in India, departmentally, or in any case done by contract?—Both.

89. As a general principle, was it done partly departmentally in each case, and partly by contract, or was it done according to the circumstances of each case?—It was done according to the circumstances of each case.

90. Now take a particular case: take the case of Allahabad, how was it done there?—It was done partly departmentally and partly by contract.

91. Has there not been a considerable failure in the buildings at Allahabad?—I do not recollect any official report of any failure; there have been defects at Allahabad, but nothing in the shape of failure, as regards barracks. There was a failure in an ordnance building there some two years ago.

92. Then has that been the case generally with regard to all military buildings which have been erected, that there has been no failure in the carrying out, as regards the structure, of the designs of the Government?—Generally speaking, the work has been very fairly done. Two notable failures have occurred at Nusseerabad and Saugor.

93. In what respects have those failures taken place?—Those failures have been in the malconstruction of the masonry. It so happens that in these two places the masonry is what is understood as rubble masonry; that is to say, roughly quarried stones, of irregular shapes and sizes, set in mortar, the strength of the work depending mainly upon the quality of the mortar used, and the care bestowed upon bond and coursing.

94. These failures have occurred from default in the use of the material that was at hand?—Certainly.

95. Were they cases where it was done by the department or by contractors?—It would be upon

upon the responsibility of the department in both cases.

96. In one case there would be a remedy; in the case of the contractor, you could go back upon him, I suppose, to replace that which he had done so badly?—I do not think so, if the work had been once accepted.

97. Then are we to understand that these failures were found out, or arose, after the work had been examined and passed, and the contractor had been released?—Yes, and after the buildings had been occupied.

98. What was the nature of the defects?—Generally symptoms of cracking appeared in some of the arches and piers, consequent upon the malconstruction of the masonry.

99. Was it due wholly and entirely to defective mortar?—In the case of Nusseerabad, I can answer for the work, because I was there and saw it, that it was from the bad construction of the masonry generally; sometimes bad mortar, sometimes badly bonded and coursed masonry.

100. Who inspected those works as against the contractor during the period of construction?—I am not positive upon the question of agency, whether the work was done by contractors or daily labour, as we call it. I think it was by daily labour; because no contractors were, to the best of my recollection, ever called into question.

101. In the cases which you refer to, how is it that these defects were not seen during the course of construction, because, I suppose, you had overseers or foremen of the works as we have here?—They were not seen.

102. They overlooked it, in point of fact?—It was overlooked. I may say that this rubble masonry is not at all a usual work in India. Imported labourers were brought to the work, and no doubt they were not skilled in that particular kind of work.

103. Mr. *Grant Duff.*] And was it the case that you had young and inexperienced officers who looked over it?—The officers who looked over it were inexperienced.

104. Because a very great and unusual strain had been put upon the department, to which it was not equal?—Yes; not only for military works, but for works in general.

105. Mr. *Crawford.*] Are these military buildings generally of one and the same character, built of stone, or were they in any case built of brick?—They are of the same character generally, but the dimensions of walls would be different, the rubble masonry walls would be thicker than walls built of brick.

106. Generally speaking, you have had stone at command, have you not?—No; as a rule, all these buildings have been built with brick; it is only in exceptional instances that stone has been used; and it so happens that the failures have occurred where the rubble stone has been used.

107. Have you had any instances of default in the case of buildings built of brick, or in the case of those parts of the buildings where brick has been used?—No; the only building in regard to which we have received any complaints as to structural defects is at Allahabad; but these were not of any serious importance, and have long since been remedied: there was nothing very dangerous brought to light.

108. You were speaking just now of the increase in the rates; that applies equally to material and to labour, does it not?—To both.

109. In speaking of material, is there any one particular description which has risen more in price than any other?—Perhaps the price of wood has increased more than anything else.

110. You have met with competition from the railways, I suppose, there?—Yes, great competition.

111. Were you not employed in the Railway Department at one time?—For a short time I was in the Railway Department.

112. About what time?—Just immediately preceding the Mutiny.

113. Then you are able to form a very good judgment as to the effect upon prices caused by the Mutiny?—I can only speak generally on that point, that there has been a great rise. I know this, that at Allahabad we could do masonry, for instance, for 15 rupees per 100 cubic feet; that price has now doubled.

114. That was before the Mutiny?—Yes. I do not say that these rates have increased because of the Mutiny, but simply that since the Mutiny a rise has occurred.

115. What I mean is, that in consequence of the Mutiny these public works of the Government and railway construction have been simultaneously pushed on at a very rapid speed?—Precisely.

116. And the effect of that has been to raise the wages of labour, and also the cost of materials used both in the railways and in the Government works?—Precisely.

117. In point of fact, railways have been to a certain extent competitors with the Government for labour and material?—Decidedly.

118. The same circumstance, then, that has caused a great increase to the cost of the Government works, must have added very much also to the cost of the railways for that period?—I have no doubt of that; since 1857 I have had nothing to do with the railways, and I really cannot answer as to them; but I have no doubt that they are paying very much higher for work now than previously to the Mutiny.

119. That is to say, the railways could not have got their labour or material on cheaper terms than the Government since then?—No.

120. Do you think they have paid more?—I cannot say.

121. Was there anything like an active competition between them?—No; everybody was wanting labour, and of course the works on both sides were open to the labour market, but there was no antagonistic competition that I know of.

122. In the case of the large supplies of timber required by both, was there any competition in obtaining those in the places where the timber is produced, and from which it is brought?—I can give no satisfactory answer to that question.

123. How do the Government buy their timber?—It is done in various ways; by contractors on the spot who obtain it from the places where it is grown, or the Government send and cut it themselves by their officers.

124. What is the principal source of supply?—It depends upon the part of India in which the works are being built; the Oude forests and those on the neighbouring hills are one principal source.

125. *Chairman.*] You mean for the whole of the Ganges valley?—They provide a great deal of the timber used in that valley.

126. Mr. *Crawford.*] Upon the whole, I suppose

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pose it may be assumed that if the Mutiny had not occurred, and the necessity for large public works had not arisen, the wages of labour, and the price of materials would have remained without any very considerable advance?—Probably.

127. Lord *Edmond Fitzmaurice.*] Have there not been cases in which the defective construction of barracks has rendered them almost uninhabitable at certain seasons of the year?—There are no official reports to that effect that I am aware of, except for Saugor and Nusseerabad.

128. You have never heard of anything of that sort?—No new barrack has ever been rendered uninhabitable, except in those two instances.

129. I do not say totally uninhabitable, but very unwholesome?—No, certainly not.

130. Is there not a great deal of difference of opinion in India, on the policy of raising buildings, and especially barracks, more than one, or at the outside, two storeys high?—I have seen in the public press supposed complaints against the so-called exceptionally costly buildings.

131. Have not those exceptionally costly buildings been attached on the ground that they are comparatively bad, considering the great cost?—They have been, but without any valid grounds.

132. What are the grounds on which they have been attacked in the public press?—They have, as a rule, been attacked with general assertions.

133. Unsupported, in your opinion?—Unsupported, in my opinion, on valid grounds. The complaints have been taken into careful consideration by the Government, and it has been ascertained that their causes were not attributable to the particular style of building, but to certain structural details. For instance, the barracks were occupied long before they were really complete, in consequence of the pressure for want of accommodation, and before they were properly fitted for the men. Thus the broad openings of the verandahs which were intended at certain times to admit the air freely, admitted the sun also, and as the barracks were occupied before these openings had been protected by means of venetians, or blinds, therefore, of course, the sun beat in, and there was excessive heat; but that was a defect that was applicable to any description of building, either old or new, either one storied or two storied.

134. And the defect was, in fact, a temporary one?—Yes, an entirely remediable defect, and not special to the buildings.

135. Mr. *Fawcett.*] I understand from your evidence that you were especially charged in 1863 to look after the economic construction of these barracks?—Yes.

136. And you think that generally they have been economically constructed?—I think they have; that the orders of the Government have been very fairly carried out.

137. You had to look after, not only the construction of barracks, but the military works?—Yes.

138. And your general description as to economy applies to the barracks, and the military works, I suppose?—Yes.

139. You remember perfectly well, I presume, the Minute that was issued by Lord Mayo in 1870, containing probably the severest reprimand ever contained in an official document with regard to the waste of money that there had been owing to malconstruction of military works?—I should be glad to see that.

140. But you have seen it, have you not?—I do not understand precisely what document you mean.

141. *Chairman.*] Have you got the Minute of Lord Mayo sent to the Military Works Department on the manner in which military works had been carried on at Allahabad?—I know that order, certainly.

142. Mr. *Fawcett.*] I am not using any exaggerated description, I think, when I say (it is often described as such) that it would have been impossible almost to have employed more severe language than Lord Mayo employed in that despatch?—That despatch was written with reference to one particular set of buildings, that is to say, some ordnance buildings at Allahabad.

143. But those are buildings which I understand you to say come under the description of military works, which it was your duty to look after, and which you classify under the general description of having been economically constructed?—They were economically constructed.

144. Then why, if they were economically constructed, did Lord Mayo think it necessary to pass the reprimand he did upon the engineers and others responsible for the construction?—Because some of the buildings were proved to have been badly constructed, and the officers charged with the construction of these buildings naturally received a reprimand, and were punished.

145. Then do you think that buildings so badly constructed that they were almost useless, can be spoken of as economical in their construction?—They were not economical in the sense that a portion of them had to be reconstructed.

146. They had to be to a very great extent, had they not?—Very little was reconstructed.

147. The fact remains that this building was so badly constructed that without very great repair it was very nearly useless?—The particular building referred to was a long ordnance shed, a building of no great importance; and a portion of this fell down during its construction; it was never distinctly known what caused its fall, but a committee who reported upon the same stated that generally the work in the walls had been badly constructed.

148. *Chairman.*] Were the walls constructed of brick?—Yes; and it was supposed that the contractor engaged in the work had mixed soap refuse with the lime.

149. Mr. *Fawcett.*] But then the Government of India, in reprimanding the Government officers, must have thought, must they not, that they were responsible for the tumbling down of these walls?—Yes, the officers who were charged with the duty of construction. May I ask whether your questions refer to me personally?

150. No, it was a general reprimand, was it not?—To the officers concerned on the spot, certainly, but not a general reprimand to the department.

151. Of course we can draw our own conclusions as to whether the department was responsible; now taking another case, the Saugor Barracks have been found the most expensive in India, have they not?—They have been very expensive.

152. They have cost 286 *l.* a man, according to you?—I gave that as an estimate; what they have cost more or less I cannot say.

153. Are you aware that a committee was officially

officially appointed to investigate those barracks? —I am.

154. And they published their report last November?—Yes.

155. And they said that those barracks had been so badly constructed that they were entirely useless and unsafe for any human being to live in?—That was the conclusion, or nearly so, of the committee, but it was in opposition to the opinion of the chief engineer, who was responsible for them.

156. But then they were overhauling his work? —But I understand that the Government of India have since sent an officer to see the barracks and examine them officially, and report further as to the possibility of utilising them.

157. That report is not yet published, is it?— No.

158. As far as we know officially, these barracks which were some of the most expensive in India when they were constructed, were denounced by an official committee appointed by the Government, as being unfit for human occupation?— They at present remain under that stigma.

159. These works were entirely constructed by the Public Works Department, were they not; no contractor was employed?—I cannot state that positively, but that is my impression.

160. Therefore the department is reponsible, and this stigma, until it is removed, rests upon the Public Works Department?—It does.

161. The executive engineer officer who was in charge of these works was Captain Faber, R.E.? —Yes.

162. Captain Faber was not a young officer? —No, not young in years.

163. He was an experienced officer?—He was an inexperienced officer.

164. How long had he been in the service; more than 20 years, had he not?—I cannot say.

165. Who were the two people who were under him?—I cannot speak from recollection.

166. They were a Mr. Wilkinson, and a Sergeant Herbert, and these barracks were masonry barracks, and it was proved that these two persons were employed under Captain Faber, but neither one of the three had the slightest acquaintance with masonry works; this was brought out in the report, was it not?—It was.

167. In addition to that, there was Mr. Campbell, was there not, who was the engineer of the district?—He was the superintending engineer of the district.

168. He visited these barracks once during their construction, did he not?—But to the best of my recollection Mr. Campbell could not have seen much of the work whilst it was in progress; I think it was begun before his time.

169. They were only visited once either by Mr. Campbell, or the other person who you say is responsible?—No; they were visited oftener, but I cannot speak positively to that without referring.

170. Are you aware whether in the report it is stated that they were only visited once?—I am not.

171. In addition to that, there was Colonel Pollard, was there not?—There was.

172. He visited the works only once?— Yes.

173. This fact was brought out, was it not, in the report of the committee, that the whole thing was done so carelessly that one of the committee poked his stick into these rotten walls, and the mortar came out like corn out of a sieve? —I have not read that document with any special purpose beyond seeing what the merits of the case generally were, and I cannot answer with any precision.

174. You are aware, are you not, that they stated that the walls were so rotten that there was no difficulty whatever in poking a walking stick into them?—Yes, I am aware that something to that effect was said, and probably precisely that.

175. And, therefore, when you say in your general statement that so much barrack accommodation has been provided at a certain cost, you included in that estimate these barracks which have been officially pronounced to be unfit and unsafe for any human being to enter?— I think I can only answer to that, the old saying, "that accidents will happen in the best regulated families."

176. But you read out a list of the cost of several barracks; and what has happened at Saugor has to a certain extent happened at Nusseerabad, has it not?—Yes; those are the two stations that I have mentioned already where accidents have happened.

177. You have given a list of six; and I have only had time to look into these two out of the six; two of them rest under that stigma?—Two of those particular six that I have mentioned do; but there are new barracks over a great many other stations in India besides.

178. But will not the same remark also apply to barracks which you have not mentioned; to the Jubbulpore barracks, for instance?—There have been complaints about the Jubbulpore barracks, but none of a very serious nature.

179. Have you the official documents here relating to that case?—I have not.

180. *Chairman.*] Have you read them?—I have read them, but it was some years ago.

181. Mr. *Fawcett.*] Have you read anything recent?—I have read nothing recent.

182. Therefore you cannot state from your own knowledge, that very serious complaints have not been made against those barracks?—No, I cannot.

183. These barracks at Saugor cost 165,000 *l.*? —I have not got the price here; I cannot say exactly what it was.

184. Then we may come to the conclusion that contractors had nothing to do with those, and that they were constructed entirely by the Public Works Department?—Yes.

185. I want to fasten the responsibility upon some one; who was the head of the Public Works Department in India while this was going on?— The head of the Public Works Department in the Province itself, the officer responsible for that work, was the Chief Engineer in the Province, Colonel Pollard, whose name you have already mentioned.

186. But who was the head of the Public Works Department; General Strachey was, was he not?—For the Military Branch, I must myself be taken as the senior.

187. Is your authority co-ordinate with that of General Strachey?—The Secretary to the Government for the time being was senior to myself, and everything passed through the Secretary to the Government.

188. And who was the secretary whilst this construction was going on?—There were two secretaries.

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189. But who were they; the barracks were in construction four and a half years (I am referring now to Saugor), from the time when they were begun till they were completed, and this investigation took place, was four and a half years; who was the Secretary of the Public Works Department during that period?—General Strachey for a portion of the time, and Colonel Dickens for the other.

190. Colonel Strachey the latter part, was he not? — General Strachey was originally appointed, and he then left for a time, and was re-appointed; it is difficult to state the precise periods without referring to documents.

191. Then you are aware, if this may be used as an illustration, that this same department which is responsible for the construction of these Saugor barracks have proposed to the Government that they should undertake the erection of great works in India which involve the expenditure of something like sixty or seventy millions?—Yes.

192, The works to be carried out by this department?—Yes.

193. Mr. *Birley.*] Are the barracks that have been built and are being built in India now, consequent on the order of the Government of India in 1863, constructed upon a uniform design, or do they vary?—It happens that they have been generally constructed upon a uniform design, but that merely follows because the designs that were submitted as specimens have generally been accepted by the executive engineers and local Governments as the best that they could devise. It was distinctly stated in the very first Resolution of the Government of India, to which I have so often referred as their resolution upon the principles to be adopted, that officers might deviate from those designs. I think I had, perhaps, better read the conclusion. My proposal was, "That the preparation of the detailed design for the barracks to be constructed at each station be left to the local officers, the several rules and principles of design being laid down for their guidance, and specimen plans of barracks suitable for different localities being furnished to them." That was generally approved by the authorities who were consulted. The conclusion of the Government of India is as follows:—"Having in view the instructions of Her Majesty's Secretary of State for India in regard to standard plans, as conveyed in his Despatch, No. 27, dated 16th June 1864, and especially in that portion of it (paragraph 5) which relates to the adaptation of such standards to local circumstances; and taking into consideration the impossibility of determining one or even several standard plans that shall meet every requirement over all parts of our Indian Possessions, the Government of India is of opinion that if the general rules and principles to be observed in barrack construction be laid down, and if specimen plans suitable for different localities be provided, the preparation of designs for particular barracks may be properly left to the local officers. All such designs will, of course, be reviewed by the local governments or administrations before sanction is given for carrying them out, and the ordinary rules that determine the authority by which the estimates may be passed will be attended to; and if a deviation from any of the general principles be desired by any local government, a reference on the subject must be made to the Government of India." That gave full authority to any officer or any Government to submit any proposals of their own. It was the intention to court such proposals, because it was impossible that from any one source perfection could issue, and the Government of India would have been only too glad to receive proper information from other quarters. Of course, the specimen plans that were issued were prepared with a very great deal of care. They had received the general approval of the Sanitary Commission in England, and it resulted, perhaps as a consequence, that, although authority was given for the proposal of any deviations that the authorities might wish, still they were generally followed. But there are stations where that was not the case. For instance, take the extremes of India, Peshawur, for example; the barracks there have been a great deal modified to suit the circumstances of the position, and the earthquakes which occur there. In British Burmah, again, the new barracks are on a plan totally different from what is understood and said to be the standard. The Government did what they could to avoid encouraging the idea that the barracks were to be uniform generally; because, when the plans were issued for guidance, the designation "specimen" was used, and not "standard." Then in remodelling old buildings over different parts of India, the adaptations have been carried out according to what seemed necessary in each particular case without adhering strictly to the conclusions laid down for general guidance in the erection of the new buildings.

194. Then do I rightly understand that, in your opinion, the specimen plans are carefully modified according to the circumstances of locality and climate throughout India? — But the circumstances are not so very varying as to require any very different styles of building. One of those Indian barracks would answer very well in this country as far as the mere plan is concerned.

195. Have you a copy of the specimen plans?—I am afraid there is none here, but I can easily obtain them if they are required.

196. In the construction of buildings, what are the arrangements in regard to specification for the contractors or the Department; how are the specifications prepared? — An estimate is prepared in detail in the office of the executive officer, and the specification is given to the contractors.

197. *Chairman.*] Do you prepare a complete specification of all the work in detail before the contractor undertakes the work? — Yes. Of course the precise wording depends upon how the contract is given, whether it is given in a lump sum or whether it is given on a schedule of rates.

198. But supposing that it is on a schedule of rate, do you still prepare a complete specification of the whole work, whether you proceed on a schedule of rate or a sum in gross?—Yes; a complete specification.

199. Mr. *Birley.*] Are there supervisors of the work?—Yes.

200. And the supervisor has to take care that there is a proper strength of material, and so on? — Yes, under the order of the executive engineer.

201. And that system is uniformly carried out?—Yes.

202. Sir *D. Wedderburn.*] The original estimated expense of barracks throughout India was ten millions sterling, was it not?—It was.

203. We

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203. We were informed by General Strachey, that up to the end of the financial year 1872–73 we should have expended nine millions in barracks?—But I am not aware what his figures include; my figures are prepared under my own instructions in my office in India, and the figures that I have given are precisely those that I have quoted from the reports prepared by myself.

204. My reason for asking that question is this: if we have spent nine millions, and ten millions is the original estimate, may we infer from that, that there is only one million more to be expended?—I arrive nearly at the same result, but in a different way. I have already stated in my evidence that I think we require about a million and a quarter to complete the works.

205. You have said that these two-storied barracks, with one or two exceptions, are built of brick; now is it not the case that two-storied brick houses are very exceptional in India?—No, certainly not; the whole of Calcutta consists of houses three or four storeys high.

206. That is the exceptional case?—In native towns there are plenty of such houses all over India.

207. I refer to Europeans; do you mean that they inhabit such houses?—To natives. There are also double-storied buildings scattered all over India for Europeans, but they are not general.

208. It is not customary for Europeans to build two-storied houses, is it?—Because the accommodation on the ground floor is generally sufficient; but wherever upper-storied buildings are constructed they are generally very much approved of. I myself lived for a long time in an upper-storied building in Lucknow.

209. Do you find that the average temperature in the upper storey is higher or lower than on the ground floor?—That depends on structural details. I believe, speaking generally, that whatever be the description of building constructed (setting aside, of course, structural details, and looking to the general design only), whether they be one, two, or three storied, or whether broad or narrow, the average temperature in the several buildings, and in the different parts of each building, will be nearly the same. But of course structural details will have a great effect upon the internal temperature; for instance, whether we have tight-fitting doors or windows, and whether we have proper venetians and proper roofs; but these will apply to any description of building that is constructed.

210. Would you not say that any brick house was, as a rule, hotter than a house of the ordinary native construction?—No, certainly not; we have no proof whatever. It has been stated that what we understand as sun-burnt bricks remain very much cooler than kiln-burnt bricks. I have exposed both to the sun, and taken thermometrical observations, and I found little or no difference. Whatever difference there was might have been due to colour, but not, I believe, to the mere material.

211. Then do you consider that the reason why Europeans of the upper classes do not build themselves brick bungalows, or two-storied houses, is the expense?—Partly that, and partly that they do not want the accommodation in private houses, because sufficient is gained by the lower floor.

212. You used the expression "daily labour;" I should like to understand what you meant by that; you used it in contradistinction to "contract"?—In a contract you deal with lump sums and quantities; a contractor would build a certain amount of barrack work, and would be paid according to the work done. By "daily labour" we mean this; that the departmental officers employ as many labourers per day as they require for their work; and at the end of the day pay at once the daily wage, reservations being made in order to adjust final payments at the end of certain periods, when the work can be measured to test whether a fair amount had been done for the money to be paid.

213. In the case of certain public works in a native state which failed, the allegation, or excuse, was that they had been thrown down by an earthquake; has that excuse ever been alleged on behalf of the Public Works Department?—I have never heard it. With reference to your question regarding the temperature of the upper-storied barracks, perhaps I might read something which bears on that. As I said before, certain representations were made to the Government of India that these upper-storied barracks were very much hotter than others. I felt quite certain, from my own experience and from the result of information that I had derived from executive engineers, that such representations were not founded on valid grounds; and that, in truth, as I have already stated, the particular description of building had nothing to do with the question of temperature. However, at my suggestion, Lord Mayo requested that a number of thermometrical observations might be taken throughout India, in all descriptions of barracks; the upper-storied ones, the lower-storied ones, and other buildings. These thermometrical observations are in course of being made. Up to the time I left India very little had been recorded, but something had been done; and that supported the view that I have taken, viz., that the temperature was much the same whatever the buildings might be. I would refer to an abstract of the Report by the Sanitary Commissioner for India for 1870. It is the last that has been published. "The returns of thermometrical observations in barracks, although not very reliable, are not unfavourable to the new buildings, the mean temperature being somewhat lower than in the others, and the range between maximum and minimum smaller."

214. Mr. *Eastwick*.] Does it state the mean temperature?—No, it is only a general observation. I have ascertained since, that the Reports now coming in from Bombay give a more satisfactory account than that; still I claim nothing on account of the reduction of temperature for the upper-storied barracks; I believe that it will prove that there is no sensible difference in this respect between them and other buildings. There are other circumstances, however, to be considered with reference to temperature. It is generally well understood that at the time when we require to be very cool, namely, at night, in order to get good sleep, the higher you go the cooler the temperature will be.

215. Sir *D. Wedderburn*.] But the cooler at night, the hotter during the day, I presume?—Of course, if you go upstairs, and have not a good roof over your head, there will be radiation of heat, and the upper storey will naturally be hotter than the lower; but if the roof is properly constructed, and there is a proper ceiling, there will be no difference in the average temperature of the two storeys during the day.

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216. You mentioned just now the average cost per man in the permanent barracks; could you estimate at all the average cost of a bungalow such as an officer inhabits in India?—I cannot; but the cost would not be at all comparable with that of our permanent barracks, because the officers' bungalows generally are of temporary construction, requiring constant repairs and renewals.

217. It is a very low cost, is it not?—I do not think it would be now; officers are very shy of building houses now, and mainly on account of the expense.

218. Sir *C. Wingfield.*] Did all these specimen plans of barracks that were sent comprise an upper floor?—No; plans of single-storied barracks were also sent, but the ground plans for a single and for an upper storey would be nearly the same; it is simply putting one storey on the top of the other.

219. Was it optional to the local governments to have recommended a single storey?—No; because the Resolution of the Government distinctly says, with regard to the storeys, that "double-storied barracks, in which the upper floors only are used as dormitories and the lower ones as day rooms and for auxiliary purposes, should be adopted as a rule in all parts of India"; that was the principle laid down.

220. Then they had no discretion to vary from that plan, from the scheme of an upper storey?—Certainly not; that scheme has since been modified.

221. Therefore, had they been of opinion that an upper storey was unsuitable to the dry, hot climate of those particular localities, they would not have been able to urge that single-storied buildings should be adopted?—Every local government was consulted at the beginning, and they could have then given their opinions in any form they liked.

222. But when they were consulted at the beginning, had then the plan of an upper storey been resolved upon?—No; the only thing that then existed was my Memorandum suggesting the principles that should be followed; but the relative merits of single and upper storeyed barracks constituted one of the points brought forward for discussion in that memorandum.

223. But then, inasmuch as upper-storied barracks had never been built in Upper India, it probably would not have occurred to the local governments to object to such a plan?—But upper-storied buildings had been built in India, and existed; for instance, at Allahabad.

224. Not in recent times?—Yes; the Ellenborough Barrack was commenced in Lord Ellenborough's time.

225. That was inside the fort?—Yes.

226. And on account of the limitation of the space it was necessary to have an upper-storey barrack?—Yes.

227. But you can mention no instance where space to any extent was available where barracks with an upper storey had been built out of Bengal?—Well, I do not think I can; but it must be remembered that they had been proposed; for instance, the barracks at Cawnpore were half built when the Mutiny occurred; they were absolutely designed as double-storied barracks.

228. Were those barracks which were in course of construction at the time of the Mutiny upper-storied?—They were finished up to the lower storeys only; but they were designed, and intended to be completed, and have since been completed, as upper-storied buildings.

229. You have lived in an upper-storied house yourself, you say?—Yes.

230. Did you live in the upper storey in the hot months in April, May, and June?—I slept there in the hot months.

231. Then your personal experience is not unfavourable to an upper storey?—It is favourable.

232. You are acquainted with the house that I lived in?—I am.

233. And you know that my experience is decidedly the reverse?—That might have been entirely attributable to structural arrangement. Your house was ill ventilated; there was not sufficient ventilation in the upper rooms.

234. As it was under your charge, I wonder you did not inform me of that?—My recommendation originally was that that house should have been abandoned.

235. Now, you have stated that in one case the barracks cost 425 *l.*, and in another 286 *l.* per man; the accommodation for the soldier comes to that high price; is it not the case that a gentleman, a civilian, or military man, could build himself a very good bungalow for 250 *l.*?—In olden days it was very possible to build cheap bungalows, and probably they might have been built for the price that you mention. I am quite sure that that could not be done now-a-days. As I said before, if the barracks had been built on the same construction as those old bungalows, we should have been perpetually repairing them.

236. I am not recommending the Bengal system for barracks on account of the thatched roof, which would, of course, be dangerous; but comparing the relative cost, it seems a prodigious sum that the accommodation of each man has cost in these barracks?—I have no doubt it is a high sum, but we have a good article for it, except in the cases of failure which I have mentioned.

237. Is it not a prevalent opinion among the official community in Upper India that a bungalow made of unburnt brick is a cooler thing than a house of burnt bricks?—I have often heard the idea expressed, but I have never seen it supported by facts.

238. But you admit that it is a prevalent idea?—I admit that.

239. And founded, I presume, on experience?—I do not know on what it is founded; I think it has got no foundation. It has been my duty to consider the subject particularly, and I have given in previous answers the result of my experience.

240. However, you acknowledge that it is the prevailing opinion among English officials?—I do. But the question of roofs must also be taken into consideration. Of course a thatched roof will give a cooler house than any other description of roof that we know of.

241. Are these barracks made with flat roofs, or are they tiled?—The roof coverings vary, but there are none thatched; I believe that we have lately conquered the difficulty in respect to internal heat from roofs by making double coverings in a peculiar way, by which we get an air space between the two coverings. I found in a barrack at Barrackpoor, in which the roof covering was constructed in this way, that the thermometer in contact with the under side of the roof only read

read one and a half degrees higher that at a point six feet above the floor level. I think that the whole of these things are to be remedied entirely by care in the structural arrangements.

242. You said, I think, that there was only one building made with burnt bricks that had failed?—That is all that I know of; I do not say that that has failed, but that structural defects have been brought to notice.

243. It was an ordnance building at Allahabad? —That has failed, of course; I thought your remarks referred to barracks.

244. Has not also the gun-carriage building at Futteeghur? — The gun-carriage factory at Futteeghur is old; it is about to be abandoned; perhaps you are mixing up the two, because it is one of the gun-carriage buildings at Allahabad that did fail.

245. You said that those barracks that were built immediately after the suppression of the Mutiny, and were called the semi-permanent barracks, have most of them been utilized?—Yes; you are aware that all at Lucknow have been utilized, but you are aware also that those in the station of Roy Bareilly in Oude, and also in Seetapore in Oude, have been abandoned by troops, but they are occupied for civil purposes.

246. Also the station at Gondah?—Yes.

247. But only so much of them as might be made use of for civil purposes has been utilised? —Yes.

248. Is the money that has been spent on the Saugor Barracks and the Nusseerabad Barracks totally lost, then?—No, certainly not as to the Nusseerabad Barracks; I went down there myself and reported on the whole case to the Government of India. I do not know what measures have been taken on my report, because it was only delivered just as I left India, but I believe that it has been acted upon. A great deal of the work will be lost; I cannot say how much. At Saugor, as far as we know at present, the barracks have been entirely condemned; of course, there is the value of the materials still remaining, a very considerable sum, and I think it is quite impossible that the whole of the buildings can be so useless as they are said to be; I have read the Committee's report, and paid a great deal of attention to it, and I think that they have rather overdrawn their case in the total condemnation of the buildings. I have no doubt we shall find that a great part of the buildings can be utilised, not only for ordinary purposes, but for the troops themselves.

249. Are the new Allahabad Barracks occupied by troops?—Yes, they have been for some time.

250. Were not complaints made of the excessive heat?—As regards that, the barracks were incomplete when first occupied; they have now been provided with venetians, and care has been taken, I think, to paint the roofs white. I have not heard anything further in the way of complaint.

251. I think the East India Railway was completed and opened to Delhi by the year 1865, was it not?—It must have been opened then, I think.

252. And you did not commence the construction of these permanent barracks till 1865, did you?—Yes; they were commenced in 1864.

253. But very little progress was made in 1864 or 1865?—Not much, certainly.

254. Therefore, there could have been at that time no such very active competition between the railway and your department for materials or workmen, as the Honourable Member for London imagines?—Yes; the commencement of the rise was long prior to that particular time; any data which we have will be old data, with regard to old buildings, but the rise in rates commenced to take place before the Mutiny.

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255. The rise in rates that took place no doubt has been going on gradually with the rise in rents and prices in everything throughout India; but there is no necessary connection between the works of the East India Railway and the barracks, as regards their effect on raising the rates, for one was completed when the other began?—All that can be said is, that the rise in rates has been in accordance with the ordinary series of events; I could not attribute it to any one particular cause; the railways of course have had a material influence on that rise.

256. Mr. *Dickinson.*] Have any of these stations at which these permanent barracks have been built been abandoned, or thought ineligible?—No, not where they went on the new system.

257. Mr. *Beckett Denison.*] Is not the annual cost of repairs of barracks a very formidable item indeed?—It is a formidable item.

258. I mean, that the proportion of the cost of annual repairs is a very considerable percentage of the original cost; is it not, or has been? —It has been, certainly.

259. And do you fancy that the annual repairs of these new barracks will be less costly?—That is one of the reasons why the Government determined to construct permanent buildings, viz., to reduce the enormous expenditure in repairs.

260. Do you think that that result will be attained?—Yes.

261. Mr. *Bourke.*] When did you leave India? —I left India at the beginning of 1871.

262. Have you seen the barracks at Dalhousie? —No.

263. Do you know officially anything about them?—I know nothing whatever of them.

264. Do you know that within the last 18 months, huts have been made of a single storey at Dalhousie, the walls of stonework and the roof of slate?—I have not heard of the fact, but I have no doubt of it, because the Government have determined, as a measure of economy, in the hill stations to build a different style of building altogether, as I said before.

265. Do you know at all the comparative cost of those huts and the new barracks per man?—I do not, because I do not know what has been determined upon.

266. Then you cannot give at all the comparative cost of those barracks with the new barracks? —No.

267. Now, in your opinion, would it be possible to build single-storied buildings of an equally permanent character with those large new buildings?—Only by reducing the accommodation.

268. But you can make these huts of stone and slate equally permanent with large barracks like those at Allahabad?—You can make the buildings equally permanent, but they will not be cheaper unless on a smaller scale; I do not quite understand the bearing of the question.

269. The bearing of the question is this: there

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are new barracks built at Dalhousie, and these barracks have been built in the last few months, and they are one-storied houses made of stone and slate. I was informed by the engineer on the spot, that whereas the accommodation per man under the system of large barracks would cost 2,000 rupees per man, you could build accommodation that was equally permanent and equally good under that system of huts for 70 rupees per man?—I do not know to what he alludes; I should like to see on a question of that kind what was really compared; the thing is incomprehensible.

270. Sir *C. Wingfield.*] He alludes to those huts that were made probably for the troops immediately after the Mutiny?—There may be plenty of huts, but they do not give the same space. A great many huts have been built throughout the hills, but then they are merely huts. In the opinion of the executive engineer, the huts might be as good as other buildings, but it would simply be his opinion.

271. Mr. *Bourke.*] When the new barracks were originated first, after the Mutiny, there was a Sanitary Commission established, was there not, to consider the best style of barracks for India generally?—There was a Sanitary Commission for general purposes, but not for the barracks alone; I was the officer charged with the duty of making the proposals for the new designs, and these designs were submitted to all the Sanitary Commissions in India, who passed their opinion upon them, and their advice was received and generally accorded with the Resolutions. In that particular case of upper storeys, of which so much has been said, the Sanitary Commissions generally recommended the adoption of the upper-storied barracks.

272. Did the designs originate with the Sanitary Commission, or with your department?—They were prepared by me; that is to say, I first made my proposals, then, after all the advice of the authorities who were consulted had been received and considered, the Government recorded their conclusions. Then I made the specimen plans, which embodied the conclusions. These plans were approved by the Government and sent home to England, and then passed under the review of the Army Sanitary Commission, and received their approval.

273. So that your department is, after all, responsible for the plans of the buildings in the first instance, and your opinion was backed up by the Sanitary Commission in India and then afterwards by the Government at home; is that the case?—Yes.

274. Mr. *Lyttelton.*] What led the Government to modify their plans so as to allow men to sleep on the ground floor?—Simply, I believe, on the ground of economy.

275. The double-storied building was in consequence of a direct recommendation by medical authorities?—The double-storied building was generally approved of by all the authorities consulted, and was adopted in the first place by the Government of India. The Government have now modified their original order to a certain extent, namely, that they will allow single-storied buildings in dry stations, and the occupation of lower storeys as dormitories at such stations.

276. Then it is not on account of anything reported from medical authorities that that modification has been made?—No; there are no fresh statistics at this present moment, as may be understood from another extract from the Sanitary Report, which I have before quoted, viz.: "The returns designed to show the protection from disease afforded by upper storeys were too scanty to afford ground for generalisation." There is no additional evidence now to show that the lower storeys may be occupied with advantage; there is no fresh information, I mean, based upon statistical returns.

277. Have any barracks been completed under that modification?—Yes. With reference to the foregoing answer, I wish to explain that I was at the office of the Sanitary Commission yesterday, and was given to understand that returns are coming in now from Bombay, which show that the admissions into hospital have been less from the upper floors than from the lower floors.

278. Under the new system?—Yes.

279. That rather points to a probable remodification, does it not?—It would be impossible to say that favourable effects in a sanitary point of view will not arise from the exclusive occupation of upper floors or dormitories; I think that there can be no question about the success of such occupation. The measure modifying the new system is a decidedly economical one, but it remains to be proved whether it will turn out satisfactory or otherwise on sanitary grounds.

280. A return to the former system will involve a double expense, will it not?—I think not; nothing, at any rate, materially in excess of the expenditure involved in the original Resolution.

281. Are any one-storied houses being constructed now?—There may be, consequent on this order; but I cannot say from my own knowledge.

282. Sir *G. Balfour.*] We have been anxious to ascertain from you the cost of the outlay upon the barracks for the troops, and you state that accommodation for 15,000 men has been completed, and for 5,000 remains to be completed, at the cost of one and a quarter million?—These are rough calculations.

283. You said also that 20,000 troops now represent the increase of the European force as compared with the force before the Mutiny?—In round numbers; I tried to get the information as well as I could; I could not get to any precise return; but I think that may be accepted practically.

284. The present establishment of the troops being 61,000, or thereabouts, the establishment of the European force in India would therefore have been about 41,000 before the Mutiny?—I believe that the force thrown into the country in consequence of the Mutiny, that is to say, prior to the determination about these barracks, was as much as 75,000. Before the Mutiny the force was about 45,500; and in 1865, when the new barrack plans were taken into consideration, the force was 66,500. Precise information upon these points, no doubt will come from some other source; I would not give those as the precise figures.

285. For the sake of completing these numbers the establishment before the Mutiny was 45,000; at the suppression of the Mutiny, say in 1862, it was 75,000; in 1866, it was 66,000; and now it is 61,000?—About 61,000 or 62,000, I think.

286. Before the Mutiny we had, therefore, barracks equal to a force of 45,000?—No; I have already explained that it was not complete for that number.

287. The

287. The effective force was very much below the establishment?—When we started upon this new scheme we had not only to provide for the additional force, because prior to the Mutiny the Government was still providing accommodation for its original garrison.

288. The object now is to get the precise number at the present time for which we ought to have barracks?—And it was to further that object that I drew out the return now in my hand. I prepared this return in order that it might be useful when the question of the redistribution of the army was under consideration with reference to the extent of barrack accommodation that existed and that remained to be provided. The return shows the amount of accommodation we had at the close of 1870-71 for the troops quartered at stations under the direct control of the Government of India.

289. Then, according to your view, as we had an establishment of 45,000 men, we ought to have had barrack accommodation of some kind or other for that force located in India?—But I have pointed out that we were still building at the time that the Mutiny set in.

290. Then the barrack accommodation completed was for about what number of men before the Mutinies?—I am not able to give the number, but can only state generally that barracks were still being constructed, and were required.

291. At the beginning of the examination to-day we had an account from you of the bad state of the barrack accommodation before the Mutiny?—Of only a part of the accommodation; a great deal of the accommodation was very good.

292. I will read you a closing Minute of Lord Dalhousie's Administration: "The lodging of the soldier has been greatly improved, and no nation can show better or more appropriate quarters for the troops than the Government now provides for European soldiers in the East"?—That is so; all we have done since is to improve the general details of the buildings. I could illustrate that, as I said before, by what occurred at the time when Sir Charles Napier was Commander-in-Chief; the style of barrack which was adopted throughout the Punjaub was an extremely good one: it consisted of a central ward in which the beds were, and an enclosed verandah on either side, in one of which the men slept, and in the other messed.

293. *Chairman.*] The error in the paragraph seems to be in stating that this has been done, whereas it should have stated that a scheme had been resolved upon?—No, a great deal had been done; the present barracks might be challenged as to whether they are much better. The new plans only alter the arrangements in details; the only great difference is in the exclusive occupation of the upper stories.

294. Sir *G. Balfour.*] Lord Dalhousie states that "within eight years new barracks have been built, or are being built, at Peshawur, Noushera, Rawulpindee, Sealkote, Lahore, Rangoon, and Thayetmyo." He also added, "Old barracks have been replaced, or are being replaced, by new buildings at Ferozepore, Sabothoo, Kussowlee, Umballah, Agra, Cawnpore, Fort William, Moulmein, and Hyderabad in the Deccan"?—Quite so.

295. Therefore, in different parts in India, before Lord Dalhousie gave up his administration, we had extensive barracks, of a new description, built for the troops?—Certainly.

296. Having therefore completed that extent of barracks, and these barracks being of a very excellent description, as you have stated, the improved barracks to be completed for the additional force were merely for 15,000 men?—That is all that we have done up to the present time.

297. If we therefore take 250 *l.* as the cost per man for building these new barracks, the amount will have been three and three-quarter millions?—I have stated it as having been 3,152,069 *l.*

298. Then 3,750,000 *l.* ought to have been the cost for the barracks, if the accommodation for the 15,000 will have been completed at 250 *l.* per man?—Supposing that 250 *l.* per man to be the correct rate.

299. We ought to have spent, therefore, in 1864-65, according to your own statement, the sum of 3,750,000 *l.* for the new barracks for the 15,000 men; but on examining the finance accounts laid before Parliament, I see that we have spent altogether, for military buildings and fortifications, the sum of 8,933,089 *l.*?—Yes; but that includes military works of all kinds; I have explained that.

300. Therefore, upwards of 5,000,000 *l.* has been expended for other military works besides barracks?—Besides new barracks.

301. Could we have any statement upon what works that large sum has been expended?—I can give it you up to a certain time only.

302. *Chairman.*] Are you responsible for superintending not merely the barracks but all the military expenditure on works?—All expenditure upon military works.

303. Since 1863?—Yes.

304. Your appointment was not confined merely to the barracks, but applied to the general supervision?—Yes, but it had nothing to do with financial considerations beyond the fact of seeing that projects were economically devised; I do not think that the exact information that is required could be given without a reference to India; my returns for all other works I see, up to the close of 1870-71, show six and a quarter millions of expenditure; I have the details of that, but then there are charges for other works to be added.

305. Sir *G. Balfour.*] You stated, I think, that 4,500,000 *l.* had already been spent upon new buildings, and that 2,500,000 *l.* remained?—They are both estimates. On the new barracks in Bengal the actual expenditure was 3,000,000 *l.*, including the Budget allotments for 1871-2 and 1872-3; it was from that that we derived our rate per head.

306. Then besides that 3,000,000 *l.* already expended on account of the 15,000 men we have got one and a quarter million more to spend for the 5,000?—Upon a rough calculation.

307. That is 4,250,000 *l.*?—Quite so, for Bengal.

308. Then whatever further expenditure is shown in the public accounts must be for other works?—Yes; and I think I noticed this discrepancy before between my statements and the general statements; they are not so different as would appear at first sight, because I say that I can account at once to the close of 1870-71 for six and a quarter millions, and if we add the budget grants for two years the total will amount to something very much approaching to the general statement; probably the Bombay Harbour Defences have entered into that account, because it appears to include both buildings and fortifications; therefore if the Bombay works were

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entered, I dare say the discrepancy would nearly disappear.

309. A question was also put to you by one honourable Member with regard to the expenses of repairs, as to whether the repairs have not been very extensive during the last two years?—They have been very extensive.

310. Are you aware that, although we have been erecting new barracks since 1864-65, the cost of repairs has been at the highest 249,000 *l.*, and the lowest 201,000 *l.*?—But these figures do not, I think, relate to the new buildings, but to the old barracks and military works of all kinds.

311. Still the amount has been larger of late years, necessarily upon the more extensive accommodation of the troops, as compared with former years?—No doubt; but the "repairs" include a good deal, periodical painting, and everything of that kind. "Maintenance" as well as repairs.

312. You spoke of barracks generally throughout India; did you include the Bombay and Madras Barracks?—I have never visited any of the barracks in Bombay and Madras.

313. Therefore your experience is limited to Calcutta?—Everything directly under the Government of India.

314. Have you the accounts for these things in Bombay and Madras?—No.

315. Are you aware that the expenditure in Madras is very much less than in Bombay?—Yes; I know the Bombay expenditure to be very high, but at Madras there is not much work to be done.

316. Are you responsible in any way for the classification of the expenditure in the public accounts?—In no way whatever.

317. Could you give us a statement of the military stations at which the expenditure has been going on?—I could give a list of stations; which would comprise almost every military station in the Bengal Presidency.

318. And if we had these stations before us would you be able to place opposite them the civil provinces in which the military stations are situated?—Yes, it is all done here in this statement; Bengal, North Western Provinces, Punjaub, Oude, British Burmah, and so on.

319. Would you also give us the strength of the troops in each of those military stations?—It is roughly stated here.

320. Would you hand in that return?—Yes; this return is a "Statement showing the progress made to the end of the year 1869–70, in providing barrack accommodation for European troops throughout India on the present improved scale, and in the erection of other military works." I should say that it is a document for which I alone am responsible, although it was prepared in consultation with the Accountant General of the Public Works Department.

321. Is the same document prepared for a later date than that?—This is the latest; it is said in a letter relating to it, that "the original programme is of so old a date, and differs so much from what it is now intended to carry out in many details, as well as in respect to the strength of garrison, that we have resolved not to bring it forward again in detail in future reports. When the new distribution of the Army, now under consideration, is decided upon, a new programme will be framed for the current and future years." That means a new programme for the works still to be done, and then progress returns would be made to correspond with it. I question whether anything has been done yet.

322. Have you any information with regard to the amount of money that has been expended out of loan in regard to the construction of barracks?—No.

323. Mr. *Eastwick.*] When you were directed to make a general inquiry with a view to the erection of new accommodation for the European troops, did you go into the question of the expediency of sites; did you consider whether it was desirable to have barracks upon the hills, or to continue the barracks in the plain stations?—No; although that question came under my notice from time to time; it was not a special question for me to take up. My duties mainly related to the plans of the buildings. As deputy secretary to the Government in the Military Works Branch, all questions regarding site and so forth came under my cognizance, but those questions were mainly decided in the Military Department.

324. You did not go into the general great question as to whether we should have stations in the hills for the European troops instead of in the plains?—No.

325. There are barracks at Raneekhet and Chuckrata, are there not?—Yes.

326. Not huts such as were described by the honourable Member for King's Lynn, but regular barracks?—They are a good style of temporary barracks.

327. With an upper storey?—There are two barracks of a permanent character with upper storeys; but the others are single storied.

328. What number of troops are accommodated at those two stations?—I think only a regiment of infantry at each.

329. Was it found that the expenditure on those barracks was less than the expenditure in the plains?—Yes; the general plan was much the same, but it was very much reduced in the proportions; the cost was less in consequence of the plan having been reduced, and because the buildings are of inferior character.

330. That is to say, you gave less space?—In the hills less space has always been arranged for than in the plains.

331. Would you, if you please, state the number of cubic feet in the plains?—Ninety superficial feet in the plains, and 77 in the hills. We have generally thrown cubic feet out of the calculation; for this reason, that in order to avoid radiation from the roof, and for other structural reasons, ventilation, and so forth, we have generally found that the height of our barracks to meet those conditions must be so great that the superficial space would be too little if we allowed the height to rule the allowance of cubic feet per man. For instance, I believe that 1,500, or from 1,000 to 1,500 cubic feet is all that has ever been desired. Thus the height being fixed at 20 feet, the superficial space would not be more than 50 or 75 superficial feet, and this would not be enough. We have proceeded on the principle of elbow-room required, and that has resulted in giving 90 superficial feet per man; that multiplied by the height, 20, would give 1,800 as the number of cubic feet per man.

332. I want to ask you whether you think that the expense, supposing that the Government had decided to do away with the barracks in the plains and to place the European soldiers in the hills, would

would have been much less as regards the building accommodation?—If the whole force had been put in the hills, and supposing that an inferior description of building, such as has now been ordered for the hills, had been decided upon, of course the expense would have been very much less; but supposing we had given the same substantial character of building, allowing of course smaller dimensions and less space, I do not think that there would have been any difference in the cost. But the idea now is, that we can afford to build for the men in the hills an inferior description of building; and of course the first cost of that would be very much less. It was considered that in the plains it would not be desirable to build anything that was not thoroughly good, and that therefore everything done in the plains should be done in the most substantial manner; but in the hills it is now thought (I do not say that I endorse the idea at all) that less substantial buildings will suffice.

333. Would the price of labour be greater in the hills?—It would vary; the price of materials, lime in particular, would be very much higher. I came to the general conclusion that, supposing we had kept to the original scheme, the barracks in the hills would not have been less expensive; of course if the style of construction is altered there, as I have pointed out, a much smaller expense would be incurred. We have instances at various places in the hills of inferior or semi-permanent barracks falling into decay; and my own opinion is that it would be much better to build at once (if we can get money to do it), proper barracks in the hills; that it would eventually prove the most economical course.

334. With regard to the upper-roomed barracks, I want to ask you when you use the upper rooms as dormitories, what do you use the lower rooms for specifically?—A portion of the lower floor is used as a dining-room generally, one-half of the floor, so that three-fourths of the whole barrack is given up to the soldier. There remains, then, one quarter of the whole building, or half the lower storey, which is set aside for what we call auxiliary purposes, such as orderly-room, recreation-room, store-rooms, libraries, and so forth.

335. The soldiers are not in the upper storey during the heat of the day at all, I suppose?—There was at one time an idea that the soldier should be forced to leave the upper storeys during the day and come downstairs; and of course the arrangement admits of that being carried out; but unless there is such a distinct order as that, of course the soldier can remain either up or downstairs, as he pleases.

336. Which would be the best in a sanitary point of view, in your experience?—I think to allow him to do as he pleases.

337. You do not think that it would be necessary to bring him down during the heat of the day?—No; because that would be assuming that the upper storeys are hotter than the lower ones. I do not admit that.

338. With these new roofs you think they are cooler?—I think so, at certain times; but we have no thermometrical observations to prove that that is the case.

339. Could you give the average temperature in the Return which you are going to furnish?—I must refer again to the quotation from the Report of the Sanitary Commissioner, for 1870, in which he says: "The returns of thermometrical observations in barracks, although not very reliable, are not unfavourable to the new buildings, the mean temperature being somewhat lower than in the others, and the range between maximum and minimum smaller." The temperature of the upper floor depends mainly upon the roof; if the roof is bad it will be hotter in the upper floors at certain times.

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340. You cannot give us any idea with regard to Sir Charles Napier's barracks at Hyderabad?—No.

341. They were said to be extremely hot, you are aware, and so much so as to be almost uninhabitable by the soldiers?—I cannot say that I have heard that with reference to any particular barracks that were originated by Sir Charles Napier.

342. Did you consider at all whether mud barracks, supposing that you had the walls very thick, would not be cooler than these brick and stone barracks?—I did; I think the temperature would be the same whether mud walls or the regular brick walls are used.

343. I am speaking of mud roofs?—The same general answer applies; the coolness depends mainly upon the thickness of the roof covering. I do not think a covering of earth would be cooler than a covering of tiles or burnt bricks of the same thickness. A thickness of nine inches or a foot will, I believe, resist any sun.

344. You are aware that in Upper Scinde, which is supposed to be the hottest country in the world, and certainly the hottest part of India, the roofs are of that description?—Yes, the roofs are of that nature; but the layer of earth used is very thick, and of course it is a cheap way of getting a cool roof covering.

345. You are aware that the natives in Upper Scinde always build their houses in that way, though some of them are very wealthy men?—The result is this: I believe that, as already stated (setting aside thatch, or any perishable material of that sort), the power of any roof covering to resist the sun, depends mainly upon its thickness. Thickness involves weight. In consequence, although you may get your superstructure cheaper, the moment you add weight you add immensely to the cost of the timber or the iron supports of the roof, which are amongst the most costly items in barrack construction. And with reference to mud, you at once introduce decay from white ants. Every detail of that kind was carefully considered.

346. I suppose you never thought at all of the underground rooms?—Certainly; but my experience of them (we lived in them in Peshawur a good deal) is, that they are extremely unhealthy. Some misconception probably arises in regard to the different conditions of private abodes for individuals and abodes for large bodies of men; you see that that idea of the Tahkkana principle is entirely upon the basis of what you may call bottling up a certain amount of cool air, and there keeping it, and constantly breathing it. One or two individuals might fairly live in a Tahkkana for a considerable time; but if you put a number of soldiers there with only the space per man considered necessary for them, they would soon foul the air in it. Remarks have often been made as to the coolness of officers' bungalows when compared with the heat of soldiers' barracks; that simply means that the barracks are ventilated

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and the bungalows are not. An officer's bungalow has four or five rooms, and he has a large amount of air in those rooms; before sunrise he throws open the doors, and takes in a supply of cool air for the day, and he takes care not to admit another supply until the following morning; but to attempt to carry out that for barracks for large numbers of men would be impossible.

347. You had some of those underground rooms at Peshawur?—For officers.

348. Not for the private soldier?—No.

349. A great part of the expense under the head of repairs is for thermantidotes; are thermantidotes tried at times?—They have been largely tried; they are merely fans, and have no effect in cooling the air except when they can be used in connection with wet tatties or grass mats during favourable conditions of the atmosphere; there is no difficulty about distributing cool air when you get it; but the difficulty is to manufacture cool air at a moderate cost at all times. New thermantidotes are not charged to repairs.

350. But by the thermantidote you merely pass it?—Yes; at certain seasons of the year, when the hot wind is blowing, and rapid evaporation from the wet mats takes place, they have a great effect; but during the rainy season, the suffocating period, all that the thermantidote does is to supply air; the great problem for us is how to manufacture a large amount of cheap cool fresh air. There is no process yet discovered to do that at an economical cost. We have a committee in India who are considering all those questions of cooling barracks.

351. Sir *C. Wingfield.*] Can you have that cooling apparatus in an upper storey?—Yes; it is very simple.

352. Are they used to the same extent as in the single storeys?—Yes; it is a mere matter of expense.

353. Mr. *Eastwick.*] Are the roofs watered?—No; I am afraid that the supply of water required for that would be beyond economic considerations.

354. I suppose that the building of these permanent barracks in the plain stations will be one inducement to keep the troops in those localities?—Of course, wherever expense has been incurred, there will be a reluctance to lose the money.

355. Can you say whether there is any disposition now to locate a great number of European troops in the hills, to follow up the example of Raneekhet?—There is certainly a greater disposition to occupy hill stations than there was when this scheme was first started; but I believe that there are many opponents of the measure proposed for occupying the hills largely, not so much on the sanitary as on the strategical question where the army ought to be; that is a question for decision in the Military Department.

356. Were any of these barracks, for instance, the barracks at Peshawur, constructed with a view to defence?—The Peshawur Barracks were constructed distinctly with a view to defence, the main object being to reduce the military garrison at that station to a minimum, that is to say, the European portion of the garrison; and in order to effect this it was necessary to put that minimum garrison into a defensible position against our refractory neighbours. It has always been thought that one of the chief causes of the illness at Peshawur was to be traced to the excessive amount of duty at that station; particularly the night duty during the autumn, when fevers prevailed. It is now arranged that by placing a minimum garrison in a sort of fortified inclosure, not only will there be a minimum of men exposed to the climate generally, but the smallest possible proportion of that number of men will be exposed to night duty.

357. Would these places themselves be equally desirable, in a sanitary point of view, as the barracks?—The barracks are designed upon the general plan; the only differences are that the walls of the lower floors have been made considerably thicker, so as to withstand light artillery, and that arrangements have been made whereby the upper verandah openings can be made defensible; the barracks thus modified are distributed and connected by slight works of fortification, so as to form a large inclosure (for it is something very large), which can be guarded at a few points, and when complete, no doubt it will be an extremely strong position.

358. And is the air shut off much by the inclosure?—No; it is really not an inclosure that will exclude air.

359. In your estimate for the accommodation of European soldiers, did you take into account fortifications where a certain number of men might be placed; the fortifications of Bombay, for instance?—No, the Bombay fortifications were quite apart. A small sum only was set down in the original estimate for fortifications.

360. *Chairman.*] Was that with reference to the barracks?—That which I have mentioned is the only fortified barrack, except one at Hydrabad, in the Deccan.

361. Mr. *Eastwick.*] There is a fortified barrack there?—Yes; that is to say, the barracks of one of the regiments have had a fortified inclosure arranged all round them, so that in case of emergency, the block might be used as a defensive post.

362. *Chairman.*] Has that added much to the expense of the barrack?—Of course, it is a distinct fortification in itself.

363. You do not include it in the expense of barracks?—No.

364. Mr. *Grant Duff.*] An impression has gone abroad that we are building large uniform structures all over India as barracks; is there any truth in that?—I have already explained that the specimen plan, although it was [illegible] absolutely insisted upon everywhere, has generally been accepted at the different stations in India; and, therefore, it may be said that in all parts of India we have got these new barracks much upon the same plan. Still, at Peshawur there has been a different description of barrack, and at Burmah, again, a different description.

365. Would it be true to say that we have some 20 different kinds of barracks in India, the plans being modified according to the particular places where the barracks may be?—Yes, I think so.

366. Sir *C. Wingfield.*] Deviations and modifications were allowed, but always on the assumption that there must be two storeys; is not that the case?—Yes, as far as the new buildings are concerned.

367. Mr. *Grant Duff.*] Then it has very frequently been said that the barracks are palatial; is that true in any sense whatever?—They are large, inasmuch as they accommodate considerable numbers of men; but in no sense are they palatial.

368. In

368. In respect of being large, are they larger than many of the barracks that preceded them?—No.

369. It has frequently been said that they are sun traps; is that true?—I have already endeavoured to explain that they are not so.

370. They have been said to be exceptionally costly; do they compare favourably with other barracks that have been built under the War Office, or under other authorities in other hot climates?—The only tropical barrack of which I have been able to obtain particulars is the one built in China, at Kowloon, for 48 men and two sergeants, with a narrow verandah all round and an ablution room at each end, giving only 1,000 cubic feet per man. The climate there is very different from that which we have to provide for; that barrack gives no separate messing room as we do, and the cost is 86 *l.* per man. But the comparison must be made with the rates of our barracks in India, which include the auxiliary accommodation; and these vary, as I have explained, from 100 *l.* to 147 *l.* per man.

371. Then do they compare favourably with our English barracks, if you make allowance for the very different kind of climate which you have to provide for?—I think so. The cost of the new barracks at Chelsea, including all the auxiliary buildings, was 168 *l.* per man; that is to go against 250 *l.*; but then in those barracks there are no messing rooms, and no verandahs, and they are for an English climate.

372. Is there any statement that you could put in with reference to that?—I could put in this statement which I now hold in my hand.

373. *Chairman.*] Can you make any comparison between work in India and in England, when workmen in England are paid 6 *s.* a day and in India only 1 *s.*, or even less?—Yes; but we have also to bear in mind the differences of the requirements, *e.g.*, the height that we require in India, &c. The only satisfactory comparison is with the one in China.

374. Is it not the case that precisely the same effect, physically, is produced, whether you have a sufficient air space between the roof and the ceiling, or whether you make your barracks without that air space of an enormous height?—We consider it desirable to have the height as well as the space between the roof and the ceiling; we have considered it necessary to give a height of 16 feet for the lower storeys and 20 feet for the upper.

375. What is that height given for; what purpose does it serve?—It serves against effects of radiation and for efficient ventilation.

376. You mean the sun radiating through the roof?—Yes.

377. Can the sun radiate through a roof and a ceiling, if the ceiling is properly stopped, and there is sufficient air space between the roof and the ceiling?—I do not think it ought to do so, certainly.

378. It cannot physically, can it?—We are now getting up experiments to see whether there is much radiation. Then, again, we have a verandah to provide for, and the height in some measure is regulated by that; the outer opening of this should be considerably higher than the door, say nine feet. If you have a sloping roof, and a 12-feet verandah (which width is supposed to be necessary to keep the sun well off the walls), and if you carry that slope up, you will find you get to a height of 16-feet at once; and then after that a certain height is required in order to introduce a clerestory window for ventilation purposes.

379. Is that clerestory window an absolute necessity?—We think so.

380. Would not precisely the same effect be produced if you ventilated through the verandah?—No, the verandah itself requires ventilating.

381. Supposing that there is a ventilator in the upper part of the verandah, is not that sufficient?—No; we attach the greatest importance to that clerestory window for ventilation.

382. Mr. *Fawcett.*] Since the improved barracks have been erected, has the average mortality of the troops increased?—We have this Report of the Sanitary Commissioner, which I have already quoted, and which states that "the returns designed to show the protection from disease afforded by upper storeys were too scanty to afford ground for generalisation." But I have ascertained from some returns that have lately come from Bombay, that the admissions into hospitals from upper storeys are considerably fewer than from the lower storeys.

383. You refer to a great many experiments that have been made with great care, as to whether these high rooms are necessary, and the advantage of having double ceilings?—Not to test the necessity of the height, but the comparative temperature of the two storeys.

384. But I thought you said that experiments were being now made as to the effects of radiation?—Yes; thermometrical observations are being taken, and they will test the extent of radiation.

385. But it would be more advisable, would it not, that they should have been taken before the buildings had been made, instead of after; one or two buildings might have been made by way of experiment?—But it never struck anybody that the upper rooms would be hotter than the lower ones. We had already upper-storied barracks, and never had complaints about them before; we rather had evidence the other way, that they were cooler.

386. These experiments are being made in consequence of complaints that were made?—Yes.

387. Do you know anything of the barracks at Mount Aboo?—No.

388. You could not give any evidence on that point, and say whether they have been pronounced unsatisfactory?—No.

389. Sir *D. Wedderburn.*] In selecting stations in the plains, for building permanent barracks, a good many were chosen, were they not, which had not previously been used as stations for European troops?—I do not think that European troops had ever been permanently quartered, certainly not in any number, at Morar.

390. Or at Allahabad and Nusseerabad?—Allahabad and Nusseerabad were not occupied before permanently by any number of European troops; there had been batteries of artillery located there.

391. What means were used for ascertaining that these were suitable stations for Europeans?—They were mainly decided upon strategical grounds. The precise sites were selected by committees appointed for the purpose, consisting of members representing the military, civil, and sanitary authorities.

Col. *W. A. Crommelin*, R.E., C.B.

18 February 1879.

392. Has there not been reason to think that in some instances, at Morar in particular, those sites have not been judiciously selected on sanitary grounds?—I can answer with regard to Morar, that it was decided that that cantonment should be near the capital of Gwalior; and a committee very carefully examined the ground to a distance of 12 miles all round, and submitted a very long report upon every possible site, and eventually decided upon the site that has now been fixed upon, which happened to be close to the site of the former native cantonment.

393. And which has not proved very healthy, has it?—It is not likely to prove healthy anywhere in that part of the country.

394. Sir *C. Wingfield.*] You say, as regards the upper storey, the question is very much one of the thickness or solidity that you give to the roof; but if you make a very solid roof to the upper storey, does not that lead to very considerable expense, because you must then make the lower storey proportionably strong to sustain the weight of this solid roof on the upper storey?—Of course, the more solid you make everything, the more costly it is.

395. But it is not confined to the roof; you must proportionately strengthen your lower storey to sustain this roof?—The walls of a building would not be sensibly affected by a little extra weight in the roof; the walls of a building generally would take 50 or 60 times the amount of weight put upon them.

Friday, 21st February 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Sir James Elphinstone.
Sir George Balfour.	Mr. Fawcett.
Sir Thomas Bazley.	Mr. Robert Fowler.
Mr. Bourke.	Mr. Hermon.
Mr. Beckett Denison.	Mr. Lyttelton.
Mr. Dickinson.	Mr. M'Clure.
Mr. Grant Duff.	Mr. John Benjamin Smith.
Mr. Charles Dalrymple.	Sir David Wedderburn.
Mr. Eastwick.	Sir Charles Wingfield.

THE RIGHT HON. ACTON SMEE AYRTON, IN THE CHAIR.

Sir CHARLES EDWARD TREVELYAN, K.C.B., called in; and Examined.

Sir *C. E. Trevelyan*, K.C.B.

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396. *Chairman.*] WILL you be kind enough to state what offices you have held latterly in India?—I had 12 years' service in India, from 1826 to 1838, during which I filled various offices at Calcutta and in the Upper Provinces. I was Deputy Secretary in what is now called the Diplomatic Department. I also had charge of a district of the Delhi territory, and was employed for a considerable time in the measures preliminary to the abolition of the transit and town duties, and afterwards upon a Commission for revising the Customs' system in India. After that I had 19 years' service at the Treasury in London. Then I had 14 months' service as Governor of Madras in 1859 and 1860. Then I served as Financial Member of Council for India, from January 1863 to April 1865.

397. In your latter capacity you have directed your attention much to the general financial state of India?—Yes; I had it all before me for three years.

398. Would you like, first, to give your general view as to the changes that have taken place in the financial condition of India?—Well, my general view is, that Indian Finance is substantially sound and sufficient for every necessary purpose, and that the embarrassments which have been experienced of late years are owing to the want of proper management and manipulation. My reason for holding this opinion is, from observing the rapidity with which, whenever Indian finance has become deranged, it has been restored. There are many examples of that. The first, just outside my personal experience, but quite within my personal knowledge, was the derangement of the finances consequent upon the Marquis of Hastings' wars in Central India. Lord Amherst, during the early years of his administration, made great exertions to reduce expenditure, and the consequence was that, during the later years of Lord Amherst's administration, there was a perfect plethora of money; they did not know what to do with it; they actually sent a circular round to all the Civil servants asking the amount of their debts, with a view to pay them off, and to relieve them from debt. Then came the Burmese War, which was a very expensive affair, and threw the finances into derangement again. After that came Lord William Bentinck, and set it all right again; by the mere reduction of expenditure he restored the finances. Then, quite of late years, there have been two remarkable instances. The greatest derangement of Indian finance that ever occurred was in consequence of the War of the Mutiny. The moment serious attention was paid to the reduction of expenditure during Mr. Laing's administration of the finances, with the assistance of General Balfour (for it was almost entirely military expenditure), the finances were restored, and a surplus was established. The latest instance of all was the other day, when Lord Mayo seriously applied himself to reduce expenditure, and a surplus was immediately brought about. There is a reason for this sound normal state of Indian finance in the nature of the people; they are an exceedingly docile and industrious people, and it is an observation as old as the time of Alexander, that the husbandman goes on ploughing his field, or reaping his corn, and the artizan working at his loom, while the hereditary fighting caste is settling the matter in the field. So it has been under all well-regulated Native Governments. The Native Governments, whether Mahomedan or Hindoo, have made it a point of policy to have a select band of soldiery attached to their own interests, and the expenses of Government were so slight, and the people so docile, that they had, as a rule, large treasures, as is perfectly well known; all well-regulated governments had a large reserve. It was an old observation under the East India Company, that Indian finance was not elastic, which really meant that the Company, following its hereditary cautious policy, did not like to impose new taxation; it was always reducing taxation, and scarcely ever imposed a new tax. But since the Mutiny, Indian finance has shown extraordinary elasticity, and has come up to the standard of the most flourishing European countries in that respect. It has increased, I imagine, on the average since the year 1857, at the rate of about three quarters of a million a year.

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399. Mr. *Fawcett.*] Is that increase one which has arisen from the natural growth of the revenue, or from new taxes; the Income Tax, for instance?—Chiefly from the natural growth of the revenue. When we come to the Income Tax, I think we shall find that the Income Tax has had very little to do with it.

400. *Chairman.*] Do you consider that there has been any greater weakness in recent times in the finances of India than there was formerly?—Yes, much greater; and the main point for consideration is this; assuming that the normal state of Indian finance is, as I suppose it to be, sound and satisfactory, whence have arisen the derangements and embarrassments of late years?

401. And to what do you ascribe the difference?—I ascribe the former satisfactory state of things mainly to this circumstance, that the East India Company, whatever faults it may have had (and I do not mean to make a general comparison), had these great merits—it was frugal, it was independent, and it was resistant to exacting external influences.

402. By that description, do you mean that that was its condition up to the time of the Mutiny, or up to 1834?—Up to the time of the Mutiny; and I will briefly state my reasons for that opinion; I ascribe it chiefly to the mercantile origin of the Company.

403. Mr. *Fawcett.*] May I ask, when you say that the Company was independent, and not subject to external influences, do you mean independent of claims made upon it by the British Government?—Yes, that is my meaning; it was a double Government, and it opposed a stout persistent resistance to any claims which it considered were unduly pressed. The opinion which I have given may be illustrated by a few observations. The East India Company was entirely, in its origin, a mercantile body, and the mercantile habits attached to it to the very last. When I entered the service, I entered it as a writer. I afterwards rose to be a junior merchant. I believe before I became a senior merchant the whole thing was changed.

404. Mr. *Hermon.*] You do not mean that you traded on your own account, when you say that you were a junior merchant?—No; only that the old mercantile nomenclature stuck to the system.

405. Some people traded on their own account, I believe?—No.

406. Not the uncovenanted servants of the Company?—Absolutely not the covenanted, with the single exception of the medical officers in charge of civil stations. With the help of Mr. Foster and Mr. Whiffin, who were lent to the India Government by the Secretary of State to revise the accounts, I assisted at the obsequies of the old mercantile account system of the Company, and very characteristic it was. Every item of expenditure was reported to the India House, to the smallest *minutiæ*; and every year in the annual accounts there professed to be a stocktaking, not only of money in the treasury, and so forth, and claims, but actually of the value of Government House and of Fort William, and of the entire dead stock throughout the country. I mention that to show how completely the old mercantile character clung to it. Then the constituent body of the Company was the Court of Proprietors; the very name is characteristic. Although there were disadvantages in the double government, yet it had its virtues, it had its advantages. The problem was, how to check the action of one country in spending the money of another; and it was fairly solved by the system that prevailed under the East India Company. Although the Company looked coldly on roads and education, and in fact made hardly any roads, yet it was economical of the money of its subjects. It was extremely cautious and indulgent in taxing its subjects, and it was a vigilant guardian of those under its protection.

407. *Chairman.*] Are we to consider this description as extending up to 1858 or only to 1833 or 1834?—I consider it as extending to the Mutiny, and that introduced a new *régime*.

408. Can you state precisely to the Committee what the exact relation of the Board of Control was to the Court of Directors previous to 1858, with reference to the expenditure of money in India; do you recollect whether the Board of Control could originate a Despatch or not?—No; the control of the revenue rested entirely with the East India Company, and the Board of Control was constantly checked in its endeavours to order expenditure.

409. But could not the Board of Control, if a Despatch was originated in the East India Company's Office, and once sent to it, introduce any change in the expenditure, and insist upon the Despatch being sent out whether the Court of Directors liked it or not?—That was a moot question; but, speaking generally, the control of the revenue and expenditure rested with the East India Company, and the East India Company was a deeply-rooted, solidly-established representative of the influential mercantile middle class of England, and they were able to hold their own in general; and they carried cases even to the Court of Queen's Bench. I recollect Mr. Grant, as President of the Board of Control, suing out a *mandamus* against them in the Court of Queen's Bench to force them to pay debts said to be due to British subjects by the Nabob of Oude. To send out a revised Despatch, ordering their payment, that is to say.

410-411. And do you recollect whether they did send it out when that application was made?—I think not; but even supposing that they were overruled in that particular instance, still the normal state of things was what I describe, that the Court of Directors kept a strict guard over the money-box.

412. Then is it your opinion that that control of theirs facilitated a resistance to any demand that might be made in this country by the Board of Control for expenditure of Indian finance?—Yes, greatly so. I had personal experience of that, for, during nearly the whole of the 19 years that I was at the Treasury, I had to settle with Mr. James Cosmo Melville, the general secretary of the India Company, and Mr. Phillip Melville, the military secretary, the annual accounts for military and other expenditure; and it was by far the severest task I had; it was cat-and-dog work; and I was constantly overruled. No English official department then had any power of drawing upon India or of increasing the Indian expenditure; and so certainly of the two, I should say that India got off best.

413. But did the Court of Directors, however ready to embark as in matters that suited themselves, embark as freely in expenditure as other governments?—Well, their magnificence was chiefly shown on the mercantile side. It was an observation

observation of those days, that while the mercantile spirit prevaded every part of their territorial government, they conducted their trade in the spirit of territorial grandeur, the ships and establishments, and so forth.

414. That they traded like princes, and governed like merchants?—Exactly so; that states it briefly.

415. Do you think that since the direct administration of affairs by the Secretary of State for India in Council, there has been a greater disposition to give way to demands for expenditure of Indian finances?—Yes, no doubt. The Queen's Government has shown itself profuse and squeezable; but I must enlarge a little on that, that I may not do injustice. The Queen's Government has been earnestly desirous to do justice to its great task; but it has entered upon its charge with something of the excess of zeal of a person who has come into office with a strong impression that a great arrear of improvement has to be brought up. Whenever a clear case has been made out for any administrative improvement however expensive, it seems to have been accepted quite as a matter of course that it should be done, and done at once, without much regard to its effect upon the finances. In short, the spirit of the new *régime* has been high-minded, open-handed, munificent; and it is remarkable that all this was foreseen, and safeguards were attempted, but in vain.

416. Do you refer to the powers specially given to the Council in regard to the expenditure?—I refer to the great point that was made in the transfer of the government, of building up the personal independence of the members of the India Council by a life tenure of office, and the arrangement that was made to continue in the Council the exclusive control over payments out of the revenue which had attached to the East India Company. But, as regards expenditure, it has all gone for nothing. Perhaps the great fear of those days was that the Queen's Government would abuse the patronage of India, and on that point the safeguards certainly have been effectual, in the main. But, as regards expenditure, a state of things has arisen which could not have been foreseen at that time. The truth is, that our English Government is a highly popular Government; it is based upon a popular assembly, and the influences which press upon the Government in that assembly, and the influences which press upon the Government outside, through the press, and through their influential supporters, have altogether been too strong, and every safeguard has been overborne.

417. *Do* you ascribe in any way what may be called the inefficiency of the Indian Council to carry out that policy which you have indicated to the circumstance that it has somehow or other been constituted entirely of official people, or persons drawn from the public services in India, and not from any class of society independent of official life in India?—No, I think not. I think that, however the Council might have been constituted, the influences which I have alluded to would have been too strong for the Government. We have been serving our novitiate in the Government of India under a new state of things. If all this could have been foreseen, it would have been provided against, no doubt; but it was not foreseen, and the direct action of the popular Government of England, brought to bear immediately upon the administration of India, has been altogether too strong. When people spend their own money they generally look well after it; when they spend other people's money they are generally inclined to be liberal; and that is what has taken place here. It is the English Government spending the money of the people of India under all these influences, and the new machinery of Government has provided no effectual check against it; and therefore I state, as the first and most powerful cause of the deranged state of Indian finance of late years, that no sufficient barrier exists against official or popular pressure, or against the greed of class interests.

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418. Now will you be kind enough to give the Committee some illustrations of the general views that you have stated to show how far they are sustained by the facts?—First of all, under the official head, every now and then a fever, a sort of epidemic, takes possession of the public mind; the *idée*, the mania of an individual, becomes intensified when it seizes upon the public mind. Well, we had a fever of sanitation a few years ago, and one result of that is, that the people of India have been let in for an expenditure of 10,000,000 *l.* or 11,000,000 *l.*, much the largest portion of which has been entirely thrown away, in new barracks. In the first place, I believe that the greater part of it was totally unnecessary; they were seized with a fit of providing an entirely new outfit of military buildings, according to the last new-fangled fashion. And in the next place, the particular kind of buildings, two or three stories high, presenting large surfaces of stone and brick and tile to the Indian sun, was totally unsuited to the circumstances of the country; the true model is the Indian bungalow, made of thatch and mud.

419. And in which you put your buildings in the shade?—Yes; private people in the Upper Provinces always reside in houses of that sort; and what was really wanted for the troops was large bungalows, which they had to a great extent.

420. Do you consider that that great movement originated in this country, or amongst the official classes in India?—Entirely in this country; it was the consequence of orders from England.

421. But did the movement originate or not in India?—No; in this country. Of course, it was a very valuable movement; I am only speaking of its excess and misapplication.

422. But supposing the movement were misapplied in India, where are we to look for the misapplication of it; to the administration of Indian affairs in this country or to the administration of those affairs in India?—In this country entirely. The Government of India were merely obeying orders in constructing these magnificent palatial barracks.

423. But would it not rest with the executive officers of the Government of India, supposing the principle to be laid down that it was desirable and economical to have certain sanitary improvements, to apply the sanitary principles in the proper mode?—No; the orders of the Home Government came out with such a completeness of detail, and with such an authority, that the Indian Government had no choice at all. I assisted in the deliberation of the Council of India on the subject, and the only question was where these barracks were to be erected, and for what force. There were some minor details that

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that they were open to decide for themselves, but in the main they took the plans that were sent out to them from England.

424. In arriving at these plans with this completeness, would you ascribe such action as that on the part of the Secretary of State for India in Council to the fact that he was surrounded by a large Council of persons, all of whom had been Indian officials in these places, and therefore thought themselves as competent as anybody else to deal with the matter?—Well, the Council themselves were overborne. Probably I may best describe my view of the matter by saying that the old East India Company never would have done it; they would have fought it *à l'outrance* before they would have laid out 10 or 11 millions in rebuilding all the barracks of India on that magnificent scale.

425. Do you think it was in consequence of the different constitution of the Court of Directors that it was very much a settled policy with them never to give any detailed orders to the Government of India, but to make the Government in India work out the details according to the conditions of the climate and of the people?—Yes; they were much more reserved in their directions to the Government of India. Their principle was that India was to be governed mainly on Indian principles, according to Indian experience and habits and feelings, and according to the actual state of things, including finance; they rarely gave any positive out-and-out instruction, but left it more or less to the decision of the Indian Government. I am quite sure that both for that reason, and with reference to the inherent merits of the case, the old Company never would have done this.

426. Did the old company communicate more with the several Governments, and therefore leave them less to their own discretion, than the Secretary of State does?—They left the several Governments much more to their own discretion than the Secretary of State does. Through the new arrangements India and England have been brought, as it were, side by side, and the influences of the Government of England, including Parliament, and including also that obscure but still very powerful government which goes on in the interior of English society itself, through the press, are brought to bear immediately and directly upon India without any barrier, without any buffer at all.

427. Then in recent times, has there been a tendency to centralisation in the Governor General of the details of administration; I am not speaking of the immediate changes that took place recently, but up to within a very short time, was there a growing tendency to vest the administration in detail in the Governor General?—No doubt a very great tendency, but I propose to deal with that under a separate head afterwards. I will go on now to give another example.

428. It might be convenient to tell you that the gentleman who was examined here last time gave us rather a different view of the extension of the barracks, and led us to suppose that the whole of the details involving this enormous expenditure resulted from the general expression of official opinion in India; although the Home Government sanctioned it, yet that the official circle in India was responsible, as well as the Governor General, for the high scale of expenditure?—I am under the necessity of gainsaying that. I know that the estimate first of all was 8,000,000 *l.*, and then it soon rose to 10,000,000 *l.* and 11,000,000 *l.*, that was the estimate which was accepted in India; and I took part, as I said, in repeated deliberations of the Council in India in settling the barracks in different parts of India, Allahabad, Peshawur, and elsewhere, and I know that the standard plans of model barracks (that was the name by which they were known), that is, a certain model for the construction of these barracks, after having undergone great consideration and revision in England, were sent out as the perfect standard, and that was accepted quite as a matter of course by the Government of India; and what remained was merely matters of detail, where the officers' quarters should be, and whether the barracks should be fortified; whether they should be placed in this place or that, and so on.

429. Do you recollect whether the standard that was then finally settled was very much upon the basis of a standard that had been arrived at and carried out in the Punjaub before that change took place, before the barrack question was again raised?—That I really cannot say. All I can say is that we heard nothing about it in the repeated discussions in the Council. The Council gave a great many sittings to it, at the whole of which I was present.

430. Will you give any further illustrations of official influence on expenditure?—The next illustration that I would give is the unrestrained liberality with which the amalgamation of the Queen's and Company's army was effected. Now, that amalgamation was an indispensable measure; but there are two ways of doing everything, and that was done in the most expensive manner possible. I would especially call attention to what are commonly known as the colonels' allowances. Now, from time immemorial it has been an established principle of administration to fix an establishment, as it is called, according to the supposed wants of the service, and to promote only to vacancies on that establishment, so that there is a self-acting check against excessive expenditure; and also there is great uncertainty about the officer's promotion, and those who do not feel that they have a call for the service, or who have a wish to enter upon other pursuits, retire from time to time in considerable numbers. But on the occasion of this amalgamation the extraordinary step was taken (it was a perfectly novel invention; nobody ever heard of it before) of prescribing that the officers of the different grades should be promoted to the next higher grade after a fixed period of service, so that every officer in the service, even the youngest, could calculate with the utmost certainty the time when he would arrive at this liberal scale of allowance, about 1,100 *l.* a year. Well, this has led to a wonderful promotion, an unheard of promotion. We already, in fact, have an army of field officers with very few subalterns. I also say generally, that far too great a disposition was shown to stop the mouths of the Indian officers with sweetmeats. As regularly as a new claim was made it was satisfied, and that laid the foundation for other claims, till at last they found that such an extraordinary measure of promotion had been given to Indian officers that the Queen's officers began to call out; that was the first check given to these wholesale concessions. Then I would

call attention to the contrary practice we have pursued in England. Quite as fundamental a change, although of a somewhat different sort, has lately been made in the English army by the abolition of purchase. Now the officers of the old Queen's army have begun to call out in the same way, but they have made a mistake, because, instead of spending the money of the Indian taxpayer, the Government, in reference to the question of purchase, would have to spend the money of the British taxpayer, and so I do not think that they will make much way.

431. Do you think that the pressure that was brought to bear came from England or from India in these transactions which led to such a great increase of expenditure to carry out the amalgamation?—They mainly came from India. The claims of the Indian officers were constantly put forward in the House of Commons as a case of grievance, and I am afraid that the counter-claims of the Indian taxpayer were not urged with equal zeal. I am old enough to remember all that took place about half batta; that was a very small matter indeed compared with what we are talking about, only about 150,000 *l.* a year at the very outside, and yet for the sake of that 150,000 *l.* a year the East India Company and the Government of India withstood the whole body of its officers to such a degree that they were on the verge of mutiny.

432. But do you recollect whether the mode in which the amalgamation was carried out was first settled by a committee or commission composed chiefly of Indian officers of experience?—Very likely; but that was setting the wolves to guard the sheep.

433. Still, do you recollect whether the whole of this expenditure was not the result of the first step that was taken; that one step led to another?—No, by no means. I assisted in that first step. I gave strong evidence before a large Commission, which reported in favour of the amalgamation, and nothing of this sort was in the least contemplated. It was never supposed that anything more would be done than to maintain the Indian officers on an exact equality with what they were before. Whereas, the fact [illegible] we have gone a great deal further.

[illegible]4. That is so; but do you recollect that [illegible]n the amalgamation had been determined [illegible]pon by the Government, a scheme was set on [illegible]ot for creating what was called a staff corps, [illegible]d giving the officers on that staff corps a posi[illegible]on entirely different from that which they had [illegible]reviously held, and which you say you did not [illegible]ntemplate being changed when you re[illegible]mmended the amalgamation?—The staff [illegible]rps was a perfectly right measure.

[illegible]35. Do you recollect that the conditions [illegible]xed to that staff corps were the cause of [illegible]e subsequent claims?—They may have been [illegible]casion. I cannot admit that they were [illegible]use. My belief is that if the matter had [illegible]properly managed, the amalgamation might [illegible]been effected with at least as much economy [illegible]e abolition of purchase.

[illegible]6. Supposing the conditions had been right, [illegible]view would follow; but were not the con[illegible]s that were laid down, such as rendered [illegible]sary all the subsequent steps, by giving to [illegible]fficers who joined the staff corps relative [illegible] and position, very much superior to that [illegible]h the rest of the army considered them entitled to?—The formation of a staff corps was a necessary and proper measure; but the annexing to the staff corps as a condition that the officers should rise in the way I have described, entirely according to length of service, giving them the strongest possible inducement to hold on till they got 1,100 *l.* a year, was quite unnecessary, and was altogether wrong, in my opinion.

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437. Was it not the foundation of all the subsequent claims?—It was, no doubt.

438. Can you tell the Committee where the suggestion came from, that this should be the condition of the staff corps; was it not a suggestion that came from India, and was pressed upon the Government of this country?—It may be; all I can say is, that I never heard of it till it was done. It may have come from India, but that was no excuse, because such a proposal, coming from the officers interested, ought rather to have induced caution.

439. I do not know whether it came from India or not; I am only assuming in the ordinary course of things that it would?—I think that as a matter of history it would be interesting to find where such a proposal did come from.

440. Would you be good enough to give any further illustration of your general views?—I had to settle the army recruiting expenses with the two Melvilles every year. The actual recruiting the Company managed for themselves. They had a single depôt at Warley in Essex, with a small establishment of officers, and their recruits cost a very moderate sum indeed; I do not know how much less than 30 *l.*; 25 *l.* perhaps a head; they were put on board ship at 25 *l.* a head, say something of that sort; whereas now, instead of having one depôt, there are as many depôts as there are regiments of the British Army, two company depôts, a considerable portion of the expense of which is charged to India, and the result is, that it costs upwards of 80 *l.* to put every recruit on board ship. That seems to me to be an example of the pecuniary interests of India being sacrificed to English official pressure, backed by the natural desire which people have to save money in Parliament and elsewhere. And in this recruiting there is no excuse at all, because the Indian military service is highly popular, it always has been, and it still is; and I believe that if the Indian service was eliminated from the general recruiting of our army, it would be found that there would be much more difficulty in getting recruits than there is now.

441. You think that if the Government entered into a contract for the troops now at 25 *l.* a head for India, they could get them?—Circumstances have changed, wages have gone up, but I am perfectly convinced that they would get them, and well-trained recruits, too, for half what they give now.

442. Do you attach any weight to the recruits going out to India in a more advanced military condition than they used to do formerly when they left this country?—Not much. No doubt the recruits are better trained now than they were under the Company. But how they fought under the Company! What British regiment ever fought better than the 2nd Madras Fusiliers?

443. Do you think that now that they go overland, and arrive very soon, instead of having the discipline of a voyage round the Cape, it is important that the troops should be kept longer

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in this country and become more disciplined before they are allowed to land in India?—I do not think that the voyage round the Cape contributed much to their military efficiency except so far as they were under orders; indeed, it was not a state of life favourable to discipline. I think it may be struck out of the account. I went out with a party of recruits myself, and I am sure that they got no good from it.

444. Do you ascribe this more expensive arrangement entirely to what may be called the pressure of the English army administrators upon the India Office?—I ascribe it to the fact of the principle of our official connection with India being changed, to Indian interests being brought quite alongside of English interests, and to there being nobody of sufficient importance like the old East India Company to stand up for the interests of India.

445. But do you think that there has been no equivalent advantage gained in having this considerable force in England kept in a good state of health, and with less risk of mortality, which could be sent to India at a moment's notice?—We had that advantage before. How was India reconquered? Only by reinforcements from England. There is a great advantage in having these two-company cadres ready to fill up, but then the advantage is not for India but for England; it adds greatly to our defensive force in England.

446. Would you give another example of your views?—The last I will give under the official head is the new annual subsidy to the navy. Now, under the East India Company the principle was that India was on the same footing *quoad* the British navy as Canada, the West Indies, the Cape of Good Hope, Australia and China, and all the world. The British navy is maintained by the people of England to preserve the peace of the seas, at probably more than their share of the expense, compared with other nations; I suppose that they have a larger interest; but, however, that is the general principle. Well, the sole exception that has been made to that principle is quite of late years, since the transfer of the Government of India to the Crown, against India, and it seems to me to be altogether wrong. If it is right, it should equally apply to Australia, the Cape of Good Hope, the West Indies, and Canada: in fact, the expense of the navy should be apportioned among all the different members of the empire.

447. Had not the Court of Directors of that day set up this principle of the necessity of a special navy by establishing finally, after various modifications, the Indian navy?—Yes; but before the East India Company came to an end it was found to be a complete mistake, and the first thing that was done after the transfer of the Government was to get rid of the separate Indian navy. If the Company had a pet job it was that of their navy.

448. And a very costly one to the people of India?—Yes.

449. Though very agreeable in the Cinque Ports, and other ports in this country?—Yes.

450. Was not the scheme for supplying a special naval service in India considered to be the result of the abolition of the Indian navy, and as taking its place?—No, I think not. I was in India when the Indian navy was abolished; it formed part of my first and second budget, in fact, all three; and I am cognisant of all the circumstances; and at that time there was not the slightest idea, at least not in India, of subsidizing the navy. The only excuse for anything special in the way of a naval force in India is a gunboat or two in the Persian Gulf; that is all; it was understood that that would be provided by the navy; and I remember the arrangements that were contemplated, if not actually made, that those two gunboats were to be in great proportion manned by natives, and so on.

451. As a matter of finance, taking the charge for the subsidy that is now given to the British Navy, is not the arrangement more economical than that which obtained in the old Indian Navy?—No; because, owing to the manner in which the whole affair has been mismanaged, we have got, in the shape of transports and passage-boats, and gunboats, and above all, floating batteries, at least an equivalent for the expense of the Indian Navy, and this subsidy in addition. I am not speaking of the English and Indian transport service, but of the local marine which has been maintained. I should like to give separate evidence on that; it is a very important point. The local naval expenditure at Bombay of all sorts is equal, or nearly so, to that of the old Indian Navy, and we have this subsidy into the bargain; and, of course, the transport service between England and India in addition. That is all I have to say under the head of official instances; there is another head which I would call sentimental.

452. Will you be good enough to give some illustrations of what you consider the sentimental influence over the Indian administration leading to increased expenditure?—I now refer to a head which in the main is sentimental. It is very pleasant to be generous, and it is pleasanter still to be generous at the expense of other people. Now I am confident that the extraordinary liberality with which the descendants of Tippoo Sultan were dealt with under the immediate action of the Government of this country could never have happened under the East India Company; and the same with the descendants of the Nawaub of the Carnatic. The entertainment to the Sultan is a small matter, but still it is significant.

453. In that case did not the British P[arlia]ment vote an addition to the Civil List fo[r the] year to enable Her Majesty to entertai[n the] Sultan?—It may be so; but I am quite sur[e] the East India Company never would have [given] 10,000*l.* in entertaining the Sultan.

454. Mr. *Fawcett.*] You refer to the ent[er]tainment at the India Office?—Yes.

455. Which was paid for entirely by the peo[ple] of India?—Yes.

456. *Chairman.*] I understand your vie[w] that the Government here was liberal w[ith] money of the people of India; but was th[ere] an equal liberality with the money of this c[ountry] in voting sums for entertainments for that [purpose] —I cannot speak positively; my impres[sion] that it was not corresponding to that whi[ch was] shown by the Indian Government; and I [would] be understood that in the evidence I a[m] giving I do not profess to mete out pra[ise or] blame, but I have been asked to state the [causes] of the derangement of the Indian finances, [and I] state these. The biggest case of all is [that of] Mysore.

457. To what extent do you consider that the liberality to Tippoo Sultan's family was profuse?—I am perfectly familiar with all the circumstances connected with Tippoo Sultan's family. I lived for many years at Calcutta in daily intercourse with them, and there were some highly respectable members of it, and they had all settled down without any idea of any great advance in fortune; but Nawaub Golam Mahomed, a highly respectable gentleman, finding that the government was transferred to the Queen, thought it would be a good speculation to go to England and see what he could get. I suppose he was advised that there was a strong sentiment in England about the famous old family of Hyder Ali and Tippoo Sultan which we had destroyed, and that possibly he might get something; and he worked that sentiment very ably, and was helped. And then, in all these things, there is a good deal of agency, as it is called; heavy sums are paid under that name by the native families interested to English people, perhaps less in this than in other cases of the same sort. It reminds us of the worst times of the Roman Empire, when the different African and Asiatic sovereign families used to come to Rome for similar purposes. I am not prepared to go into the details of what they had before, and what was given to them. I do not at present remember, but at the time I was familiar with them, and I received a very strong impression that it was money entirely thrown away.

458. Can you give the date when the thing was settled?—It was 1863, or 1864 or 1865. A portion of them remained in Madras at Vellore, where I was in communication with them as Governor of Madras; but the majority of the family had settled at Calcutta, and had become [illegible]gular inhabitants, and mixed with society as [illegible]established inhabitants, and their condition in [illegible]as fixed, and such a windfall as this they [illegible] for a moment dreamed of; but, however, [illegible]tried their luck, and succeeded at the ex[illegible]e of the taxpayers of India.

[illegible]9. Now with reference to the Nawaub of [illegible]arnatic?—The same with the Nawaub of [illegible] Carnatic. There by a decision of Lord [illegible]housie's Government, supported by the Home [illegible]vernment, the Musnud of the Carnatic had [illegible]n declared to be extinct; but there was a [illegible]ephew, a Nawaub Azimjah, who was discontented, and made claims, first of all, to the Musnud, and when he found that he could not get that, he tried how much money he could extract. When I was governor of Madras I thought the matter was settled. I remember I called upon him and conferred with him, and suggested to him that it would be well for him to take up the position of the first subject of the Madras Presidency, the highest noble of the South of India; and he came to a Government entertainment in the banqueting house, and I thought it was all settled; but, however, seeing that Tippoo's descendants had fared so well, he thought he would try his luck too; and he employed the same machinery with the same results. He got a large increase of stipend himself, and a very large sum to pay his debts, and 15,000 *l.* a year added to the incomes of his numerous dependents, who live there in idleness at the expense of the ryots of India.

460. Mr. *J. B. Smith.*] Was the sum that was given to him an annuity for a term of years or in perpetuity?—I believe chiefly for life. I do not think he has children; however, there was a very large sum given for paying his debts; whereas I thought the debts were all settled. In fact, they were settled twice over; first of all a settlement was made on a moderate footing; and when I was governor of Madras, that settlement was still maintained, and was supposed to be final; and a great deal was going on about it; but all that was superseded, and a much more magnificent settlement of his debts was made: a very large sum of money was paid, and his stipend was very much increased, and 15,000 *l.* a year added to the smaller stipends of his followers.

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461. *Chairman.*] Now, will you give us your views with reference to the arrangement made for Mysore?—I will not enter upon the general question. I have a strong opinion. I may say that I have a right to an opinion, because I drew the original despatch of Lord William Bentinck's Government ordering the sequestration of Mysore. I was then deputy secretary in the Political Department as it was called, now the Diplomatic, and I was cognisant of all the discussions that took place, and knew the whole thing, and I have watched it since from time to time, and my own opinion is that we ought not to have relegated that noble country to the chances of a new Native Government, not an established Government, but a mere boy picked up at hazard and manufactured for the occasion, and that the true thing would have been to have absorbed it, to have accepted the lapse, to have added the million a year which is the revenue of Mysore to the Madras revenue, and to have acted with all the more liberality to the whole of our subjects in the South of India and everywhere else, enlarging the employment and the salaries of the natives, and dealing more liberally with roads and railways, and in every way whatever; that would have been the true thing. But, assuming for the moment that it was proper not to absorb Mysore, even so, I maintain that it was a very extravagant arrangement financially; for the peculiarity of Mysore is, that it is a glorious tract of fertile country entirely surrounded by our country, so that they partake to the full of the advantages of our military protection; they can have no external enemy whatever, and there are many other indirect advantages from our post-office and our telegraphs and railways, and a good many other advantages; so that, even supposing the native government had been revived, we ought to have made a new financial arrangement suited to the new circumstances. There was an old arrangement made in Lord Wellesley's time, by which they had to maintain a certain number of irregular horse—that was all; that was suited to the circumstances of the time; because the object was to put a local Hindoo government in the place of the former Mahomedan government of Hyder Ali and Tippoo, and to oppose it to the Mahrattas, and so on. That was suited to the circumstances of that time; but if we choose to revive the native government of Mysore under the entirely new circumstances of the present time, we ought to have made a new financial arrangement, and have taken a proportion of the Mysore revenue, suited to the advantages which they derive from us.

462. Then do you ascribe this new policy to the influence of English feeling on the Secretary

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of State for India in Council?—Yes, entirely so; it was done in the House of Lords under the influence of a brilliant oration, and there was no *quasi* independent body like the East India Company to say nay, and so it was accepted as a matter of course. The people of England did not understand the subject; they thought it a very fine thing to be self-denying, and give back what we had taken, and so on.

463. Do you attach any weight to the general policy of preserving a number of native independent states?—Yes, the greatest possible weight; but they ought to be integral substantive national states, and not merely manufactured artificial states like Mysore. Not many years before, Mysore had been for three generations under a Mahomedan Government, and the restored Mysore family had no real hold upon the country whatever; it was in no sense a national government, and I firmly believe that if, instead of making it all depend upon a limited number of interested officials immediately connected with the administration of Mysore, who pulled the strings with their petitions sent to Calcutta at the expense of 500 rupees (which I remember it cost to telegraph a single petition to Calcutta), and with the large sums paid for agency in England, and interest made by them in all sorts of ways, the whole of the people of Mysore, that is the ryots (for it is mainly an agricultural country), had been polled, the decision would have been in favour of their continuing under the direct English administration; for it must be remembered, that ever since the year 1832, I think, when Lord William Bentinck sequestrated Mysore, it had been under English administration, and it prospered under it, and the benefits of it were highly appreciated by the ryots.

464. Are there any further illustrations that you wish to give of what may be called English influence on Indian financial affairs?—I come now to the last head of illustration, which is the mercantile and stock jobbing interest. I do not use the words "stock jobbing" in an invidious sense.

465. Stock dealing you mean?—Yes, the stock dealing interest. The first instance I will give is the most excusable of all, the Indo-European Telegraph Company. It was considered a great object to establish a direct telegraphic communication with India, and the plan then in vogue was to carry a telegraph down the Red Sea and the Indian Ocean, and it was settled to be done at the joint expense of England and India, but from the first it was a failure; so that from the first, without having had any use of it at all, or having either suggested it or had anything to do with the arrangements for making it, India was let in for a perpetual charge of, I think, 25,000 *l.* a year. Now I repeat that in saying this I am not blaming anybody; I am only illustrating the great change which has taken place. Under the East India Company such a thing could not have been.

466. Did the English Government suffer an equal loss?—Yes.

467. Then it was a joint operation between the English Government and the Indian Government?—Yes.

468. Do you know whether the loss originated from the nature of the transaction itself, or from the faulty way in which the contract giving effect to the transaction was carried out?—Well, I should say from the faulty way in which the contract was carried out. It was managed by England for India. We know from a large experience that deep-sea lines can be very well laid down; however, that failed.

469. Are we to ascribe the failure to what may be called English influence, or to the fact that the officers employed on the joint account of the British Government and the Indian Government rather mismanaged the business?—The affair was mismanaged undoubtedly. It was rather early in our experience of deep-sea telegraphs; we were then buying our experience. I do not blame the officers. Friends of mine were on the direction who I know did their best; I am only mentioning it as an illustration of the great financial change which has taken place.

470. You probably have heard that the mode in which that contract was carried out has been very much questioned?—Yes, I have heard that.

471. And it has some how or other resulted in the fact that the contractors received all their money and gave a perfectly useless telegraph cable in return?—That is perfectly true. It was mismanaged, no doubt.

472. But supposing that that mismanagement had not taken place, have we reason to suppose that the arrangement was not one as desirable and beneficial as anything else for maintaining communication between the two countries?—At the time I considered the arrangement a beneficial one; I am only contrasting the new state of things with the old. If this matter had come up in the time of the East India Company, I will answer for it that the Melvilles would have looked sharp after it, and have got value for their money.

473. You mean that the Melvilles would have been much better representatives than the offic who did represent the two Governments the direction?—Yes; I attribute grea portance to the absence of any distinct rep tation of Indian interests in matters of this which was supplied by the East India C pany.

474. But in this case, if I recollect right, contract was made with a company, and cer representatives were put on the board of t company to see that the contract was prope carried out; and those representatives rep sented both England and India on the board; and then the board very much mismanaged the business?—Yes.

475. Mr. *J. B. Smith.*] Would you say that the East India Company were better practical men of business than the persons who have had the management of Indian affairs since?—Well, I think it is more a question of motive and view than of actual practical experience. In these matters that I have been referring to connected with the Public Departments, the War Department and the Naval Department, nobody can say that the officers of the War Office and the Admiralty are not able men of business. What I object to has arisen from Indian interests being placed at their disposal to be dealt with pretty much as they please.

476. But was not this matter a matter of business. You said that the Melvilles would not have allowed such a state of things to have existed?—I am perfectly convinced that if the East India Company had survived a few years longer, and the same question of establishing a telegraph between

between England and India had arisen, it would have been done with a much closer and more effectual protection of Indian interests.

477. *Chairman.*] Did not the two Governments proceed exactly on the footing that had been laid down by the Court of Directors for their transactions with the railway companies, namely, to make a contract with the railway company, and appoint nominees to sit at the board and see that the contract was properly carried out; was not that the principle which the Court of Directors laid down for managing the business?—That is true, certainly.

478. Only in their case they had Sir James Melville to be their representative?—Yes.

479. And probably you would think Sir James Melville was rather a remarkable exception, as regards his capacity, to other people?—Sir James Melville was a true representative of the thrift and close attention to business of the East India Company.

480. Will you proceed to mention any other illustration that occurs to you?—The next illustration I will give is Port Canning and the South Eastern Railway, which was established to connect it with Calcutta. Now, Port Canning was established on the speculation that a second port, including all the appurtenances of a port, docks, warehouses, brokers, bankers, wholesale merchants, and everything else could be successfully established within 40 miles of Calcutta, and that the two could go on together. Now the whole history of mercantile affairs shows that that is [illegible]ly impossible. We know that Liverpool, to [illegible]miliar example, is absorbing, not only the [illegible]port and import trade of the west coast [illegible]d, but also the whole general and foreign [illegible]land, and that it is starving Bristol and [illegible]; and, in fact, there is such virtue in [illegible]ration of mercantile machinery under [illegible]eads that I have mentioned, that it was [illegible]mpossible that a second port of that sort [illegible]have been established. But a company [illegible]ormed, and powerful monied interests were [illegible] upon that foundation; and they prevailed, [illegible]only to obtain large subsidies for the establ[illegible]ment of the place itself, but also for the con[illegible]ction of a railway between Calcutta and Port [illegible]nning; the only justification for which was, [illegible]t it was to be subsidiary to this new port. [illegible]hen I was last at Calcutta the matter was in a very advanced state. The stage at which it had arrived was, that the representatives of this company were pressing upon the local government that unless they assisted them with subsidies, all the money that had been spent upon Port Canning, and all that had been spent upon the railway, would be thrown away; and I contended as well as I could that it was only throwing good money after bad, and that the whole thing was moonshine. But, nevertheless, it was done; and it went on to the end till the thing became so absurd that they were forced to throw it up. I observed that, in a collection of Papers laid before Parliament on this subject, certain minutes of mine to the general effect of what I have now been saying were not included.

481. But do you know whether this project originated chiefly in Calcutta and was brought forward under Indian influence, or whether it was a project that originated in England and was brought forward under English influence?—Although it may have been brought forward originally in Calcutta, yet it was through English mercantile and monied influence; it was not a project of the Indian Government.

482. Mr. *Hermon.*] Was not one of the pleas made by the mercantile community in Calcutta the dangers of the navigation of the Hooghly?—Certainly; we had long been familiar with the good and bad qualities of the Hooghly, and that was one of the reasons given for establishing a second port on the Mutlah.

483. *Chairman.*] Do you know whether this project was much admired by Lord Canning, or was the name of Lord Canning given to it in consequence of his opposition to this project, or of his great admiration for it?—I took no part in the early proceedings. I was not at Calcutta at the time; but judging from all I have heard and all I have seen of the papers (because I went into them pretty fully), it was entirely an English mercantile and monied enterprise, originating, no doubt, at Calcutta, because Calcutta mercantile and monied interest is really London and English mercantile and monied interest; the former act as agents of their principals in this country.

484. Was there not a Port Canning Company apart from the Guaranteed Railway, which was entirely an Oriental Company, and was established in Calcutta and Bombay?—There was a Port Canning Company, and when the great cotton development took place at Bombay, the Port Canning Company was very largely reinforced from Bombay, and an additional pressure was brought to bear upon the Government of India.

485. Was not the seat of that company in India?—The seat of that company was in India, no doubt, but still it was in its springs and character an English mercantile and monied affair; it was not a Native Indian affair; it was not an Anglo-Indian official affair; the Anglo-Indian officials looked coldly upon it; it was forced upon the Government of India by the pressure of the English mercantile and monied interest, including the home pressure, because the railway was all got up at home.

486. Do you happen to know whether the railway was very much advocated by the Government of India in Lord Canning's time, in the first instance?—I believe not; I believe he was opposed to it; I believe that Lord Canning all through was really opposed to the plan, but he had to swim with the tide; that is my impression; I am sure it was the case with the majority, in fact, I may say the whole of the Indian officials. The records of the Government of India are full of remonstrances against it, some of them I believe nearly as strong as mine; Mr. Laing strongly protested against it, but it was pressed and forced upon the Government of India by the Port Canning and railway companies and their supporters; a local municipality (for they had what they called a municipality), was vested with borrowing powers, as I know to my cost as Finance Minister; and then this company was enlarged by a large reinforcement from Bombay at the time of the cotton mania; they took an extraordinary number of shares. Bombay held out the hand to Calcutta; and then there was the railway at home; and the whole together, including the shareholders in the railway, were too strong for the Government of India.

487. Has the whole affair collapsed?—It has turned out a disgraceful failure.

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488. Do you think that that failure was due to the natural conditions of the place that is called Port Canning, and the relations of the trade of Calcutta to that desert place?—No; the Mutla no doubt is a noble river, very superior to the Hooghly; the particular locality upon which the town was proposed to be erected was a very disadvantageous one, and the entire surface of the town must have been raised to have protected it from the floods, the overflow of the tides; and there was great difficulty about obtaining fresh water also, because the soil was so sodden with salt-water, that as fast as they opened tanks or wells they got nothing but salt water; there were great difficulties of that sort, but, nevertheless, if there had been a real necessity for a second port at Port Canning, all that would have been got over by English capital and English enterprise. The real reason why Port Canning failed is that it is a simple absurdity to have two entrepôts of commerce with all their apparatus of docks and warehouses, and brokers and bankers, and shops, and all the thousand and one subsidiary appliances such as we have at Liverpool, Calcutta, Bombay, and so forth, only 40 miles from each other; it could not be, and if Port Canning had succeeded it would have absorbed Calcutta; the two could not have gone on together.

489. Mr. *Hermon.*] Liverpool and Birkenhead go on together, do they not?—If it had been as near Calcutta as Birkenhead is to Liverpool it would have been different; if it had been on the other side of the Hooghly, where Howra is, the conditions would have been totally different.

490. *Chairman.*] What do you say to the conduct of the Indian Government with this place before its eyes, and all the conditions known, in not taking any energetic steps to prevent this expenditure of money; do you consider that the Indian Government entirely left themselves in the hands of the English Government; or that they were completely overborne?—The truth is that the Home Government, or rather the Home Government, backed by the Home public, has a giant's strength which no Indian Government can stand against; and when the Government of India, powerful as it is in India, sees that the people of England are bent on a thing, and have their heads full of it and their imagination excited, and are determined to have it, the Indian Government cannot resist it; and that was just the case here.

490*. Then instead of the two Governments acting in concert, from a consciousness of duty, to resist improper demands, they seem, in your view of the case, rather to urge on one another in meeting them?—Scarcely that. The Home Government, under the pressure brought upon it by home interests, as they are called, sent out instructions to the Government of India, including the instructions for the making of the railway, and the Government of India felt altogether too weak to resist them.

491. Sir *J. Elphinstone.*] Was it ever suggested that a canal should be brought to Calcutta, admitting that the mouth of the Mutlah is much easier of access and safer than the mouth of the Hooghly; was it an alternative proposition that a canal should be brought up to Calcutta?—Yes, there was such a proposal, but I do not think it was ever seriously entertained.

492. *Chairman.*] Will you give another illustration of this subject?—The next I will give is the Orissa Irrigation Company; not the original formation of the company, because it was formed on perfectly sound principles of private enterprise. They were to provide the whole of the expenditure, and to get the whole of the profits. There was nothing to be said against that; but they soon got into difficulties, and when they got into difficulties, first of all the Government of India had to subsidise them, and then it took over the concern at an exorbitant rate. In fact, this is an instance of an unsuccessful speculation turned over to the Government of India, that is, to the people of India, at a rate which converted it into a highly successful speculation.

493. You do not mean that the operation was a highly successful one that they were engaged in, but that it was a successful speculation to the shareholders?—Yes; the operation itself was a dead failure.

494. Mr. *J. B. Smith.*] Did not the company get back the whole of their money at a premium?—Yes.

495. *Chairman.*] The Government got the speculative undertaking and the loss?—Yes.

496. Then is it your view that this transaction was one that resulted from the pressure of the monied people in this country, upon the Secretary of State for India in Council?—Entirely so. The Government of India would not have done it as a transaction beneficial to Indian interests.

497. Have you any reason to know whether their voice was heard at all in this arrangement?—I cannot enter into detail; I have full i
tion which justifies me in saying wha
said, but how far the Indian Gover
monstrated, or how far their remonstr
attended to, I cannot say.

498. Have you any further ill
give the Committee upon this head?—
which is the Elphinstone Land Compan
that was a great concern at Bombay for re
land from the sea connected with the har
Bombay. I do not go the length of saying
it was an unsuccessful speculation, but it
very doubtful and hazardous speculation
that also was transferred to the people of Ind
a cost of nearly two millions of money; there
an exactly similar transaction, which was extre
pressed upon us by the Government of Bom
backed up by the mercantile and monied interest
of Bombay, that is, the English mercantile an
monied interest of Bombay; and it was with grea
difficulty successfully resisted. During the hea
of the cotton mania, there was a wonderful proje
formed for reclaiming Back Bay, a bay at t
back of the Island of Bombay, and a compan
was formed, and the Government of Bomba
under great pressure from these mercantile a
monied interests, pressed upon the Governme
of India with great vehemence, that they shou
take 500 shares in this concern. Well, it led
a great discussion in the Council of India, an
happily the proposal was rejected. What too
place in reference to the Bombay Bank is anoth
example; in order to favour this mercanti
and monied interest, the Government of Bomba
passed through the official machinery, witho
the knowledge of the Government of India, a
Bill authorising the Bank of Bombay, in which
the Government had shares, and in the direction
of which they participated, to cash the bills of

joint

oint stock companies, which previously had been prohibited by the terms of their charter.

499. But in these cases of Bombay, were these all local institutions in which natives and Europeans were indiscriminately interested?—Natives Europeans were both interested in these utions, but Europeans were chiefly interested, he pressure was entirely from the Euro- I mean to say that the Government of ertainly, and possibly the Government of y, would have felt under no embarrass- the pressure had merely come from

As regards that Back Bay question, the ment of India would appear to have acted ghtly in having nothing to do with any of that kind?—Precisely so, and the com- on collapsed and ended in disgraceful ; I mention that as illustrative of what ing on at through that period.

As regards the bank, although the par- language of the charter may not have ed attention, was the general policy on that language was founded, considered, and stood by the Government, namely, that should break down the restrictions upon ng which had been established under the of the mercantile government of the Court ectors?—I never heard of it; a great deal ussion was going on about the Government nks and the paper currency, but it was not at all contemplated to relax the restrictions upon sound banking.

502. Do you think that that was not brought forward as the principle, apart from the application of the principle in this particular case; that the old system that had been established under the Court of Directors of limited powers of banking should give way to a more expansive and elastic system?—Not to my knowledge; certainly no discussion of that principle took place in reference to this particular case; it was done without anybody knowing anything about it, except those who framed the Bill and passed it through the Bombay Council.

503. Are there any other influences that you think have been prejudicial to the financial condition of India?—Yes; one more, which is, that the new *régime* under the Queen's Government has shown itself unequal to checking financial recklessness on the part of local governments when they choose to take the bit between their teeth. I allude especially to the Government of Bombay; this course of conduct was characteristic of the Government of Bombay during the whole time of my last residence in India. I may perhaps give one or two slight illustrations. In my first Budget I announced, with the sanction of Lord Elgin and my colleagues, that besides the ample provision made for public works in the Budget, if, in the course of the year, any local governments brought forward any well-considered scheme of cotton roads, or irrigation, or any improvement of that sort, we would favourably entertain the proposal and provide the necessary funds; upon which the Governor of Bombay assembled a congress of collectors and officers of the Department of Public Works at Poonah, and gathered up all the projects for public works of all sorts that had ever been proposed, and sent the greater portion of them, as was alleged, for our sanction at Calcutta. Well, we declined altogether to sanction them as a whole, and answered in a reasoned Despatch, saying how far we thought that this might be done, or that ought not to be done, or that further information was required about this, that, or the other. The reply to that was, that a very large proportion of them, to the amount of considerably upwards of half a million, had been ordered for execution, and had been actually commenced, without any sanction at all from the Government of India. Well, that was an unheard-of proceeding, and it was impossible that the finances of India could be conducted to anything except bankruptcy on such conditions as that. We commented upon it very severely, but, however, that went on. Then, I may mention the Indian Navy: one of the resources which I was told before I left England I might chiefly rely upon, was the absorption of the Indian Navy costing about a million a year: and I began working at it in communication with the Government of Bombay. But, as time went on, to my utter dismay, I found that although the Indian Navy under that name was abolished, yet an extremely expensive establishment continued to be maintained under different names; under the name of transports for the local conveyance of troops and stores, of steamers for the use of the Government of Bombay, for keeping up the communication with Guzarat, for the use of the political agents in the Persian Gulf. Under the name of "Gunboats," that was a very large item indeed. Until these magnificent floating batteries could be completed, it was said to be necessary to keep up a provisional establishment of gunboats, utterly worthless, because a single American steamer with her Dalgreen gun could have destroyed them all. However, one way or another, an establishment, under different names, including the dockyards and other shore establishments necessary for refitting them, was kept up equal, or nearly equal, in expense to the Indian Navy. Then the case of the Government House at Poonah is familiar to everybody. Now such things as these never could have occurred under the government of the East India Company; it was simply impossible.

504. Do you ascribe its impossibility to the fact that the Government of Bombay in former times was more under the direct control of the Home Government, and not so much under the indirect control of the Governor General?—Partly to that. No doubt the Government of Bombay relied upon home popular interests. No doubt it looked a great deal more to the Indian Council (I mean the Indian Council in London) and to English interests, than the Government of Bombay would have done under the East India Company. It was under no control from the Governor General. We might have written, in fact we did write, our fingers off; we objected, and reprimanded, and pointed out all the considerations that I have adverted to, and a great many more, but all was of no avail, and it went on in spite of it all. All I mean is, that this could not have taken place under the *régime* of the East India Company. The Government of India under the old *régime* had the Government of Bombay well in hand. Far slighter things than these were checked and controlled, and then there was a general difference. I have said that the Government of the East India Company was frugal, and that the Queen's Government has been profuse in its general character, so that this could not have taken place under the old state of things, while it has taken place under the new.

505. What

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505. What I wish to obtain from you is, whether you ascribe this to the fact that in former times the Court of Directors exercised a direct and very energetic supervision over the Government of Bombay, whilst in latter times the Secretary of State for India in Council has rather looked to the Governor General than to direct supervision over the Bombay Government?—No doubt the correspondence of the Court of Directors with the Governments of Madras and Bombay was closer and more influential. Under the Government of the Crown they both correspond with England still, but under the Company the Governments of Madras and Bombay looked more to the approbation and authority of the Home Government than they do now; but not only was the Government of Bombay in those days more entirely under the control of the East India Company in London, but it was far more under the control of the Government of India.

506. It is rather important to see exactly how it is that the Government of Bombay appear to have broken loose; is it that it plays off the Government of India, and the Secretary of State in England, and does what it likes, or in what way has it emancipated itself from control?—The Government of Bombay, during the period that I speak of, acted as if it was supported by a reserve force, because it seemed to care nothing for the exhortations and reprimands that it got from the Government of India; from that I infer, indeed from my general knowledge of the state of things then, I infer that they supposed that they were backed up from home.

507. Then the real source would seem to be the weakness of the Government at home in not properly checking and controlling the Government of Bombay, and making it amenable to the orders of the Governor General?—I think that was the root of the matter.

508. But the Home Government still have the same absolute power of withdrawing the Governor that the Court of Directors had?—Yes.

509. Mr. *Eastwick.*] Am I right in saying that the substance of the evidence that you have just given is that India has financially suffered by the transfer to the Crown?—Yes, it has suffered in the way I have described.

510. Then I would like to ask whether you consider that sufficient compensation has been made to India by the immense additional progress that has been made in public works, in the reconstitution of the army, and in various other ways?—That is another question quite; if I am asked whether, on the whole, India has gained by the transfer, I should say, yes; because these adverse influences to which I have been alluding are capable of remedy, and I understand that the object of the Committee is to show how we may retain the advantages of the transfer to the Crown without buying them dearer than we can help.

511. In point of fact, I suppose you would say, that these great disadvantages to a great extent need not have occurred had proper precautions been taken?—Certainly, they are all remediable; they are all artificial, and might have been prevented.

512. But with reference to the manner of keeping accounts with which you began, do you, or do you not, think that the old system of the East India Company, that very minute inform[illegible]n which was forwarded to the Home Government with respect to every particular, was advantageous, rather than the summary way in which the new system of accounts sends home matters to the Secretary of State?—Well, it was adv[illegible] tageous in its day; it was suited to the [illegible] when the servants of the company were [illegible] or three factors, with a number of clerks [illegible] different factories, Calcutta, Madras, and Bo[illegible] Then the whole detailed expenditure of t[illegible] tories might be sent home down to the n[illegible] item, and it might be dealt with, but it [illegible] obsolete long before it was abolished, and [illegible] impossible to be carried out in that deta[illegible] the factories grew into an empire. In fac[illegible] that system of accounts was abolished [illegible] sequence of this commission of Mr. Fo[illegible] *Mr. Whiffin, and of the action of the G[illegible] ment of India upon it, that old system of a[illegible] had become virtually obsolete; the ac[illegible]* were many years in arrear, they were [illegible] never closed, and certainly never audite[illegible] never looked at. It was mere r[illegible]d tape an[illegible] cumlocution and rubbish; it was [illegible]uite tim[illegible] it should be abolished.

513. But I would ask whether in the ne[illegible] tem of accounts to some extent parts of t[illegible] system might not have been retained; whet[illegible] fact, the new system has not gone too far i[illegible] marising matters; for instance, is it not a [illegible] in the new system that we are unable here to t[illegible] what a charge represents; the last witness in his evidence stated that under the head of repairs of barracks there was a very large sum for thermantidotes, and we know that that system obtains throughout the whole accounts; how is it possible then for persons here to know what really is going on in the way of expenditure in India?—I believe that the new system of accounts has been framed on sound principles, and with a very careful adaptation of those principles to actual circumstances; of course, they may be defective in some points, but on the whole they are a practical efficient system of accounts, though capable of amendment; you refer particularly to the accounts of the Board of Works; when I come to that I shall express the opinion that the Board of Works has become such a monstrous system of centralisation that neither their accounts, nor anything else, can be right.

514. There is one other point in regard to the old system which I should like to ask you about, and that is with regard to taking stock: you said that under the East India Company the Home Government knew the exact value of its assets with regard to forts and everything else?—Once upon a time that was a reality; but before that old system of mercantile account came to an end it had become mere make-believe; Fort William was put down as a standard sum; that was carried on from year to year as the value of Fort William, and so was the original cost of Government House; but it was not extended throughout; that shows how completely the matter had become obsolete.

515. I should like to ask whether it would not be advantageous to keep some sort of stock account?—I think not; I considered the matter very carefully at the time, and I do not think that it would be attended with any practical benefit; when you have once erected barracks, and forts, and public buildings, and canals, and so forth, what you have to look to, is to keep down the repairs, and to keep up the income of those

those which produce income, as much as possible.

516. Would you be prepared to state now, or do you intend to state afterwards, what remedies you would recommend?—I have a separate head and remedies. When I have gone through causes, I will go to remedies.

and t. You said that if anything could be called peans job of the directors, the Indian Navy was. India at job?—Yes.

Bomba But was it not the fact that in the old ment when the Indian Navy was first established, natives ered most important services which were

500. rther required after a certain time; for Governe, in the way of surveys and exploration quite rious seas, and so on?—Indeed, it did; it scheme ellent service at the time; it originated pany s extreme pressure upon our navy in the failure war, when our ships of war were hurried was gone, there, and everywhere, leaving India

501 tected from pirates and privateers. Then ticular dian Navy did excellent service, and in the engag of surveys it did admirable service; but which stitution had become obsolete and unfitted under new conditions. The ships of the Indian they was unsuited either to war or peace. The bankit of the guns together would not have made advice good frigate; and for transports, which they of Dir principally used for, they were very unof disced.

be 519. It paid for the stated *quid pro quo* in its time?—In its time it did.

520. Were not the men and officers acclimatised, and therefore able to perform more regular work than is the case now with the office and men who are sent out?—No, I do not believe in acclimatisation in that sense; I believe that the British Navy, with a very slight adaptation indeed, is capable of doing everything that the coasts of India require. In fact, there is no more adaptation required in the Persian Gulf than on the coast of China, or 50 other places, where the navy keeps the police of the seas. As to acclimatisation, just at first you require to tone down your blood; you either have a crop of boils, or a pucka fever, or something or other, and that brings you down to standard; except that, I do not believe in acclimatisation; the longer you stay the worse you are.

521. With reference to native princes, and the pensions and donations that have been given to the different families, I suppose that you would make a distinction, would you not, between the different princes; where the princes are the descendants of an old established allied and friendly family, you would be more inclined to make allowances than of the cases you have mentioned of Tippoo and others?—Unquestionably; Tippoo's decendants, on the whole, have behaved extremely well except their connection with the Vellore Mutiny only eight years after their father was killed. With that exception, their conduct has been exemplary, and there could not be a more respectable gentleman than Prince Golam Mahomed, and it is not from any feeling of hostility to them that I say what I do, but merely that, as a fact, they had for two generations settled down as denizens of Calcutta, and no more expected a large increase of fortune than I do.

522 Have you ever considered the fact, that we are making allowances to the native chiefs and their families, which are, to a great extent, spent out of India; is it not the fact that some of the family of the Nawaub of the Carnatic are living at this moment at Kerbela, and many others are living in other parts of the East?—Yes.

523. Has the Government ever looked at that fact, and considered whether it is right, that money which comes from the pockets of the ryots should be spent in foreign countries?—No, I never remember that point being considered; the real question seems to me to be, whether the payments made to them are proper payments; if they are proper payments I would let them spend them where they like.

524. You think that fair to the people of India?—I think so; I think if a pension is earned in any country, England, India, or anywhere, the pensioner should be at liberty to spend it where he likes.

525. You do not think that it might be made a condition that it should be spent in the country?—No, I think not; I think it would be unnecessary, and unworthy of us.

526. You have said that Mysore has been exceedingly well governed, and has prospered very much under English administration; but is it not the fact, that Purneah saved a very large sum of money for the state under his administration, more than has been saved under ours even?—Very large indeed. Probably he spent l[illegible]s in roads and public works of various kinds [illegible]n we do. He also kept his young Rajah [illegible]onomically; whereas we had the Rajah in his [illegible]ter years, when he had become extremely profuse. Also Purneah had no charge for agency.

527. I think you attached some value to the advantage of having native states with native administration as an example, and also as improving the character of the natives?—Yes, a native state with good native administration, no doubt, is very advantageous, especially if that state is a national state. But those conditions did not exist here. In the first place it was not a national state, because the old family had been shut up in a hill fort for two generations, and they had been forgotten by the people, who did not care a bit for them, and it was entirely an artificial thing putting them upon the throne, and we gave them a much larger extent of country than their ancestors had; in fact it was a different *régime*, and a different country altogether. It was a purely artificial creation of our own for political purposes, first of all to set off a Hindoo dynasty against the Hyder and Tippoo dynasty, and then as a sort of safeguard against the Mahrattas, and also it arose out of a difficulty with the Nizam. The truth is there was a tri-partite treaty between us, the Nizam, and the Mahrattas. The success was much greater than was expected, much more complete, and when it came to the division of the spoil according to the treaty, it was found that if the terms of the treaty had been acted upon, the Nizam and the Mahrattas would have got a great deal more than was convenient to us in our then comparatively weak state, and so Lord Wellesley hit upon the expedient of reconstructing t[illegible] Hindoo State and greatly enlarging it; it b[illegible] greatly larger than it had ever been in its [illegible] native state.

528. To go to another subje[illegible] Orissa scheme a good idea and [illegible] itself, although perhaps no[illegible]

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That raises the topic of irrigation, which is really a separate subject of itself. I should save the time of the Committee by dealing with it separately.

529. Was it not desirable that the Government should deal very liberally with this company in order not to discourage the introduction of English capital?—That applies generally; I think it is exceedingly desirable for the interests of India, that English enterprise and the application of English capital to India should be encouraged, and I would always deal liberally, not munificently. We have no right to be munificent at the expense of the people of India.

530. You said that you aided the first step of amalgamation?—I was then head permanent officer of the Treasury, I had never ceased to take a warm interest in Indian affairs, and I took part in the private discussions with the members of the Government, and was examined before the Committee about the amalgamation of the armies, and so forth.

531. Do you think that the amalgamation might have taken place without the immense expenditure?—Yes.

532. Mr. *C. Dalrymple.*] If, as you say, the proposal for the new barracks in India, which you say were a failure, came from England, were the plans also manufactured in England?—Yes. We got from England what were called model plans; they were the standard. They were supposed to have been wrought out, according to the perfect idea then prevailing of sanitation, representing the most advanced principles of the new science of sanitation; and those model plans formed the standard to which the Government of India had to conform, and what remained to be done in India was merely adaptation, seeing where the barracks were to be, and for how many men and officers, and whether they should be defensible, and so on.

533. And if it was a mistake that they, being several stories high, should present a wide front to the Indian sun, was there no remonstrance from India?—I am afraid not. The sanitary fever extended more or less to India.

534. I suppose there is no pretence for saying that India does not profit largely by the telegraph?—Certainly it does, very largely.

535. And you say that the failure in regard to the Indo-European Telegraph was not from the nature of the transaction, but from the way in which they carried out the contract?—Yes, I believe that to be the case.

536. Therefore India would fairly share the loss, would she not?—Yes; I do not deny that it is fair; all I say is, that if, instead of the Queen's Government only (for whether it is the India Department or any other department, it is all the Queen's Government) having had to make the arrangements, it had been the Queen's Government *plus* the old East India Company, and the matter had been worked out in the way I used to work out the Indian accounts with the two Melvilles, the result would have been different.

537. May I ask what you mean when you say that the East India Company were so indepen[illegible]?—Well, originally they were entirely in[illegible]nt. It was only after the Government [illegible] Parliament of England had been con[illegible] India Bill and Pitt's Regulation [illegible]ved it, that any control over the company was established; and to the last they preserved a very large measure of independence. They had the entire patronage, including the appointment of the Governor General; that particular appointment was, perhaps, only nominal, but they had, with very limited exceptions, the entire patronage of India; and they had, by law, the entire disposal of the revenues of India, which they maintained, and they were a body quite capable of maintaining their position, for they had deep roots in English society; and a great deal of the influence of which I have been speaking, which now bears hardly upon India, and in an interested manner, was then concentrated in the East India Company. The East India Company was a mercantile interest, and represented the mercantile interest of England of that day.

538. Would you apply the same language which you have used about the Port Canning Works and the Orissa Irrigation Company to another work, of which we have heard a great deal, the Madras Irrigation?—No; I can speak from personal knowledge of the original inception of that company, and nothing could have been more honest and public spirited than the manner in which it originated. It was intended to be an application to irrigation of the guarantee principle, which was considered to have answered so well in reference to the Indian railways. I am afraid it will not turn out the profitable speculation that was expected, but that is chiefly owing to general causes applicable to all large irrigation works; that is a separate subject.

539. But would you consider that the Government of India took the speculation and the loss, and that individuals derived the profit?—Yes; so far as the original guaranteed million is concerned, entirely so, but when that was spent, the Madras Irrigation Company came upon the Government for advances, and the works have since been carried on by loan.

540. Mr. *J. B. Smith.*] You stated that the Bombay Government set at defiance the orders of the Government of India; how do you account for it that the Government of India did not take proceedings against the Government of Bombay to make them respect their orders?—Although the Government of India stands in the relation of official superior to the Government of Bombay, yet both Governments are subordinate to the Home Government; so that when the Supreme Government of India had reported the conduct of the Government of Bombay to the Home Government, it had done all it could do; I do not see what more it could have done.

541. In what way would the East India Company have acted under similar circumstances?—Well, in the first place, those circumstances could not have arisen. In the next place they would certainly have recalled the Governor of Bombay.

542. They would have done in that case as they did in recalling Lord Ellenborough?—Yes.

543. Mr. *Bourke.*] I think I understood you to say, that under the present constitution of the Government of India, there is nobody of sufficient independence in this country to protect the taxpayers of India?—Yes.

544. Amongst the remedies that you are going to mention to the Committee hereafter, do you propose to mention any remedy for that?—I am afraid

afraid that the only remedy for that is, an improved knowledge on the part of English society, and a consequent improved sense of duty; I have no idea of proposing the reconstruction of a body like the East India Company.

545. You do not propose any modification of the Council or any change which would have the effect of giving what you think desirable, that is, some body or person who will take under their protection the interests of the taxpayers of India?—No, I do not see how we could modify the Council to meet the case. All was done to erect the Council into a body such as we are speaking of, and it has all failed. The utmost limits of *quasi*-independence were given to the Council; we could not have gone further without making them masters. They were given a life tenure like the judges, and an exclusive power of directing payments out of the revenue. I do not see what more could have been done, and all that has failed, and, therefore, I do not look to any improvement of the Council for a remedy. What I look to is that these facts should be known to the people of England, who are actuated, as a body, by a sense of justice and fair play, and when the facts are known I feel sure that they will take care that our future proceedings shall be an improvement upon our past proceedings.

546. But do not you think that the Government of India itself, represented by the Governor General and his Council, are a body of sufficient importance really to look after the taxpayers of India, if they have a mind to do so?—No, not when they are overborne by the Home Government, backed by the prevailing feeling of English society. The true remedy for this is to put the raising and spending of the money into the hands of the people of India themselves.

547. But do you propose any change in that direction?—Yes, or rather a more full development of a change which has been in progress for some time, decentralization.

548. I think you said that you consider a gunboat or two in the Persian Gulf quite sufficient for the requirements of the Indian navy?—Yes.

549. You do not consider that there is any necessity to burden the finances of India with any charge for other vessels that may be sent there from England?—Of course, when I say a gunboat or two, I speak of what is immediately necessary for preserving the police of the Gulf, for if the native powers on the Gulf knew that this was all, and that the gunboat or two would not be backed up by the whole power of England, it would not do at all; but all that is immediately necessary for the purpose, is a gunboat or two, supported by the knowledge that if any opposition was made to these gunboats, they would have any amount of force down upon them.

550. Then, under those circumstances, you do not think it unfair, I suppose, to charge the finances of India with a larger amount of the expense than one or two gunboats would cost?—I think it unfair to charge the Government of India with anything whatever for naval protection, because it would make an invidious unjust exception from a general rule; what possible difference is there, in the point of view we are speaking of, between the case of India, Canada, Australia, the Cape of Good Hope, and the whole round of the British Colonies? We charge them nothing, why should we charge India anything? The only real difference is, that Canada or Australia would not hear of it. We know that it would be waste of breath and waste of paper to propose it to them; whereas, India is at our mercy, and we can charge her anything we like.

551. Some of the colonies have provided for their naval defence, have they not?—Purely for harbour defences, I believe.

552. But, supposing a war to occur, do not you think it is likely that if a colony, say any of the Australian colonies, thought it desirable to provide a navy for themselves, they would do so?—They might do so if they liked, and if the exigency occurred, India might do so. In fact, India did so towards the end of the great war. The demands upon the British navy were so great that the Company found it was desirable to provide a naval police of their own. I am speaking of the present generation, the actual state of things, the present practice.

553. I will ask you a question or two about Mysore; you have put that grievance amongst sentimental grievances, I think?—Yes.

554. And you said that in your opinion it was a pity altogether that we did not, in fact, annex (though you did not use that word) permanently the whole of Mysore?—Yes; I think it would have been right to do so, and greatly for the benefit of the people of India, including the people of Mysore.

555. The sentimental grievance, in fact, is that we did not annex Mysore?—Yes; I classed these illustrations under different heads, and one head respected native princes and native chiefs; and the reason why I classed Mysore under the head of the sentimental ones, was, that I believe that resuscitating Mysore as a native state was not the result of any large deliberate policy; but mainly of a sentiment.

556. I am going to ask you a few questions now about the increase of the salaries and stipends which you have mentioned; do you recollect at all how much the increase was?—I cannot commit myself to figures. I think the whole together in the Tippoo case is calculated at half a million, the capitalised value of it.

557. *Chairman.*] Are you aware that it was contended that this settlement was one that would be in the end economical to the finances of India?—No; I know that the settlement was originally made as a sacrifice on the part of the finances of India, and was so regarded by all parties. I do not know what new view has arisen of late, or how it has turned out.

558. Sir *C. Wingfield.*] I think it was in the year 1865–66, was it not, that the disregard of orders of the Supreme Government by the Bombay Government was peculiarly marked?—It went all through my tenure of office, which ended in April 1865. The first remarkable instance I observed of it was the Government of Bombay ordering the commencement of a large number of works, the estimated cost of which altogether was considerably upwards of half a million.

559. But I think, in a Government Return which was laid before Parliament, there are some minutes, I forget whether of yours, but certainly of Mr. Massey's and other Members, reflecting very strongly on the disobedience of the Bombay Government?

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Government?—Yes; it went on after my tenure of office.

560. At the time that the speculative mania was at its height in Bombay, the Government of India complained very strongly of their disregard of orders, particularly in the matter of making enquiries into the condition of the Bombay Bank?—Yes; that was under Mr. Massey.

561. By law the authority of the Governor General over the Presidencies of Bombay and Madras, is as absolute and complete as it is over any of the minor local governments?—Certainly.

562. Also as regards expenditure of money they are tied down as strictly as the minor local governments in reference to expenditure, that is that they are allowed to spend 10,000 *l.* on a work themselves; but for anything beyond that, or for any work exceeding that in the estimate, they must obtain first of all the sanction of the Government of India?—Entirely so; and the proof is that the Government of Madras, which stands in precisely the same relation to the Supreme Government as the Government of Bombay, has preserved the utmost moderation throughout, and no exception whatever has been taken to its conduct.

563. Then that limitation existing, and the necessity also existing of submitting a budget, and obtaining previous sanction to that budget, how comes it that the Bombay Government has been able to commit the Government of India to excessive expenditure?—As I said, by taking the bit between its teeth, by taking the matter into its own hands. I have only alluded to some notorious instances. There were a great many others of this resistance, and disregard of the financial control of the Government of India which characterised the whole proceedings of the Government of Bombay. For instance, the Government of Bombay took upon itself, without any previous sanction, to authorise loans to local municipalities. Then there is the famous instance of the operations in connection with the fortifications of Bombay. The Government of Bombay took very proper proceedings for the purpose of getting rid of the obsolete walls and ditches, and esplanades connected with the old Portuguese fortifications of Bombay, and turning them into streets and squares; and they raised a considerable sum of money in that way, but far short of what was necessary to carry out their projects for the improvement of Bombay; and then they took upon themselves to order the commencement of very extensive and expensive works for the improvement of the city of Bombay without previous sanction.

564. But that is an entire breach of the orders of the Government of India not to commence expenditure on a work exceeding 10,000 *l.*, till sanction has been received?—Entirely so; it throws all financial control to the winds. It is impossible that the finances of India could be administered with safety and success under such conditions. Supposing the other Governments of India had done this, India would have been bankrupt in the first year.

565. Since the law invests the Governor General with the most complete and plenary powers over the Governments of Bombay and Madras, it is not quite apparent why he cannot enforce his orders?—I again ask what could he do; he has not the power of suspending the Governor of Bombay. I do not know what reserve powers are included in the Commission of the Governor General of India; he may possibly have even that power legally, but the relations of the Government of India with the Home Government, and the state of public feeling in India and England, especially in England, would have made it totally inexpedient for the Governor General of India to have suspended the Governor of Bombay on his own sole authority. All that, practically, he had it in his power to do was to report the proceedings of the Government of Bombay to the Secretary of State, with his opinions upon them, and to leave the Secretary of State to deal with them.

566. Do you think that this affectation of independence on the part of the Bombay Government proceeds in some measure from the privilege they possess of direct correspondence with the Home Government?—I think not; the Madras Government has the same privilege of direct correspondence, but their conduct throughout has been unexceptionable.

567. Would you concur in the suggestion which has been made to reduce the Governments of Madras and Bombay to the same position as the Lieutenant Governors?—No; I think that a sort of constitutional status and constitutional feeling has gradually arisen and developed itself; and it would be a violent wrench to alter it; there is no necessity for it.

568. In point of area, population, and wealth, they fall short of some of what are called the minor local governments, do they not?—The do; but they are governments of greater stabili and dignity than the more modern governme the Government of Madras is more ancient t the Government of Calcutta; Madras is t mother Presidency of Bengal.

569. Do you think that the old traditi have been preserved?—I think so, and I see practical disadvantage in it. This conduct of t Government of Bombay is entirely exceptiona

570. But you are aware that the Governme of Bombay is excessively costly?—No doub is too costly, and the expense ought to be ve much reduced. There is great necessity for duction of expenditure, but not, in my opini for altering the relation in which the Governme of Bombay stands to the Government of India and the Home Government.

571. You were in India, I think, when the plan for the new barracks was approved?—Yes; I was in India when it arose and when it was discussed. It was fully discussed in my time and with my assistance. I was a member of the Council of India.

572. Was the plan of having an upper storey, which is a novel plan in India for barracks, resolved on at home?—At home, certainly.

573. Or was it concurred in or recommended by the Government of India?—It formed part of the model plans that were sent out, and was accepted as a matter of course. In fact, that arrangement of having an upper storey for the troops to sleep in at night was considered the principal advantage of the new plans.

574. Then, in fact, the Government of India did not consider that there was any discretion left it to depart from that plan of an upper storey?—No; the model plans were prescribed to the Government of India. They were worked out here in London by a commission composed of the highest

highest authorities in those branches of knowledge which bear, or are supposed to bear, upon the construction of barracks.

575. But is it not strange that the members of the Government of India, all of whom had experience of the different climates of India, and especially of the dry and warm climate of Northern India, did not remark on the unsuitability of upper storeys to Upper India?—Yes, it does seem strange, certainly; but all this had been going on for several years. It commenced with the Crimean War, and the public mind had been completely soaked with these modern ideas of sanitation, till at last, when it came out in the cut and dried shape of model plans, which had been worked out by the highest authorities of this new science, it really did not occur to anybody in India to question them, and they accepted them as they stood, and only applied them as they best might; and the proof is that, although we perfectly well knew it would cost upwards of 8,000,000 *l.* (that was the estimate in my time; my successor, I see, made it 10,000,000 *l.* or 11,000,000 *l.*), yet it was not questioned.

576. Do you think that the Government of India rather failed in its duty in not remonstrating when they saw that the Home Government, in pursuit of a theory, had embarked in a totally unsuitable plan of barrack building?—Undoubtedly it was a defect of administration.

577. They ought, ought they not, to have given the Home Government the benefit of their experience?—They ought, undoubtedly; but yet [redacted]re are limits to the protestations of a sub[redacted]nate authority, and the subject had been [redacted] discussed for years. If the Government of [redacted]a had made any objection, they would have [redacted] that the whole thing was a mistake, and that [redacted] true thing was the old Indian bungalow, [redacted]ich the experience of ages has shown is the [redacted] mode of mitigating the great heat of [redacted]a.

[redacted]78. The last time that the Committee sat, [redacted]onel Crommelin was examined, who is the [redacted]ctor of Barracks, and he stated, in reply to me, [redacted]he considered that there was no foundation [redacted]he idea that a bungalow built of mud or [redacted]irnt brick was a cooler thing than a burnt-[redacted]ck building?—All I can say is, that I totally [redacted]ffer from him; I maintain the truth of the [redacted]inion in favour of the bungalow constructed [redacted]with walls of mud or unburnt brick, with a [redacted]hatched roof, as shown by the experience of [redacted]ges in India to be the best corrective of the [redacted]eat; whenever a person in Upper India wishes [redacted] build a comfortable house for himself, he builds [redacted] accordingly; and if he wishes to be more than [redacted]sually comfortable, he builds a large bungalow, [redacted]d delightfully cool they are.

[redacted]579. And is it not the case that almost all the [redacted]pper-storey brick houses inhabited or built by [redacted]uropeans in Upper India were built a great [redacted]any years ago, before people understood what [redacted]as the most suitable to the climate?—There [redacted]re very few of them. I may speak of Delhi, [redacted]here I had my head-quarters for six years; [redacted]here was only one considerable pucka house all [redacted]hrough my time there, and it was by far the [redacted]ottest house. It afterwards acquired a historical reputation as Ludlow Castle. That was built [redacted]n the plan of two storeys, stone walls and slate [redacted]ofs, and it was unbearable in the hot season; [redacted] fact, it was not inhabited then.

580. Sir *J. Elphinstone.*] I think you stated that if the old East India Company and Court of Directors had been in existence, this most expensive system of barracks would not have been entered on?—I am persuaded that it would not.

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581. And I gather from the tenor of your evidence that you attribute a great many of those unnecessary projects to the want of a general authority in this country that should counteract public opinion?—Yes; to the absence of that. I attribute it to the absence of the *quasi*-independent check that formerly resided in the East India Company.

582. I think you must recollect that there was a very considerable number of the Directors of the East India Company who had seats in Parliament?—Yes.

583. And in those days, although you and I were very young, I suppose, at that time, still we can remember that people were much more chary of bringing those projects before Parliament, knowing that they would be met by the experience of the members of the Court of Directors who had seats in Parliament?—Certainly, I remember repeated instances of the members of the Court of Directors who had seats in Parliament rising in their place and defending Indian interests against projects which they considered would be injurious to the Indian taxpayers; and it is to the honour of Parliament that the sympathy of the House was always with them.

584. In fact, they formed that very counteracting power which you think is now wanting?—They contributed to it; that was one way in which the Court of Directors formed that counteracting power; not merely at the India House, but in Parliament.

585. They never, during the period of their administration, at any time, so far as you know, I suppose, abused the power of being in Parliament in any way to the detriment of the interest of the people of India, or by the betrayal of State secrets?—No, I think not. And in proof of my opinion I may mention that, when in after-times it came to be a question whether the members of the Council of India should have seats in Parliament, I was in favour of their having seats there, for the reasons now given.

586. You were in favour of the members of the Council of India being permitted to find seats in Parliament if they could?—Yes.

587. And you did not dread any bad consequences from that to India?—No; I anticipated very good consequences.

588. And are you of opinion that if the present rule of the constitution of the Council of India was rescinded, and the country could have the benefit of the experience of such members as could obtain seats in the House of Commons, it would go far to obviate the evils which you have described in your evidence?—I think it might go some way towards mitigating them. At present, the Council of India is a secret, silent body; however much they may object to particular proceedings, the decision is come to and promulgated without their being heard outside the walls of the India Office. Now if they were in Parliament they would be under a personal responsibility of speaking out, and they would be heard. In fact, many of these points in which the interests of India are overborne would be previously discussed in Parliament.

589. This

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589. This case of the barracks is a case in point?—No doubt it is.

590. Whereas if two, or three, or four of these gentlemen had enjoyed seats in Parliament, the matter would have been fully explained, and the House of Commons would have paid the same attention to them as it used to do to the members of the Board of Directors who had seats in Parliament?—Yes, the case would have been similar.

591. At present we have no means of knowing the truth of any matters connected with India, except through the exposition either of the Secretary for India, or the Under Secretary in the House of Commons, neither of whom has ever been in India, and who must derive their information entirely at second hand; is not that so?—Yes, that is the fact; and more than that, the House of Commons has no means of forming a judgment upon proceedings connected with India until those proceedings have actually taken effect and it is too late to remedy them.

592. And we who have been in India have the advantage of knowing that there is a Council of some 15 of the first men in India, whose opinions upon any great subject concerning the welfare of the inhabitants of India are perfectly unheard?—Unheard, except by the Secretary of State.

593. And the information percolates through him, or through his Under Secretary, to the House of Commons, neither of them being persons who has ever been employed in India, or had any practical knowledge on the subject whatever?—The opinions of members of the Indian Council can be known to the House of Commons only so far as they are laid before the House in the shape of written documents, generally speaking, after the decision has been arrived at and carried into execution, which is just the case of these barracks.

594. But the House of Commons has no power of moving for the opinions of the late Sir Proby Cautley, or any other high authority, upon any particular point; the House of Commons has no power under the present system of knowing what is the individual opinion of the members of Council upon any particular subject?—No, except so far as the Secretary of State lays those opinions, in the shape of written documents, before Parliament.

595. But he lays these opinions before it as the collective opinion of the Council; and, if I am right, I think we cannot move for the Minutes, which are, I believe, frequently lodged against the finding of the majority; is that so?—I cannot speak with any confidence upon that point. Occasionally the Minutes of the Members of the Indian Council are laid before Parliament.

596. But in your opinion it would conduce very greatly to the welfare of India, and prevent those extraordinary expenses which you have characterised, if the members of the Council of India had the means of sitting in the House of Commons?—I think that it might be attended with some benefit; and that, as far as it went, it would tend to reconstitute a *quasi*-independent body, especially charged with the interests of India.

597. Now in the case of these barracks, they were gone into at the time when there was a sanitary mania?—Yes.

598. Have these sanitary theories been borne out by experience?—Not in this case, certainly; the old experience of India has proved to be the right thing in this case; on other points the sanitary state of India is capable of great improvement.

599. Mr. *R. Fowler.*] Is it not open to any member of the Council of India to make a minute as regards proceedings of the Council upon which he differs, and to get any Member of the House of Commons to move for that minute?—It is open to him to make minutes, but how far it would be consistent with his position at the Council of India to arrange with Members of Parliament to move for his minutes after he had made them, is a question.

600. But it certainly is open to any Member of the House, without any arrangement, acting independently of the members of the Council, to move for the minutes?—I believe so; but I really have never entered into the point.

601. Referring to your answer to Sir Charles Wingfield, about the Governor General's recalling the Governor of Bombay, I think I understood you to say that that was a power that was never practically exercised; I suppose you consider that is a relic of a different age?—I do not recollect any instance of a Governor General recalling any Governor. I suppose, as he is supremely charged with the interests of India, that would be included in his power; yet I am not sure of that, as the Governors are appointed by a higher authority.

602. I believe that Warren Hastings superseded the Governor of Madras, and sent Eyre Coote in his place?—It may be; my recollection fails me. I recollect a Governo Madras being deposed by the Madras officers

603. Then, I suppose, that was a power existed in days when there was no communicat between India and England, but would now superseded in these days of the telegraph Practically it does not exist. It would be violent a discrepancy with the existing state opinion for any Governor General to t of it.

604. Sir *D. Wedderburn.*] Do you cons that, while the East India Company still exi in its twofold capacity as merchants and as te torial rulers, a certain identity of interest w maintained financially between the Governme of India and the great mercantile community of this country?—Certainly; and it was well under stood that territory used to supply the deficienc of commerce. That was one of the stronges arguments for abolishing their commercial cap city. They traded, as I mentioned, on a ratho magnificent scale, with great ships, which we framed almost as much for war as for commerce, a they had very expensive establishments in Chin and so forth; and it was well known that if th had been merely regarded in their trading cap city, they would have been annual losers, an territory used to come to the aid of commerce So, quite up to the year 1833, when the Chin trade was finally abolished, the East India Com pany used to cherish territory from a sense o personal interest, as it were.

605. Then the abolition of the Court o Directors has tended to create a state of things which has acted prejudicially in India upon the finance?—It has left the interests of the India taxpayers exposed without protection to th direct action of the English Government D partmen

partments and English interests, mercantile, monied, official, all sorts of interests, and has brought the action of Parliament and of English public opinion, which of course can be operated upon in all sorts of ways, to bear immediately with a direct pressure upon Indian financial interests, without the protection which the *quasi*-independent position of the Company formerly afforded.

606. But I gathered from the instances which you adduced that the influence of the mercantile community in this country, instead of having a tendency to produce frugality in financial administration, as it did in the days of the East India Company, now has a tendency to produce extravagance?—That is so, because formerly the mercantile interest of England in its relation to India, was represented by the East India Company, which was specially charged with the interests of India, and which had strong interested motives for protecting India against all the world; whereas now, mercantile and monied interests operate upon India in their own interest.

607. And to that you refer, in a great measure, the present financial embarrassments of the Indian Government?—Yes.

608. With reference to Mysore; by the creation of the Native State in Mysore, I suppose you would say that a certain injustice had been inflicted upon the inhabitants of British India, inasmuch as they now have to bear the whole expense of certain institutions to which you alluded, of which the inhabitants of Mysore have reaped the benefit, and to maintain which they [illegible] no contribution?—Entirely so; in fact, [illegible]remark applies, in a great degree, to the [illegible] of the Native States. We administer the [illegible]y police of the whole of India, with [illegible] slight contribution from the Native States. [illegible]s regards the other Native States, it came [illegible]ually in the course of historical events, and [illegible] step was the best thing that could be done [illegible]e time; and more than that, a great part of [illegible] were highly national states. Take the [illegible]t States, for instance. The Rajah, with [illegible]tocracy and the bulk of his people, were [illegible]jpoots; and the Jāt States the same, and [illegible]ahratta States the same. But this case of [illegible]e was purely gratuitous; there was no [illegible]se for it at all. It was born out of time, [illegible] had it entirely in our own hands.

609. Would you recommend a contribution [illegible]om the Native States to assist in maintaining [illegible]is military police, the post office, and so on, institutions from which they derive so much benefit, [illegible] to which they do not contribute?—No, not [illegible], because the matter has gone into a question [illegible]ood faith. We formed our arrangements with [illegible] Native States at various periods, under the [illegible]sure of various exigencies. We reaped the [illegible]efit of those arrangements in times gone by, [illegible] it would not do now to turn about upon [illegible]n, and say, "See, you are getting so much [illegible]e benefit than we expected;" we must keep [illegible]n with them. But this case of Mysore was a [illegible] matter entirely at our own disposal.

610. Therefore you consider that, in certain [illegible]stances, our generosity to Native princes has, [illegible] fact, been injustice to our own subjects?—In [illegible]s case eminently so.

611. Mr. *Fawcett.*] The general tenor of your [illegible]idence would lead, I think, to this conclusion, [illegible]t owing to mismanagement, the causes that [illegible] describe as artificial, namely, causes that could be prevented, India, financially, is in a more unsatisfactory condition now than she was previous to the abolition of the East India Company?—Well, that opens a wide general question, because there is a great deal to be said on the other side of the account. The revenue of India has wonderfully increased since the abolition of the East India Company; and if these and other causes of deterioration were effectually corrected, I believe that the finances of India in a short time might be made more flourishing than they ever were.

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612. Suppose that they are not corrected, you think that there is a great deal to cause grave misgivings?—Yes.

613. You have alluded to an increase in the revenue of India, can you say how much of that has arisen from increased taxation; the income tax, for instance?—Well, it is difficult to say; it would be very difficult indeed to make out the account; it is mainly, I believe, owing to the pure, honest development of the resources of the country, to a state of general prosperity.

614. But besides the income tax, have not three causes powerfully contributed to increase the revenue; the increase of the salt duty, the higher stamp duties, and the large increased revenue from opium?—Yes; all those causes have operated.

615. Therefore you cannot say that the increase in the revenue is entirely due to the increased prosperity?—No, certainly not; but the increase in the opium revenue is not an increase in taxation.

616. But without entering into the opium question now, an increase in that is not so certain a source of revenue as others, such as the land revenue?—I consider that in a course of years it is certain; it fluctuates from year to year, but in a course of years it steadily increases; and there are perfectly intelligible reasons why it should continue to increase.

617. You used the expression that the East India Company managed the finances of India on the general principle that the revenue ought not to be considered elastic?—Yes.

618. Do not you think that that was a very wise principle for them to maintain?—I think it was exceedingly wise for them to maintain, because we were a new strange foreign Government, suddenly called to the administration of a great country which had been accustomed time out of mind to be governed despotically. They never had any confidence even in their own rulers, still less in us; so that they looked with the greatest dread upon new taxation, and especially upon the income tax, which is a wonderful instrument for diving into the pockets of the people: and their prevailing feeling was that their only real protection was what they called "dustoor;" that is, established custom; and they relied upon established custom as upon a constitutional right. The East India Company, which founded our Indian empire, were quite aware of these circumstances; and while they abolished the most oppressive of the old taxes, and endeavoured to regulate those that remained, they carefully abstained from new taxation.

619. Then this principle, which was observed by the East India Company, and which has not been observed so carefully since the abolition of the East India Company, you regard as constituting what ought to be the cardinal principle of

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financial administration?—Yes, certainly it ought to be our cardinal principle until we have finally remitted the income and expenditure into the hands of the people of India themselves, by a proper system of local administration; whereas, in fact, since the Mutiny we have been doing nothing else except inventing new taxes; we seem to have forgotten all at once the old maxim, that the true plan was keeping down expenditure, and to have exercised our ingenuity in inventing and discussing, and elaborating all sorts of new taxes, income tax, license tax, tobacco tax, succession duties, marriage tax, and all sorts of taxes.

620. And the evil which you describe as resulting from this state of things, namely, the constantly inventing, elaborating, and discussing of new taxes is not to be estimated by the financial burden which they impose on the country, but a great part, and probably the greater part of the evil is due to the alarm and worry, and irritation and uneasiness which they cause?—Yes, by far the greater part. The income tax of one per cent. is a case in point. The one per cent. is nothing; the native Sahoocars would have no objection to pay one per cent., if they were sure that was all; but they do not like to see a machine maintained in action, which, by a few turns of the screw, would make the one per cent. 10 per cent., besides all the inquisition and extortion of the unprincipled native officers, which is worse than the 10 per cent. itself.

621. You refer to the increase in the gross revenue, independently of any additional increase which has arisen from taxation. You would admit, I suppose, that a great portion of that increase has been due to an increase in prices?—Yes, certainly.

622. Then, if that is the case, an increase of prices would still more affect all the items of expenditure than it would those of revenue, would it not?—Yes; it would affect expenditure directly and revenue indirectly.

623. And it would affect expenditure to a greater extent, because almost every item in the expenditure of India will be affected in pecuniary amount by an increase of prices, whereas a portion of the revenue of India is fixed in a pecuniary amount, and therefore will not increase with the expenditure of the country?—Yes. But, on the other hand, the increase of prices is an indication of a highly prosperous state of things, which renders it possible very much to reduce expenditure.

624. But, without entering into theoretical questions in political economy, have not you given rather too wide an assertion to that principle? That increase of prices may be owing to a depreciation in the value of money, which represents no real increase of wealth, but simply an unfortunate disturbance in the value of money?—I do not think that the depreciation in the value of money has gone far in India. To a certain extent it has gone on all over the world; but in India it has been only slightly in excess of what has taken place in Europe.

625. You are aware, are you not, that our highest authorities estimate the depreciation of money which has taken place throughout Europe of late years, as something between 30 and 40 per cent.?—I do not estimate it as high as that; but no doubt a depreciation has taken place, and has extended throughout India.

626. But whatever the extent of that depreciation is, that represents no increase of the wealth of the country?—No; but I do not think that the depreciation in the value of specie is the principal cause of the increase of prices throughout India; I think the main causes lie in another direction.

627. You have referred to the very imperfect check now placed on the expenditure of money in India, compared with what was imposed on it in the days of the East India Company?—Yes.

628. Will it not be correct, to sum up your general conclusions on this point by saying that, since the abolition of the East India Company, India suffers from almost all the admitted disadvantages of a government of party, and enjoys none of the advantages of it?—I do not think that it is government by party that India suffers from so much as class interests. First of all, it is the sort of semi-public interest of the public departments; the War Department and the Admiralty screw as much as they can out of India, and then the entire body of the military officers extort as much as they can. Then these bankrupt companies are too glad to hand their unsuccessful concerns over to the Government of India. That is class interest; but I do not think that the, strictly speaking, political parties of Whig and Tory, Liberal, Radical and Conservative, have anything to do with it.

629. But, fully admitting all these disadvantages which you have attributed to these class interests, is there not this disadvantage, which might be described rather as a disadvantage resulting from party government. An Adm[illegible] tration falls; a new Administration co[illegible] office; some politician has to be promoted; a man who has occupied a high position i[illegible] House; he must be made Secretary of S[illegible] some place must be made for him; the En[illegible] constituencies will not call out if Indi[illegible] sacrificed, and so India has not the sligh[illegible] security that the man who is made Secretar[illegible] State has a practical knowledge of India?— not think that India suffers more in that r[illegible] than England herself. It is one of the weak[illegible] of our English system that inexperienced [illegible] men, who have acquired influence in H[illegible] ment, are pitchforked into places of which have had no experience, and that equally app[illegible] to India as to the Home Departments.

630. But admitting that it is a disadvantag[illegible] to England and to India also, England has th[illegible] antidote, has she not, which operates to a certa[illegible] extent against the evil which results: if an i[illegible] experienced man is placed to preside at the W[illegible] Office or at the Admiralty, the House of Co[illegible] mons and the English constituencies may wa[illegible] him, and correct him, and to some extent n[illegible] tralise his blunders; whereas, as you have poin[illegible] out, if a Secretary of State commits blunders[illegible] regard to India, none of this correction is ex[illegible] cised upon him by the House of Commons [illegible] That is perfectly true.

631. Therefore, under the present syste[illegible] India suffers this disadvantage of party gover[illegible] ment, and does not, on the other hand, get th[illegible] compensation which England does?—That i[illegible] perfectly true; if an inexperienced person is a[illegible] pointed Secretary of State for War or First Lo[illegible] of the Admiralty, or at the head of any oth[illegible] English administration, he has an extremely w[illegible] instructed House of Commons, and the whole [illegible] the English tax-payers to watch hi[illegible]; whereas,

an inexperienced person is placed at the head of Indian affairs, he has nobody to look after him.

632. Therefore, in that sense, you agree with my opinion?—In that sense I do.

633. Is it not the fact that an illustration of the evil which I have just pointed out is to be found in the fact that it has happened that in six years there were six Under Secretaries of State who were representatives of India in the House of Commons, and that not one of them, before he became so, had the slightest acquaintance with India?—Certainly that is an illustration, as far as it goes.

634. With regard to the official pressure which prejudices the finances of India, many things were done in the amalgamation of the army which were strongly commented upon by the highest authorities in India, but no notice was taken of their remonstrances; is not that the case?—Yes, this matter of the colonels' allowances was very strongly commented upon, and the whole evil was plainly set forth, without any practical result. Nobody in England understood it; the purely English people did not understand it, and the majority of Anglo-Indians who took any notice of it were interested in its being done.

635. Am I not correct in saying that quite up to the present time remonstrances have been addressed from India to the authorities at home about the extravagant Army expenditure, and that the same thing has occurred, no notice has been taken of them?—I think in petitions from Bombay and elsewhere it has been noticed.

636. I am alluding to official remonstrances [illegible] the Governor General?—Yes, there have [illegible] remonstrances, certainly, on several points [illegible]nected with the Army expenditure.

637. Is there not this danger to which India [illegible] exposed, that an English Government fighting [illegible] popularity is very anxious to make any [illegible]mates which show a saving of half a million; [illegible] if they cannot save that in any other way, [illegible]o it by throwing charges on the people of [illegible]a because no one here is sufficiently interested [illegible]hat the people of India have to pay to [illegible]ct?—No doubt it is a severe temptation, and [illegible]t took place in the old days of the East India [illegible]mpany shows how very necessary it is that in [illegible]ese official financial settlements both parties should be fully and stoutly represented, that there should be equal stamina on both sides. In former days, I think, the East India Company had the best of it. Now I am afraid it is different, because it is all done now by officers of the Queen's Government; whereas formerly it was done partly by officers of the Queen's Government and partly by officers of the East India Company. But with all this I must entirely acquit even our officials, still more our Statesmen, of any deliberate intention of sponging upon India.

638. *Chairman.*] You do not think that they fall into the temptation, though the temptation exists?—The temptation strongly exists, and they have put a great deal too much upon India; but I think that is rather a defect in the machinery, for these settlements are in the nature of judicial settlements, and by good right there ought to be a judge and skilled advocates on both sides.

639. Mr. *Fawcett.*] And an independent arbitrator?—Yes; the settlement ought to be of that nature.

640. In the days of the old East India Company what took place was this, was it not; it was a powerful company, and had great influence in the country, and had powerful influence in Parliament with regard to the finances of India; whereas now, in reference to the finances of India, the Secretary of State is merely an individual Member of the English Parliament?—Yes, that is the case.

641. You have referred to that financial burden which results to India from the army; and you have contrasted the cheap way in which recruits were sent to India formerly with their cost now: do you know how many men at present in England, but belonging to India, are in these depôts; have you ever made an estimate of that?—No; I have not gone into that detail. It is obvious on the face of the thing, that a single depôt with a very moderate staff of officers, which is what there was under the East India Company, must be far less expensive than a multitude of depôts, including a great many more recruits than are required for India, with a great many more officers than are wanted to train soldiers for India. If the old standard was preserved, and the War Office charged India only what it would cost India to do the work in the old way, or something analogous to that, then the War Department might be left to make its own arrangements. But that they do not do; they take as their basis arrangements which were framed primarily with a view to English interests, and then charge a fancy proportion upon India.

642. Are you aware that frequent protests have been made by Secretaries of State for India against the charge which India has had to pay for recruits?—Yes, I am aware of the fact, both from my perusal of public papers, and also from my intimate acquaintance with the late and the present auditor of Indian accounts, who have both exclaimed against this injustice in the strongest manner.

643. When the Secretary of State, feeling that injustice is done to India, makes frequent complaints, no notice is taken of them; practically he has done everything he can do, and he is powerless unless he thinks the case so extreme that he cannot remain a member of the Administration?—It is fair to assume that he has done everything he can.

644. *Chairman.*] Has he not absolute power by law over such a question as that?—Yes.

645. Mr. *Fawcett.*] Seeing that the principle of this amalgamation of the Queen's Army is in an Act of Parliament, what would take place supposing that the Secretary of State simply said, "I refuse to pay this charge"?—These detailed arrangements of colonels' allowances and the two-company depôts are not prescribed by Act of Parliament. No doubt it would be a strong thing for a member of the Queen's Government to inform his colleagues that he [illegible] to submit to a decision of the majority [illegible] Cabinet, and in such a case he must [illegible] course.

646. There are a certain numb[illegible] the present time on the Indian [illegible] land; you do not know the ex[illegible] from any official documents I [illegible] what it is. But, assuming th[illegible] couple of thousand, those n[illegible] out of the revenues of Ind[illegible] classed as constituting a po[illegible]

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strength of the army in England. When the Secretary of State for War brings forward the Army Estimates in the House of Commons, and asks for a certain sum of money, say thirteen millions, he says, "You have so many effective men in England;" but what he ought to state, if he put the thing correctly, is this: "You have so many thousand men in England, and so many of these are paid for by the people of India?—I imagine that the Secretary for War in his annual statement of the effective force, includes all the men in the depôts. Then, the real question is, what proportion of the expense of the depôts should be charged to India? That resolves itself into a further question: What is to be the basis of settlement? Now, I think a person arguing on behalf of India would say that the basis of settlement ought to be the sum which it would cost to provide proper recruits for India. Well, that sum is very fairly represented by the former depôt at Warley, which worked extremely well; a single depôt for a single service. But then the War Office say, "That does not suit our arrangements." The rejoinder to that would be, "If it does not suit your arrangements, it is your affair; but it is very hard upon India to charge her with the expense of arrangements which are English arrangements for the benefit of England, and you ought to charge us only what it would really cost to provide recruits for India."

Tuesday, 25th February 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Eastwick.
Sir George Balfour.	Sir James Elphinstone.
Sir Thomas Bazley.	Mr. Fawcett.
Mr. Beach.	Lord Edmond Fitzmaurice.
Mr. Bourke.	Mr. Robert Fowler.
Mr. Baillie Cochrane.	Mr. Hermon.
Mr. Crawford.	Mr. Lyttelton.
Mr. Cross.	Mr. M'Clure.
Mr. Charles Dalrymple.	Sir Stafford Northcote.
Mr. Beckett Denison.	Mr. John Benjamin Smith.
Mr. Dickinson.	Sir David Wedderburn.
Mr. Grant Duff.	Sir Charles Wingfield.

THE RIGHT HON. ACTON SMEE AYRTON, IN THE CHAIR.

Sir CHARLES EDWARD TREVELYAN, K.C.B., re-called; and further Examined

647. *Chairman.*] I BELIEVE you wish to add something to some of the answers which you gave on the last occasion?—Yes. I was asked where the plan of promotion for the three Indian Staff Corps by pure length of service, without any fixed establishment for the several ranks, originated. It was originally proposed in a letter to the Secretary of State in February 1860 by an Indian officer who was at home on sick leave, and was worked out in detail in the same year by a committee consisting of four English and three Indian officers, including the proposer. To this I may refer to the Parliamentary Papers, [illegible] of 1860, and 77, of 1861. Secondly, I was asked whether the large increase of revenue since the mutiny had not in great part been caused by new taxation. The correct answer is that, setting aside the income tax and opium revenue, it is in part owing to additional taxation; that is, to additions made to previously existing taxes; but as these taxes, even when so enhanced, are neither excessive nor unpopular, the result may be accepted as a legitimate increase of revenue. Thirdly, I was examined at some length as to the expediency of permitting the Members of the Council of India to sit in the House of Commons. Formerly, when we could only reason from analogy, I was in favour of it; but now that we have actual experience for our guidance, I am convinced, on reflection, that it would not be advisable. The East India Directors rested upon the independent basis of the Court of Proprietors; they belonged to a class which did not look for official promotion or court favour, and whether sitting in Leadenhall-street or the House of Commons, they stoutly maintained the grand old traditions of the body whose trustees they were. This is a state of things which could not easily be recreated. It certainly cannot be patched or galvanised into renewed existence. The mercantile and monied interest, which was formerly protective of India, has now become aggressive, and if appointments were made to the council from this class, new facilities would be given for transactions of the character of the Port Canning, Orissa Irrigation, and Elphinstone Land Company settlements, and of the proceeding by which the capital of the Bombay Bank was placed at the disposal of speculative joint stock companies. If Members of the Council of India were permitted to sit in Parliament they would find it difficult to stand up against the Secretary of State, to whom they owe their appointment, and with whom they are in daily habits of confidential communication, and their action would mainly consist of a defence of the proceedings which had been taken in council. The proposed guarantee, therefore, would be likely to turn out as delusive as the last, and the Secretary of State should, in my opinion, be left to his undivided responsibility, and new safeguards for the protection of India should be sought in another direction.

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648. Sir *S. Northcote.*] I observe that in answer to Questions 496 and 497, with reference to the case of the purchase of the Orrissa Irrigation Works, you spoke as though this transaction was one that had resulted from the pressure of monied people in this country, upon the Secretary of State for India in Council, and one which the Government of India would not have under taken as a transaction beneficial to Indian interests; are you aware that the recommendation that these works should be purchased came from the Government of India, and that the Government of India recommended their purchase on far higher terms, at least 100,000 *l.* more than the Secretary of State in Council thought right to give?—I cannot say that I have entered into the details of the question as between the Home Government and the Government of India; and it is no part of my object to apportion the responsibility

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sponsibility between them. My general proposition is that this transaction arose from the pressure of the monied interest upon the Indian Government generally.

649. As you put the matter in that way, may I ask you just to look at the report of that short debate which took place in the House of Commons on the 2nd of July 1868, on the motion of Mr. Bouverie for Papers connected with the transaction, and to my reply (*handing a volume to the Witness*). If you will look at the passages which I have marked, I will ask you whether it does not appear from that account that the facts were as I have stated them, that the Government of India recommended the purchase of these works; that it was not the action of the Secretary of State, but that of the Government of India, and that what the Secretary of State did was to give lower terms than those recommended by the Government of India?—That seems to be so. I will read a short passage from your reply, which shows the state of the case: "Now Parliament had distinctly imposed upon the Secretary of State for India in Council the duty of superintending the expenditure of the revenue and finances of India, and as there was a difference of upwards of 100,000*l.* in the terms mentioned in the despatch" (that is the despatch of the Government of India) "and the offer actually made, he did not think that he would have been justified in offering so large a sum above what he believed to be the real value of the works."

650. Mr. *Fawcett.*] I was asking you some questions about the strength of the depôts in England; can you give me any information upon that point?—I have not entered into the details further than this, that when the depôt battalions, in which the depôts of several regiments were concentrated, were broken up, a system of two-company regimental depôts was established, that is a depôt consisting of two companies for every regiment whatever; and as regards the regiments serving in India, the Government of India has to pay a certain proportion of the expense of those depôts, not the whole, I imagine, nor nearly the whole. So that the question resolves itself into what is to be the principle of adjustment, whether it is to be the fair estimated cost at which the Government of India could do the work for itself, and at which it actually did it in former days, or whether it should be an estimated proportion of the expense incurred for the general purposes of the Government of England.

651. Am I not correct in saying, that whereas formerly these depôts were simply recruiting parties, sometimes consisting of not more, in officers and men, than 16 when the change was made by which the plan of two-company depôts was introduced, this being done avowedly to increase the strength of England against invasion; as many as 220 officers and men were sometimes on these depôts, and this arrangement being specially carried out to add to the strength of England, India was called upon to pay a considerable portion of the expense?—The primary reasons for breaking up the regimental depôts, the consolidated system, had reference to administrative considerations; but the idea of strengthening the home military force entered into the question. No doubt the present plan is highly conducive to the defensive strength of this country.

652. Is it not a fact, that no inconsiderable portion of the army now in England, which constitutes the defensive strength of England, is partly maintained out of the revenues of India?—Yes, certainly, a portion is; how far it should be called considerable is a matter of opinion.

653. But are you aware that last year it was stated in the Estimates that there were 200 officers, 300 non-commissioned officers, 5,600 infantry, and over 500 cavalry on the depôts in England of the Indian regiments?—I cannot answer for the numbers; I should not be surprised that that was stated to be the number. That no doubt is a considerable force.

654. And has your attention been directed to the somewhat singular fact, which I know not how to explain, that although last year it could be easily found out from the Army Estimates how many officers, non-commissioned officers, and men were in England on the depôts of the Indian regiments, this year the Estimates have been arranged in a different manner, so as to make it almost impossible, or extremely difficult, to fish out the information?—I was not aware of that fact.

655. Does not the number of men who have to be maintained by India, and who are in England at any particular time adding to the effective strength of the English army, depend to a very great extent simply upon the will of the Horse Guards?—No doubt the administration of the depôts rests with the military authorities in this country.

656. They, in fact, determine at what rate the men are sent out to India?—So far as the of the men depends upon the length of time t stay in depôt, that is determined by the orders the military authorities in this country.

657. So that this matter, which of cours affects the military expenditure of India to very important extent, is primarily under t control of the Horse Guards, and not primari under the control of the Secretary of Stat India?—Certainly.

658. You think, I presume, that so far as interests of India are concerned that cannot b satisfactory arrangement?—I will not say t it would not be a satisfactory arrangement India was charged a fair sum; I do not think that the interests of India and the interests of England are necessarily incompatible on this point, but I conceive it to be a grievous injustice that India should be charged an additional sum, a larger sum, with regard to arrangements which are made for the benefit of England.

659. And you think that she is suffering under that injustice at the present time?—Yes; I can not help thinking so.

660. In speaking of the financial burdens tha have been cast upon India through the sentimenta generosity of the English public leading them t provide liberally for the native princes, you re ferred to the very great expenses incurred in this country in the way of agencies; I suppose you mean by that that great sums of money are spent in this country by the native agents in influencing English public opinion?—Yes.

661. Are you aware that it was shown in the accounts of the State to which you referred in the last evidence, namely, that of Mysore, that no less a sum than 30,000*l.* was spent in these agencies?

agencies?—I have long been aware that very large sums have been spent out of the revenue of Mysore in order to influence English public opinion; I am not surprised to hear that an item of 30,000*l.* was found in the accounts under that head.

662. Would it be possible, do you think, to obtain any information as to the way in which this money for agencies is dispensed; could you suggest any way of investigating the subject?—It would be extremely difficult, because, so far as the transactions were of a questionable character, they took place between accomplices, which always makes it very difficult to discover the truth. I do not know any mode of obtaining that information except a commission with power to take evidence on oath.

663. In speaking of the Port Canning and the Mutlah Railway, you mentioned the fact that although Papers had been moved for in Parliament, several Minutes by yourself which spoke in strong terms of the transactions in connexion with these schemes had been left out of the Parliamentary Papers?—Yes, that was so.

664. I suppose the terms of reference included your Minutes, and they ought to have been published?—My Minutes certainly had quite as much bearing on the subject as the Minutes which were published. I presume that they were included in the terms of reference.

665. Have you heard any explanation of that omission?—No, I never asked for any explanation.

666. When were these Papers moved for, and who was responsible for the omission of your Minutes?—I think it was in the last Session. I did not think it worth while to inquire who was responsible.

667. Therefore, of course, the proper person to inquire from would be the Secretary of State?—Yes.

668. You referred to the very heavy loss that had to be borne by India from the buying of the Elphinstone Land Scheme. Was it not the case that these shares were at a heavy discount, but that directly rumours began to be bruited abroad that pressure was put upon the Government to buy up the scheme, the shares immediately advanced rapidly, and that then speculators gained enormously in the transaction?—I heard at the time that it was so; that is a circumstance which attaches to all these cases of the interference of the Government to take up the liabilities of public companies.

669. Do you think that we could obtain any light as to the nature of the pressure that was brought to bear upon the Government, and of the direction from which it came, if a list of the shareholders in this company was moved for?—I have no doubt that if a scrutiny was made, full information could be obtained in reference to all these cases of Port Canning, and Orissa, and the Elphinstone Land Company, and the Bank of Bombay, and Back Bay, and the whole of them.

670. And if it could be obtained as you suggest, do not you think it would be very desirable that this scrutiny should be undertaken; because does it not appear to you that the only way of preventing the recurrence of such transactions in which private people obtain an advantage at the expense of the revenues of India is to make them feel that if they repeat such proceedings they are likely to be exposed?—No doubt the exposure of such transactions, and, still more, the punishment of those who are to blame, would have a deterrent effect.

671. You referred in your last evidence to the impossibility of the Government of India, that is to say, the Governor General, exercising any effectual control upon the extravagance of the Governors of Bombay; you used the expression that the Government of Bombay took the bit into its mouth, and it seemed impossible, according to your description, for the Governor General and his Council to take it out again?—Yes, I said that it took the bit between its teeth; that expression correctly describes what took place; the Government of Bombay took the bit between its teeth and ran away; the Government of India ceased to have any control over it.

672. You said that in the days of the East India Company such things would not have occurred; that the Governor of Bombay, if he had done such a thing, or attempted to do it, would have been recalled?—Certainly he would.

673. Do you think, then, that one reason why the Secretary of State seems powerless to recall a governor when he would have been recalled by the East India Company, is to be found in the fact that the appointments, which are sometimes made to these governorships, are political and party appointments?—No, I do not think that that was the most influential reason. I attribute it rather to the popularity of the Government of Bombay. The Government of Bombay had set its sails to a strong popular breeze that was then blowing in favour of public works of all sorts, and irrigation, and improvements connected with the cotton trade, and so on.

674. But as I understand you, if the Governor of Bombay had set his sails to the same popular breeze in the days of the East India Company, his sails would not have been long permitted to fill, would they?—Certainly not; the Company would unquestionably have recalled him, and prevented the greater part of the irregularities which took place; they would have nipped them in the bud.

675. Then you use this as an illustration to show that the Secretary of State is *not* so powerful to check extravagance as the East India Company, because he is naturally more anxious to obtain the advantage of a popularity which results in spending the money of the people of India?—This brings us to what was regarded at the time of the transfer as the real danger of the transfer, namely, that the interests of our Indian Empire should be directly dependent upon the exigencies of the Government of England, without any intermediate barrier or any effectual guarantee. Now the action of the Government with reference to India is influenced to a greater or less extent by purely English considerations.

676. You have altered or modified your opinion with regard to allowing members of the Indian Council to sit in Parliament, therefore I will not ask you any questions upon that point; but I should like to know whether you think it would be desirable to give greater publicity to the discussions which take place in the Indian Council?—I must say, in my own justification, that I did not express any strong opinion in favour of allowing them to sit in Parliament, but I thought that, as far as it went, it might be desirable. In answer to your question, I must say that I consider that the Indian Council, as a

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protection for Indian interests, has so entirely failed, that I am hopeless of reconstructing it in any way. It seems to me to be tainted in its source from the circumstance that it has no independent basis, that it is appointed by the English Government, and public bodies naturally are dependent upon their constituents.

677. With regard to the statement you made just now in reference to taxation which has been imposed, I understood you that it was not so much new taxation that had been imposed in the last twelve years, but that some taxes had been increased in their amount?—Yes; salt and stamps.

678. And did you express the opinion that these were not unpopular taxes?—Yes.

679. Sir *C. Wingfield.*] You said the other day, did you not, that we had been constantly inventing new taxes?—Yes; but we have not carried them into effect; we have only frightened people by them. The only one which we have actually carried into effect is the income tax, and its modified form the licence tax.

680. But local taxes have been carried into effect?—Yes; that is a separate question.

681. Mr. *Fawcett.*] You are now simply referring to Imperial taxes?—Yes.

682. Therefore, the opinion which, I think, you wished to express on the subject, as far as I gather, is this, that the annoyance which has been caused by this taxation is not so much owing to its amount, but owing to the frequent changes and frequent proposals of fresh taxes?—Yes; the perpetual discussion of new forms of taxation, many of which were strange to the people, has scared and harassed them, and had a very discomposing effect.

683. You think that the salt duty has reached its maximum, do not you?—It is difficult to say; I would not propose any increase of it, certainly.

684. Mr. *J. B. Smith.*] As regards the salt duty, are you aware that in many districts, although an increased salt tax has been added, the people absolutely pay a less price for salt than they did before?—I am quite aware of that; the element of carriage is more powerful than the element of increased duty. Great pains have been taken to carry the railways right into the salt depôts.

685. In fact, that the great tax on salt was the carriage?—Yes.

686. Sir *S. Northcote.*] With reference to the question put to you just now by the honourable Member for Brighton, as to whether you considered that the fact of the Governors of the Presidencies holding their appointments from political chiefs, made them more independent, I would ask you whether you consider that, for instance, the appointment of Sir Bartle Frere to the Government of Bombay could in any sense be called a political appointment?—No; that was not a political appointment. He was appointed because he was a distinguished Indian officer.

687. Do you suppose that there has been any period in which the Government of Bombay have more completely taken the bit in their mouths than during the administration of Sir Bartle Frere?—No.

688. Was it not the fact that during the period of Sir Bartle Frere's administration of Bombay the great excitement took place in the cotton trade and in the general commercial prosperity of Bombay, occasioned remotely, but not very remotely, by the great Civil War in America?—Yes.

689. And that it was owing to that great period of excitement that many of these schemes for expenditure were launched; and that a great many undertakings were commenced on the assumption that Bombay had entered into a period of great prosperity, and that it was desirable to develope the resources of India, and especially of that part of India?—Many of the undertakings arose from motives of that sort.

690. Now you say that the East India Company would not have allowed the governor to have given way to that kind of excitement, and to have set at nought, as practically the Government of Bombay did, the moderating counsels of the Government of India and of the Home Government?—I believe not. Judging the East India Company by the whole of its history quite to the last, I am of opinion that it would not have allowed any undue concessions to be made to such a state of things.

691. That is because the constitution and the traditions of the East India Company made it a more conservative and less easily influenced body than the general body of the public?—Yes, it was, for Indian purposes, an independent body; by its constitution it was not liable to be acted upon by the influences which are found in practice to act upon the English Government.

692. You spoke just now of a large number of undertakings which you lumped up together; though it might be questioned whether they are all to be put in the same category, such as the purchase of the Orissa works, the Back Bay schemes, the Bombay Bank and other matters, and you said that they might all be inquired into advantageously; are you aware that a very minute and careful inquiry did take place into the circumstances connected with the failure of the Bombay Bank?—Yes, I am aware of that.

693. Have you seen the report of those commissioners, or the evidence taken before them?—I have not read it with any attention.

694. Have you made yourself sufficiently acquainted with that affair to be able to agree or disagree with me if I say that it gives evidence that the Government of Bombay were very much carried off their legs by the great tide of popular feeling and excitement and speculation then existing in Bombay?—Of that there is no doubt. The only question is whether, being set there as guardians of the public interest, they ought to have allowed themselves to be carried off their legs.

695. Can you say whether they could have had strength to resist it?—Certainly they could.

696. You have sufficiently considered the circumstances to be able to express that opinion?—Certainly; if they felt that they had not strength they should have asked for it; they should have appealed to the Government of India and to the Home Government.

697. Can you say, for instance, in what particular they failed to exercise the control which they ought to have done?—I am not bringing a detailed indictment against the Government of Bombay. I have indicated generally the side on which they failed in yielding to the popular current instead of resisting it.

698. But do you not think it very important that we should get at the real causes of those evils

…ications which ensued, …holders themselves in …directors, who in the …e changes that were …ities originated, that is, … the shareholders in the …were involved in a great …ns that were then in progress

… aware of the fact that the appli… to t… Government for the changes that …e made came from the shareholders as a body …d their directors?—Yes, I understood that it …as so.

702. And are you aware also that the influence to which you have referred, so far as we can judge that there could be any influence, was the influence of the shareholders and the directors as their representatives in the Legislative Coun… of Bombay, by which the change was effected … the charter?—I do not doubt that the prevail…g influence which produced the result was that …f the shareholders of the Bank of Bombay, who were identical with the speculators in the numerous bubble schemes that were then in progress, and who desired to have the funds at the disposal of the Bank of Bombay available for supporting their speculative interests.

703. Does it appear anywhere from the investigation that at that time when the shareholders made their application to the Government, the Government had any cognisance of the fact that there were those private relations which subsequently were discovered when an investigation took place?—That I cannot say.

704. But are you aware whether under the constitution before certain changes to which I will subsequently call your attention were made, the Court of Directors did not allow the Governor to have even the authority to interfere with the establishment of a new joint stock company without first submitting the project to them and obtaining their approval; that his hands were so completely tied down that he could not have interfered at all in the business himself under their administration, but could only have sent the papers home to the Court of Directors?—I was aware that it was one of the conditions pre-

a great deal …
I want to know first of all whether … the Government responsible for that mis… any degree, and secondly, if you do conside… so, in what way you think that such calamit… could be prevented in future; whether the G… vernment hands want strengthening, or on … other hand whether the Government of Bom… ought to be weakened?—That is a very la… question indeed. In the first place, I should … that the calamities, or difficulties I would c… them, in which the mercantile and monied com… munity of Bombay were involved, were not owing to the failure of the Bank of Bombay, but were precedent to it, and were caused by themselves.

708. My question was as to the course pursued by the Bank of Bombay and the subsequent failure; of course in putting that question I had reference to the way in which the directors of the Bank of Bombay supported great schemes which proved to be rotten?—The course taken by the directors of the Bank of Bombay no doubt chimed in with the prevailing over-speculation, and so far assisted it; the whole community was involved in it together.

709. But what I rather want to know is, was the authority of the Government of Bombay, in your opinion, sufficient to have checked that if it had been properly exercised?—Yes, certainly.

710. You do not think that it requires any addition being made to that authority?—No, I consider that the Governor and council are placed there in an independent position expressly to hold in check injurious popular influences.

711. Now do you believe that popular opinion in this country would support the Government of Bombay in checking what would be called the development of the prosperity of a great portion of India?—It was the duty of the Government of Bombay to promote, within reasonable limits and in a proper manner, the development of the prosperity of the Presidency. The question is whether the local government did not go much beyond that limit; the Government of India prescribed the limits, and at-

…ed by an …ment, and that the Bill in the course …passage through the House of Commons …discussed?—I consider that the passing of a …l on an Indian speculative undertaking …ough the House of Commons, is a totally dif…nt thing from a detailed scrutiny into the …fits of the transaction; I cannot accept it as a …stitute.

714. Are you conversant with what took …ace during the discussion of that Bill?—I observed at the time what took place.

715. And with the fact that the grounds of the arrangement were then explained?—Yes; the grounds were then explained as they appeared to the Government at that time.

716. What do you understand were the grounds of the arrangement?—Well, the general ground was, that as the company has found itself incapable of carrying through the works, and as there were certain objections to any private company undertaking such a system of works, it was desirable, on public grounds, that the Government should take charge of the works, that they should be transferred to the Government to be managed directly on behalf of the public.

717. That is a very inadequate account of the transaction; was it within your cognisance that the company had an exclusive right to occupy a field of irrigation which it was thought extremely important to occupy, and which they were absolutely unable to occupy, namely, the field of Behar?—Yes; my answer was intended to include that. I was quite aware that they had an exclusive right of dealing with the irrigation.

718. Are you aware that in consequence of the great famine in Orissa it had become important to the Government to press forward in the interest of the population of India, the completion of works which had been undertaken by this company, which the company however were unable to complete without further assistance?—Well, the recent famine no doubt made Orissa an object of interest, but it could not justify an unreasonable wasteful arrangement.

719. Certainly not, but there you are begging the question; but I wish to ask you first of all, are you aware that an Indian Commission sat …carry them on?… ever irrigation works … or Behar, it was des… carried on in a direct… ment; but whether, th… pletely broken down, it … ment to give a commutati… would have been given if … ful speculation, I think is quit… The question is one of amou… policy.

724. That is begging the ques…a, be… how do you know what price would have be… given if it had been a successful speculation, an… on what grounds do you say that the company had altogether broken down; are you not aware that the company had expended upwards of 800,000 *l.* upon their works in Orissa, that they had brought those works to a very considerable state of development, and that although those works were not then bringing in a profit to the company, they contended that a very little expenditure, or a guarantee on the part of the Government, or even a little patience on their own part, would make them profitable?—The company had entirely come to the end of its means; and if they were sagacious enough to form a correct judgment as to the prospect of their work, they must have known that it was entirely a losing concern; it has turned out that it does not even pay its expenses.

725. That is the result now, is it?—Of a great part of it.

726. Have you seen recent returns with reference to the Orissa works?—I am speaking from information contained in Mr. Campbell's Administration Report.

727. There is one other class of expenditure which I should like to ask you about; you spoke of what you called the sentimental class; there is no doubt that large sums have been from time to time granted to native princes, and others, partly through the pressure which has been brought to bear upon the Government through Parliament; that I understand to be your complaint, and it is one which I suppose is founded upon fact?—Not merely Parliament, but English popular opinion generally.

728. Now, supposing that an Indian prince, or

personage

f any kind, thinks that he has not had e him, to whom is he to appeal?—to the Home Government.

y the Home Government do you mean etary of State in Council, or do you arliament?—The Secretary of State in

Do you consider it illegitimate for a to appeal to Parliament?—Well, that us back to the manner in which the Go- nent of India has been bound up and fused the Government of England. As the retary of State for India is a high func- nary of the Government of England, and as Parliament is the constituent influential assembly of the English Government, the native princes who have objects to attain in this country naturally address themselves to Parliament, and to Members of Parliament; they also address themselves to the press, and to influential people of various sorts.

731. Do you think that the fault of Parliament is in taking too much interest, or too little interest, in Indian affairs?—Well, both. It would be well if they had interested themselves more in some of the things to which I have adverted. On the other hand it would have been well if they had interested themselves less in some others.

732. It may have come within your observation, that the cases in which Parliament most frequently takes an interest in Indian questions, are those where some person's grievances are concerned, and in which a personal canvas has been instituted to induce Members to go down hear the complaints of some individual who been wronged, or who says that he has been nged?—No doubt that is so.

733. You would not impute those excep- ally large attendances of Members of Parlia- t on such occasions to any improper motives, ppose?—The mention of large attendances not from me, and I do not impute any im- per motives to Members of Parliament.

4. But do not you think it natural that men d be more easily induced to go down and discussions upon individual cases which een strongly pressed upon their notice, than they should attend to the great affairs of e empire, which require much more study and ore continuous and sustained attention?—No oubt; it is natural that personal considerations ould be always more impressive than abstract ublic considerations.

735. So that without imputing anything like at are commonly called improper motives to mbers of Parliament, it is an unfortunate cir- nstance that cases of that sort demand and ain a disproportionate amount of their atten- n?—Yes; and in reference to the cases of the ive chiefs, I believe that the interest taken s to a great extent, as I described, sentimental, nnected with natural feelings of generosity.

736. *Chairman.*] To go back to some of your rmer answers, you recollect that the East India ompany ceased to be a trading company on the hange in the charter in 1833-34?—Yes.

737. Do you know whether up to that time it was the recognised view, and oft-repeated view of the Court of Directors, that it was impossible to administer the Government of India so as to make the revenue meet the expenses?—Yes; that was the stock argument of the advocates of the company.

738. Do you know also that it was a stock result of their administration up to that time that they never had succeeded in keeping the expenditure within the revenue; and do you know that, in the preceding 20 years the deficit had been no less than 22,000,000*l.*?—That was the period of the construction of our Indian Empire, and large funds had to be raised by loan to carry on the wars connected with that period, which sufficiently accounts for the fact referred to. But I mentioned two periods, at least, in which, by the exercise of economy, the finances of India were brought into a decidedly prosperous state, one during the latter period of Lord Amherst's administration, and the other during the latter part of Lord William Bentinck's administration. There was a decided surplus in the treasury on both those occasions; a large surplus. They were afterwards dissipated by wars. Lord Amherst's surplus was dissipated by the first Burmese war, and Lord William Bentinck's surplus by the Affghan war; and we went from bad to worse from that period till the great period of the Mutiny, which was worst of all.

739. But the Affghan War and the last period which you have mentioned were after 1833?—Yes; but Lord Amherst's and Lord William Bentinck's administrations were under the East India Company.

740. Do you recollect that previous to the year 1833 there had been a considerable interval of repose, and still up to that time the Court of Directors had not succeeded in bringing the annual expenditure within their revenue?—I maintain that they had, although the advocates of the East India Company in those days argued that the territory could not be managed financially without the assistance of commerce; yet the opposite opinion was held by many, myself included. As a matter of fact, both Lord Amherst and Lord William Bentinck succeeded in bringing the annual expenditure within the revenue previously to 1833, for they had a considerable surplus.

741. Still as a matter of fact, they had received in the shape of a tax upon the people of England, by the means of their tea monopoly, a sum of upwards of 1,000,000*l.* a year to supplement their administration of India?—Yes; but it was not all net, because their commerce was carried on in a very expensive manner. The East India Company did not get all that the people of England paid, or anything like it.

742. But I am not speaking exactly of what the people of England paid, but of what they paid over and above the fair expense of trade by the enhanced price that was put upon tea?—Of course, they paid a monopoly price; but the greater part of the income thence derived was dissipated in the great ships and the China establishments, and so forth.

743. Was not their objection to the change in 1833, that if India were deprived of the subsidy which they obtained by means of th monopoly they would be unable to administration of the Governme their argument, but in the op who were well able to judge it argument.

744. But was not the Duke of Wellington in th not sufficient revenue t expenditure till it wa —A very proper

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Charter Act of 1833 had been passed, and the trade abolished, very large reductions were made; Lord William Bentinck prepared the way for that.

745. One consequence of that, and of the economy enforced on the Court of Directors by the British Government in Parliament, was that Lord William Bentinck did succeed in bringing the finances into proper order?—Yes, during the whole period of Lord William Bentinck's administration very strict attention was paid to the regulation of the expenditure, and in the latter years of his administration he succeeded in producing a decided surplus. I remember his remitting a million sterling home in specie about the time of the renewal of the charter.

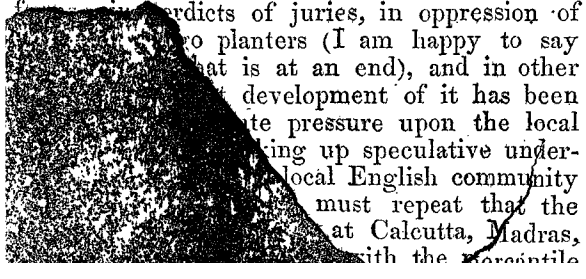
746. It was after the renewal of the charter, and when the commercial assets were being realised, that they got that immediate flush of money, was it not?—My recollection is that it was before the passing of the Charter Act; it was while the discussion was going on; it was, I believe, net surplus of Indian revenue; it was in addition to paying all the company's bills.

747. The policy of reduction was with a view to the attitude taken by the Government that they would put an end to the subsidising of India by the trade receipts or profits?—That was one main motive, and it was an argument ordinarily used by the advocates of the abolition of the trade, that if it were abolished it would enforce economy in Indian administration.

748. You are aware that the determination to abolish the trade was taken by the English Government a considerable time before the Act itself passed?—Yes.

749. Do you recollect that up to a comparatively recent time it was considered that the view on which India was administered by the Court of Directors was, that the local governments were surrounded by European influence of a very limited character, and were also more or less influenced by the European press in a very limited manner; and that unless the Government was practically controlled in all its details, and almost administered from England, the result would be that India would be governed for the benefit of the few Europeans in India, and not for that of the mass of the natives, who never made themselves heard?—Yes; the influence exercised by the local Europeans and the local European press in their own interests, has always been regarded with jealousy by Indian statesmen; and the transactions of the last few years show that that feeling is not without foundation.

750. In fact that feeling may be said to have grown up from the experience of the Court of Directors, beginning with a very early period of misconduct of Europeans in India, as they thought, in relation to the native community?—Entirely so. It shows itself in a variety of f[illegible]rdicts of juries, in oppression of [illegible]o planters (I am happy to say [illegible]at is at an end), and in other [illegible] development of it has been [illegible]te pressure upon the local [illegible]ting up speculative under- [illegible]local English community [illegible] must repeat that the [illegible] at Calcutta, Madras, [illegible]ith the mercantile



and monied community of England; f[illegible] part they are actually their agents.

751. Was it not the view of the [illegible] Directors, and the view maintained in co[illegible] with the administration of India, that the[illegible] counteract that was to have the whole [illegible] vision of the government firmly seated [illegible] country in their hands, so as to be above [illegible] local influence?—No doubt it was.

752. And are you aware that they acted [illegible] large extent in a precautionary manner by t[illegible] up the hands of the local governments and [illegible] allowing them to do various things without pr[illegible] vious reference to the court for their preliminar[illegible] sanction, so as not to have them committed to local influence?—Yes, that was the policy of the East India Company.

753. Do you recollect that within some few years (I cannot fix the exact date) a new theory was started with reference to India, namely, that India was to be governed in India, not in England; you have heard that theory, perhaps, expressed?—Yes, I have heard that theory, and in a true sense I agree with it.

754. Has not that assumed the form of transferring the initiative and almost the complete action upon a great variety of matters to the local governments in India, and more especially to the Governor General, leaving a sort of criticism or veto only in the hands of the Government in this country connected with India?—It has had that tendency.

755. Are you aware whether that has gone the length of dispensing with the transmission of a large amount of information which was for[illegible]merly transmitted to this country to enable i[illegible] complete the supervision of Indian affairs?—Y[illegible] I can speak in detail as to that, because t[illegible] change originated with me when I was Govern[illegible] of Madras. Up to that time, just as the mo[illegible] minute items of expenditure were all stated [illegible] detail in the accounts, so every paper whatev[illegible] was copied and sent home. It had become e[illegible] ceedingly cumbrous and totally unsuited to t[illegible] new system of imperial administration; I m[illegible] that it was practicable while Calcutta, Mad[illegible] and Bombay were factories, but it was ab[illegible] when India had grown into an Anglo-Ind[illegible] Empire, and merely wasted valuable time a[illegible] money, and overlaid the real points of importance [illegible] and confused responsibility; and at my suggestion [illegible] it was changed, and the general course of administration afterwards was reported only in administration reports on the model of the annual Blue Books of the Colonial Governments, and the direct correspondence of the Governments o[illegible] India with the Secretary of State was confine[illegible] to what are called special letters directed to in[illegible] portant matters in progress.

756. Then the analogy that you have given u[illegible] to the Colonial Governments would be that of th[illegible] Governments that have been practically eman[illegible] cipated from the control of the Colonial Office [illegible] and left to manage their own affairs?—Yes, bu[illegible] that analogy must not be carried too far, because under this plan of reporting everything in general letters (I have often laboured at them myself, and so I know what they are), everything whatever was reported in a general letter, which was really a sort of *catalogue raisonné*, or enlarged index of the entire correspondence; they were always many months in arrear, and even if they had been kept up to date, they were so extremely

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[illegible]us that no practical use could be made [illegible] and it was high time that they should be [illegible] of. For that was substituted partly [illegible]nial plan of administration reports giving [illegible]ral view of the different branches of ad-[illegible]tration in each Presidency, and partly the [illegible] of special letters on important subjects of [illegible]rent interest. That is altogether a beneficial [illegible]nge suited to the present circumstances of [illegible]dia.

757. Would your view of this change be strengthened if your attention was called to the fact that this Committee has been sitting now for two years, and the Secretary of State for India has not been able to lay before this Committee such information as is necessary to enable the Committee to understand the financial administration of India, without reference to India itself?—I do not understand why that should be so; if there be difficulties of that sort I am quite sure that they would not have been removed by a continuance of the old detailed system of account and correspondence.

758. Would not the Court of Directors have been in possession of such accurate information connected with the administration of the finances that they could have supplied it to a Committee of the House of Commons without sending out to India to know what the general statements that they had in their hands meant?—Well, I am not so sure of that. In praising the financial administration of the East India Company, I had special reference to their frugality and to their fixed policy of keeping within their means. On matters of detail I do not think that they were [illegible]y any means so perfect.

759. You spoke of the town duties as formerly existing; do you recollect sufficient of the former financial system to be able to tell us to what extent town duties were generally levied in India before the policy was proclaimed that one of the greatest blessings of the British rule in India would be to abolish all town duties?—Yes, I can give full information about the town duties, because it was in consequence of an investigation [illegible]nducted by me, and a report made by me that [illegible]ey were abolished. The great matter was the [illegible]ansit duties, and after they had been disposed of I reported upon the town duties.

760. May I ask whether the transit duties were also generally levied throughout India in various places?—Yes.

761. And were the town duties also generally levied throughout India?—No, only in particular towns.

762. But I mean was it in particular towns throughout India, or was it confined to any particular district or Presidency?—They were levied in all the principal towns of the Bengal Presidency, and also I believe in the other Presidencies.

763. Was it not part of the system of finance of the old emperors of Delhi to levy town duties in all the towns?—No doubt it was, but I should give an imperfect idea to the Committee unless you give me the *parole* for five minutes.

764. Will you then explain generally what the system was?—The ancient system of finance was that everything should be taxed. It was called "sayer" in the north, and "muhtarafa" in the south, both which are Arabic words implying universal application. The question was not what was taxed, but what was not taxed; in fact everything was taxed; each individual exaction was slight, but it applied universally. Well, this was considered a great evil, and Lord Cornwallis consolidated the "sayer" into the transit duties and town duties, that is to say, instead of the same article paying at fifty different places on its way from Delhi to Calcutta, it was to pay only in one place a consolidated duty. The country was covered with customs establishments like the squares on a chess board, and whenever any of the articles included in the tariff (which were nearly the whole) was moved from one square to another, it paid this consolidated duty. The town duties were on a different principle; they were levied on the consumption of the towns, and were limited to a small number of articles, latterly only to seven articles, which were articles of consumption of the inhabitants; under Lord Amherst's government they were appropriated for municipal purposes, but when the Burmese war came they were re-absorbed into the fisc. These transit duties, according to this consolidated rate, although better, perhaps, than the "sayer," were still a great evil, inasmuch as they put a very serious check upon the trade and intercourse of adjoining districts, and often of the same district. When there was no considerable difference in the production of adjoining districts, they positively extinguished trade, and it was only by smuggling that any trade could be carried on; and the old evil of the chokees, the boats and carts being stopped at a hundred different places on a long route, continued, because, although duties were not levied at all these different places, it was necessary to examine the rowannahs or passes, and so forth. In that state of things I happened to be in charge of the Rohtuck district of the Delhi territory, and I always used to see where the articles came from, and where they went, and I found that in 99 cases out of 100, though nominally transit duties, that is duties levied everywhere on goods passing over the country, they were really frontier duties, export and import duties. Then I made a larger induction and inquired elsewhere, and at last I came to the conclusion that the duties actually levied were in so large a proportion duties levied on articles of export and import across the frontier, that is either the inland frontier or the sea frontier at Calcutta, that the whole of the transit duties might be abolished, retaining the duties on the frontier, without any loss. Then I represented this to Lord William Bentinck, and he gave me a commission to go from custom-house to custom-house and inquire into the matter; and as the result of this inquiry, that fact came out perfectly clear, and the transit duties were abolished, and we confined ourselves for the future to the levying of a duty on the sea frontier (Calcutta, Chittagong, Balasore) and the line which was established for salt, sugar, and other things, on the western frontier, between the valley of the Ganges and the states of Rajpootana and Central India, with the result that we got rid of all this oppression and loss arising from the transit duties in the interior of the country; we swept the interior of the country quite clear of transit duties, and got more revenue than ever. That is the case of the transit duties. Now about the town duties; in the later period of the existence of the old town duties, they had been very satisfactorily regu-

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lated; they were really confined to, I think, seven articles of ordinary consumption in the towns, salt, sugar, oil, firewood, and so forth, and so far they were not open to objection; but inasmuch as the towns lay upon the great routes of trade, and the general trade of the country had to pass through them, it was found that these duties were indirectly very obstructive to trade, and that they actually scared away trade from the towns, and small mercantile depôts used to be formed outside the limits of the town duties, and the carts used to take long circuits to avoid them, and so forth; and so it was considered, although the case was by no means so strong as that of the transit duties, on the whole, advisable to abolish them; and as regards the town duties, there was no immediate compensation. Now town duties have been revived in the present generation, and I am sorry to say that the old practice of interfering with the general trade of the country has come back worse than ever.

765. I will not go into that, because we are waiting for returns as to the character and extent of that practice, which returns are not yet before us; I was wanting to get from you a clear idea of what had been done in the past; then the town duties having been got rid of, which, I believe, was considered a great improvement in that day, did any local tax remain in your recollection; was there any small regulated licence tax on shopkeepers, or was there a house tax which went into the public revenue?—No.

766. Not in any part of India?—Of course, in the south of India they had the muhtarafa; there the people were burdened with both systems. They had the transit duties, in a modified form, principally on the frontier; but they also had the old muhtarafa, the old native system, and that remained in Madras till the mutiny.

767. But did it not also remain throughout the whole of the Deccan, when at a period not very long before that every shopkeeper paid a small regulated licence tax?—Yes; that is the ancient custom of India, and it remained in the Madras Presidency and, I believe, in the Bombay Presidency, and in the native states it will be found to be as prevalent as ever.

768. Do you recollect that after the mutiny the question arose between the Government of India and the British Government, what ought to be the standard of European troops in India consequent upon the changes that were to be made in reference to the strength of the native army and the events that had happened?—Yes; there was a great deal of discussion on that subject.

769. Do you know what was the view of the Government of India, and of the official party connected with India generally on that subject, as to what should be the total number of European troops?—The standard last agreed upon was 60,000.

770. But was the standard that was fixed in the first instance after the mutiny, 70,000, or 71,000, or 72,000?—It was about 70,000; it was afterwards reduced to 60,000.

771. Do you recollect that, in consequence of that standard being resolutely insisted upon by the Indian authorities, it became necessary to raise more regiments and add them to the strength of the British army, and that they were so raised?—The nine regiments added to the British army were an equal number of regiments from India.

772. But do you know that in incre[illegible] strength of the British army, the argu[illegible] ployed at that time and founded upon [illegible] the increase of strength of the British ar[illegible] that the permanent demand for India wou[illegible] 70,000 men?—No doubt at the time when [illegible] nine Indian regiments were transferred to [illegible] British establishment, it was believed that [illegible] would be permanently wanted. The standar[illegible] European force, which is the key to the wh[illegible] military system of India, must vary according [illegible] circumstances. As it was reduced from 70,00[illegible] to 60,000, so now perhaps it might be further reduced, with all the advantages of railways, and above all the general course of pacific industry upon which the country has entered.

773. But in entering upon that career of large military expenditure, do you think that what you have spoken of as English influence, so far as the British Government is concerned, was brought to bear for the purpose of making that increase; can you say whether it was not brought to bear to prevent its being made, but it was forced upon them entirely by what may be called Indian influence?—I am afraid that it has been brought to bear to the disadvantage of India in some respects. The general state of the case is that the great native armies which were formerly maintained in the Punjaub and Central India have all disappeared; the native states have been strictly limited in reference to the artillery they are authorised to maintain; and our own native army, to counterbalance and check which wa[illegible] one main purpose of our European force, has be[illegible] in great part dissolved, and I hope it is [illegible] course of further reduction, so that the necessit[illegible] for a large European force is very much less tha[illegible] it was, and especially of artillery. It is difficu[illegible] to see what the large force of artillery which w[illegible] have in India is intended for, because artiller[illegible] is a matter of comparison; if one force has l[illegible] guns and the other has only one, then there ca[illegible] be no necessity for having more than 10 guns; i[illegible] is a matter of comparison altogether, and an [illegible] cessive force of artillery has no doubt been ma[illegible] tained of late years in India, and the Gover[illegible] ment of India represented that it was larger tha[illegible] was necessary and ought to be reduced; and there has been undue delay in reducing it no doubt.

774. It would not be possible, would it, to bring home troops at a moment's notice from India, unless they were to be immediately disbanded in this country?—Well, I believe there is a surplus of artillery altogether, both in England and in India, and I am afraid that India suffers from that circumstance.

775. Probably you have observed that within the last two or three years there has been what may be called an artillery mania?—A great deal of mind and activity has been bestowed upon the perfection of the artillery, there is no question about that. Then in connection with that, it seems to me that it is a great mistake to maintain the gun factory at Cossipore; it is quite superfluous; it would be far better to get our guns from this country. And then they maintain a government tannery at Cawnpore, for making very inferior harness, when they could get a much better and cheaper article from England.

776. You are aware that these are ancient establishments

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ments which arose out of the considera- the possible interruption to communica- tween this country and India, and from w that India should be self-supporting for ny?—Yes, we had a great deal of discussion I was last in India about both those esta- ments; I urged their abolition, and the only gument on the other side that had anything in at all, was that possibly the communication th England might be interrupted. My answer as, that if we lost the command of the sea, it would be all over with us.

776*. It is a balance of those two considerations; and the question is, which ought to prevail, the economy of getting these things direct from England, or the security of having a true base of operation in India?—I consider that security perfectly ideal.

777. You answered affirmatively to a question of the honourable Member for Brighton that the influence of the Commander in Chief was certainly predominant or conclusive, or decided the number of reliefs between this country and India; do you think that that is consistent with the mode in which the military business of India is carried on, or are these arrangements first duly considered by the two Secretaries of State, one the Secretary of State for India in Council, and the other the Secretary of State for War?—The recruiting system of Europeans for India as well as for England is carried on by the English military authorities on English principles, and with reference to English arrangements; and that being so, it is regulated by the home military authorities. I do not at all object to that being so, but I strongly maintain that the people of India should not be charged for their recruits a higher rate in consequence of the recruiting system being regulated on the English model.

778. But are you aware that all the arrangements connected with reliefs for India pass under the consideration of both Secretaries of State before they even come to the cognisance of the Commander in Chief?—I thought the question which was put to me by the honourable Member for Brighton related to the recruiting and the sending out of recruits; that was the question which I supposed I was answering.

779. In regard to the recruiting, the Government of India pay a consolidated sum, I think, now under a fixed arrangement, which we shall get in detail hereafter?—Yes.

780. Are you aware that before that fixed arrangement was come to, the subject was considered in all its bearings and in great detail by representatives both of the Indian administration and representatives of the military administration in this country?—Well, I do not know in what detail it was considered. I have no doubt it was carefully considered.

781. Sir *J. Elphinstone.*] You must be aware that the cost of sending a recruit out to India under the old company was 15*l.* according to the charter party?—I was not aware that it was so low as that.

782. Sir *G. Balfour.*] The Chairman has referred to an artillery mania; are you aware that both General Adye and myself, both of whom are artillery officers, have strongly urged a reduction of artillery in India?—Yes, I am aware of that.

783. And that these reductions have not been carried out to the extent desired?—Yes, I can easily believe that; I know that an excessive and unnecessarily large force of artillery was retained in India a long time after those representations had been made.

784. Are you aware that when the army was reorganised, the European force proposed to be maintained in India was 75,899 men, and it is now 62,924?—Yes.

785. And at that time it was considered entirely impossible to maintain India without that large force?—Yes, that was the opinion at the time.

786. And that that large force was maintained contrary to my recommendation?—Yes, and when I was last in India I was strongly of opinion that the European force was unnecessarily large; it was often difficult to know where to find a place where the European regiments could be put.

787. And since your time it has been considerably reduced?—I believe so.

788. You are aware that the capitation rate to which the Chairman refers has been abolished, and that now the actual charges are made against India for recruits?—Yes; a certain portion of the expense of the two-company depôts is charged to India.

789. That is to say, the officers and non-commissioned officers and the pay of the men for a certain number of months?—Yes.

790. And that these rates have constantly swelled up to about 68*l.* for infantry recruits and 138*l.* for cavalry recruits?—Yes; as we have entered upon the military question, I should like to state briefly my general view of military reductions, not of detailed reductions, which would interfere with the evidence of any other witness, but generally.

791. *Chairman.*] I think we had better go into that matter subsequently. Perhaps you will now go to the second subject which you wish to bring under the consideration of the Committee, namely, the effect of what you consider over-centralisation?—I was stating what I believed to be the causes of the recent deranged state of the finances of India. Under the second head I attribute it to over-centralisation. The first great step towards centralising the Government of India was taken by the Charter Act of 1833, when the legislative powers previously vested in the Governments of Madras and Bombay were transferred to the Supreme Government, which thereby became the Council of India. At the next renewal of the Charter in 1853, this principle was confirmed by appointing a single representative from each of the other presidencies to the Council of India. The concentration of the financial arrangements at Calcutta took place after the mutiny, and culminated in the appointment of the financial member of council. When I was appointed the financial member of council in India, I was under the impression that what was especially wanted was the improvement of the account system, and I induced the Secretary of State to place two eminent accountants at the disposal of the Government of India for the revision of the system, and they made a very effectual revision; that is acknowledged in the first budget statement of Sir Richard Temple, the present financial minister. But as I went on, it gradually dawned upon me that this was not a case to which the budget system

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was really applicable. I was extremely struck by the impossibility of making any effectual revision of the annual estimates. While each presidency administered its own finances, there was a strong motive to economy, but now that the finances have been collected into a common centre, the only object that local administrations have is to get the largest possible share of the common fund. The pressure upon the financial department from the local governments at the time of the preparation of the budget is overwhelming; they all have a pull at it. It is much the same as if the Poor Law Administration of the United Kingdom was supported out of a single common fund. The *drive* in the financial department at Calcutta at the time of making up the annual budget exceeds anything of which I have had experience, except the work during the Irish famine; that was equal to it, but it was not heavier. The putting together and the re-arranging the estimates in order to bring out the financial results, fully occupies the office, and there is no leisure for detailed scrutiny, even if the requisite detailed information existed at Calcutta, which it does not; and if the financial department proposes to curtail any item it does it at its peril; it is immediately met by the statement that the particular item objected to is indispensably necessary for carrying on the local administration. The Bombay estimates were habitually not sent in until after the budget had been made up, and they were then in such a crude and unrevised state, that obviously they were merely a collection of the maximum sums which the different local officers considered might be advantageously spent, and this has led to a very remarkable inequality in connection with the new provincial assignment system. I beg to be permitted to read this extract from Mr. Campbell's Administration Report for 1871-72, which will explain what I mean. These are his words, "Those who asked most, and asked it most boldly and pertinaciously, got most. * * For instance, Bengal with its 65,000,000 of people, has got 1,168,592 *l.*" ("has got," means that that is the provincial assignment for Bengal, that provincial assignment being founded upon the allotments previously obtained under the annual Budgets); "while Bombay, with something over thirteen millions by the last census, and probably not many more now, got 880,075 *l.*, or more than three-fourths of the assignment, with less than one-fourth the population. * * To supervise the thirteen millions, or possibly fourteen millions of people of Bombay, there were entertained in 1870-71, of police paid by the State, 16,877 men, for whom, before the recent arrangements, an Imperial assignment of 374,703 *l.* was made; while to supervise the sixty-five millions of Bengal, there were, in the same year, 25,043 men, including a considerable number specially employed on the frontier, and the net Imperial assignment was 485,394 *l.* The Bombay grant was thus considerably more than three-fourths of that to Bengal. * * For roads and public improvements, there had been assigned 157,800 *l.* to Bengal, and 121,900 *l.* to Bombay, the Bombay proportion being still higher than in the case of police, while for civil buildings there were assigned 111,370 *l.* to Bengal, and 107,500 *l.* to Bombay; the smallest of the local governments thus receiving under this head very nearly the same as the largest." So that the extreme pressure that was put by the Government of Bombay upon the Indian Financial De[partment] at the time of the annual budgets, has [been] foundation of a permanent inequality, a[s] long as the present system of provincial [assign]ment continues. This is a gross unf[air]ness against the people of Bengal. Well, the g[reat] conclusion at which I arrived from my exper[ience] as financial minister, was that India, not be[ing] a single homogeneous country like France [or] Spain, or Germany or Italy, or England, [but] an aggregate of countries which, with some general similitude, are different in language in habit, and in general circumstances, cannot properly be ruled by any one set of men from any one centre. This was equally true (I say "was," because now we have begun to decentralise) in reference to general administration. The putting of the whole of India under the Presidency of Bengal (for it was really, practically, virtually, under the Presidency of Bengal, because the Government of India was formed out of the Government of Bengal, and was manned entirely by Bengal officers; and not only the whole, or more lately the majority of members of council, but also the whole of the secretaries were Bengal officers) was productive of very unfortunate general results. Everything was brought to the standard of Bengal, local wants and peculiarities were not understood, and it led to great hesitation in accepting the recommendations of the local governments, and to great discouragement and consequent inactivity and stagnation throughout India. But the whole thing has come to its climax in finance; in finance it has fairly broken down, and has come to a *reductio ad absurdum*.

792. Then your view is, that the Supreme Government could not control the finance, unless it controlled all the operations out of which the finance arose?—That it cannot do; the main administration, both of income and expenditure must reside in the local governments; and as the central government cannot control the administration at its sources, it is vain for them to attempt to do it at the extreme end at the eleventh hour, in the course of the fortnight or three weeks allotted to making up the budget. The budget is a mere farce as a budget; the estimates undergo no real investigation or revision whatever. It is impossible that they can.

793. It becomes in fact merely a summary of accounts?—Merely a statement, not of actual accounts, but of such estimates as the local governments choose to lay before the Financial Administration at Calcutta.

794. Do you think that their sense of responsibility in dealing with requisitions or suggestions throughout their presidency is very much weakened by their being able to hand it all over to the finance minister?—Very much indeed. As Indian finance had been placed on the footing of a central fund upon which all the different administrations were to draw, the main motive was who could get most; it was a sort of scramble. There was, however, great difference in the conscientiousness of the different governments. I must say for my old Government of Madras, that nothing can be more praiseworthy than their moderation and self-restraint. I do not believe that they have yielded to this temptation at all; I have not perceived any symptoms of their doing so.

795. Did you, as finance minister, then exercise no financial control over the continuing arrangements

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s which resulted in the expenditure? hen the estimates had once been sanc- d the budget had been closed, there end of our control. The estimates fur- standard and rule for the expenditure ensuing year; they might be exceeded, mentary estimates might be furnished, o far as the estimates had been passed, they been passed for the entire year.

796. Then were not all the papers which came ore the Supreme Government, which could d either in altering the receipts or altering the xpenditure for the year, brought under your consideration, so far as they affected finance?—Well, I did all I could to establish the good old Treasury rule which is fully established in England. I mean that no new expenditure should appear for the first time in the estimates, and that any increase of salary, or increased expense of any sort, ought to be specially sanctioned beforehand.

797. On its own merits?—On its own merits, but I found it impossible to enforce it; and when the estimates of the different administrations were shovelled into the financial department in masses, at the time of making up the budget, it was impossible to say which item had been sanctioned and which had not been sanctioned. The whole concern was too vast, and the time allowed was insufficient; indeed no time could have been sufficient to control such a system.

798. I suppose it is absolutely necessary that estimates for the ensuing year should be made pretty close up to the commencement of the r, otherwise they become too speculative?— s; the estimates are not open to any exception that point; they were made at the proper eriod, just before the commencement of the new nancial year.

799. If that be so, the result must be that ery short time must necessarily be allowed to ny one to examine the whole mass?—Even the financial department at Calcutta had the ata for the revision of the estimates, the time llowed was totally insufficient. Even confining ourselves to compiling the estimates and bringing out the results, as I have mentioned, it was a terrible drive.

800. Mr. *Fawcett.*] In referring to the fact that there is too much centralisation in India, do you think a remedy is supplied to any extent by what is known as the decentralisation scheme?—Yes; but if I may be permitted, I should like to deal separately with it. I have got a separate head for remedies, and the great item is decentralisation; and it would save the time of the Committee if I spoke of it comprehensively.

801. Mr. *Beach.*] Relative to the expenditure at Bombay, is not the purchasing power of money very much greater at Madras than it is at Bombay?—No doubt there was a difference; prices were higher at Bombay. A sort of artificial famine had been created by the excessive cotton cultivation, and prices had been very much run up by the large amount spent on public works, and by the consequent increased demand for all the necessaries of life.

802. Would you place the difference at nearly two to one?—Certainly not. It was chiefly in the necessaries of life, but not nearly to that extent. I am speaking of an average of months. Although at some particular time the difference may have been in excess, yet on the whole it was very much less than that

803. Still some allowance must be made as comparing the expenditure of Bombay with that of any other presidency?—It was necessary to make some allowance at that time. I believe the necessity for that is very much diminished by the collapse of that artificial, inflated state of things.

804. Has that artificial state of things collapsed; I understood that there was still greater difference in the proportion now than there ever has been before?—No; I cannot believe that, because the sea is open, and the railways are open; there is a direct railway communication between Bombay and Madras, and three great railways running into Bombay; and supplies of all sorts can be brought coastwise both from north and south. I cannot admit that there is any sufficient ground for a permanent increase in the rate of expenditure at Bombay compared with Madras.

805. Mr. *Dickinson.*] Did I rightly understand you to say that the Financial Department should be decentralised both as regards income and expenditure?—Yes; but I would pray to be examined separately on that point. If the Committee prefer it, I will go into it now; I am entirely in the hands of the Committee, but I am still upon the causes of the derangement of the finances, and I propose, with the leave of the Committee, to speak to remedies under a separate head. Decentralisation is the principal remedy, no doubt.

806. I rather wanted to understand what you call centralisation and decentralisation. Is it both as regards expenditure and income?—Yes; both as regards expenditure and income.

807. Income is taxation?—Yes.

808. And centralised income is centralised power of taxing?—The local governments actually administer all the taxes; and as regards the land revenue, which is the principal item, they assess it as to its amount, and I should propose to leave that to the local governments.

809. Let us understand the term. What I mean by taxing, is not the power of fixing the amount of the taxation, but the power of fixing the subject of taxation?—Well, I would give the initiative to the local governments.

810. *Chairman.*] You were also adverting to some other causes of the derangement of the finances?—I spoke of over-centralisation as one main cause, but that is not confined to over-centralisation of the general finances, it extends to the departmental administration. For instance, the Public Works Department is now a monster of official centralisation, far exceeding the worst that used to be said of the English War Department. It is mere accumulation without consolidation, and has outgrown all control. It reminds one of the picture at the commencement of Hobbes's "Leviathan" of the State absorbing everything. The public works have been concentrated for the whole of India into a single department. First, the Ordinary Public Works; next, the Military Buildings, for which there is a separate inspector and a separate branch; next, Irrigation Works, for which there is also a separate inspector; next, railways; and an effort was made to absorb all works executed out of local funds by the different administrations, but I came to the rescue, and we had a discussion on

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the subject at Simla, and my view prevailed, and they were saved. My minutes may be referred to on that point if desired. Forests, also, were absorbed into this monster department; however, since the establishment of the Department of Trade and Agriculture, Forests, I believe, have been transferred to that department. The latest development of this extraordinary system is, that this centralised Department of Public Works has undertaken the management of all the existing railways; it has undertaken the management of the relations of the Government with the Guaranteed Railway Companies not merely for the main lines, like the East Indian Railway and the Great Indian Peninsula, which pass through two or more administrations, but also for all the branch local railways, the South Eastern and North Eastern of Bengal, the southern Madras railways, the Bombay and Baroda, and so forth; and they have also undertaken the construction of all new railways. Upon that I beg to be permitted to read two short extracts from a Minute which will explain my view: "The capacity of the Government is only that of a great joint stock company, for the ultimate direction and revision must be concentrated in one superintending office, and its powers are therefore measured by the time, and strength, and health, and knowledge, and judgment, of a very limited number of individuals.* * * The Government is only a single agency and a single superintendence, working under all the disadvantages which beset Government operations, especially in India. Private agency, on the other hand, may be indefinitely multiplied, and it works with a spirit and continuity of which the railway systems of England and India furnish an example. The only fund possessed by the Government for carrying on such operations is the produce of taxation in a poor country, the insufficient capital of which yields a high rate of profit. The fund upon which private enterprise is based, is limited only by the overflowing wealth of England, the unemployed annual accretion of which would be more than sufficient to make India all that she ought to be." One great objection to this monster centralisation is, that it entirely excludes private enterprise; it overlays it, and pushes it out; whereas, our great object should be to encourage English capital to resort to India, and to be applied in industrial enterprises and public works in India, as it was formerly applied to the Southern States of America, as it is now applied to Spain, and above all, to the United States. If we could only get India into the same financial industrial relation to England, as that existing with the United States, the object would be accomplished.

811. What is the date of that Minute?—October the 30th, 1863, at Calcutta. At the bottom of every undertaking ought to be a practical engineer, and a business-like employer, spending his own money or the money of his constituents, and having an immediate direct primary interest in the works; but in India this has been overlaid with official checks, piled one upon the other, until all idea of individual responsibility is lost, and the result is, delay and confusion, and the absence of all real control. Another result of this monster system of centralisation is, that the Government is practically at the mercy of its trusted officers in charge of the Department of Public Works, a very small knot of men; and as the Government has a thousand other things to att[illegible] in the long run, acts on the advice of [illegible] vidual who happens at the time to be at [illegible] of this monstrous system, so that the pu[illegible] terests of the whole of India, in its mos[illegible] concerns, are placed at the hazard of the [illegible] vidual views of a particular officer.

812. Do you think that the organisation o[illegible] military corps of engineers, and their relati[illegible] to one another, and the conditions of their e[illegible] ployment, or the status of a corps of civil [illegible] gineers constituting an organised system of publi[illegible] servants, is conducive to the efficient promotion and management of public works of a reproductive or profitable character?—I think it is organised on far too large a scale; I have nothing to say against the engineers; the old corps of Bengal engineers were a highly intelligent, public spirited, frugal body, and as to the civil engineers who have been introduced of late years, there is nothing at all to be said against them; many of them are very distinguished men; but the advisers of the Government, who influence the action of the Government in reference to public works, are the one or two men at the head of this system who are in daily intercourse with the Government, and I repeat that it is an improper hazard to which the public interests are subject, to give any individual at the head of such a department such a power of influencing the destinies of India. I will give a very recent instance, in fact, one now in progress, namely, the gauges; there is no doubt that a gauge carrying large waggons, and allowing of the operation of the full powers of steam, is the most economical; and that even if we had not y[illegible] chosen our gauge, we ought to have one su[illegible] ficiently large to conduct the traffic economi[illegible] cally on a large scale on the main lines; the branch lines, of course, may be on any scale; but the fact is, that we have chosen our gauge long ago, and with the exception of the gap between Moultan and Kotri, and the extension from Lahore to Peshawur, it is completed; so when that additional reason exists, that the consequence of adopting a narrower gauge will be that the great delay and expense of break of gauge will be incurred, and the main political object of running our regiments right through into Peshawur, or wherever they may be wanted, will be lost, it seems to me that it is a terrible mistake; and I attribute that to the inordinate influence obtained by this gigantic system of centralisation by the individual at the head of it.

813. You think that the use of a French lineal measure, which the French had not even used themselves, for a new railway gauge, savours very much of that centralisation, the action of an individual will?—Yes, that is a symptom certainly, and the same with the irrigation works. Now irrigation is everything in India; water is more valuable than land, because when water is applied to land it increases its productiveness at least six fold, and generally a great deal more, and it renders great extents of land productive, which otherwise would produce nothing, or next to nothing. But it is only when irrigation is properly applied, that it really pays. The village tanks, and the small tanks between adjoining hills, are almost always highly profitable. The Madras Presidency is covered with the remains of ancient tanks erected by

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[redacted]ives in former generations, and to re- would be a blessed work. I will give [redacted]ble instance highly illustrative of the what I am saying. I was Governor of when the first steps were taken to com- *the operations of the Madras Irrigation* ny, and I remember Sir Arthur Cotton, had the management of it, suggesting to me in order to put the Irrigation Company in t, we should let them begin with a particular k of the character I mention, a moderate self- tained work, throwing a bund, or restoring a und, between two hills, which he said would pay, I do not remember how much, but enormously. I believe that the comparison between that tank which Sir Arthur Cotton urged upon me, and the great undertaking of the Madras Irrigation Company, represents the difference between paying and non-paying irrigation. Next to the individual tank, I should put the anicut, that is the dam upon a river, damming up the waters of rivers; we are copying the example of the natives in that. Sir Arthur Cotton acquired his first skill in Tanjore, on the Cauvery, the anicuts there being extremely ancient works erected by the former native dynasties, and he applied that principle to the Godavery and the Kistna. I am speaking, not of the general line of the Godavery Navigation Works, the improvement of the navigation of the Upper Godavery, but of the anicut, the dam, over the lower course of the Godavery, which is a highly profitable work; that is a work of great judgment and of great genius; there cannot be a question about it. But when you come to ambitious, magnificent canals for irrigation [redacted]t navigation like the Ganges Canal, the Upper [redacted]davery Navigation Works, and the Madras, [redacted]rissa, and Soane Irrigation Works, I do not be- eve in them at all. I believe that the element f expense altogether overlays the element of rofit, and so it practically turns out. If the ac- ount of the Ganges Canal is properly taken it a dead loss. The only canals that have paid ithin my experience and knowledge, are the nals made by our predecessors, the Moguls, ort canals on either side of the Jumna near elhi. I must be allowed to make one ob- rvation here: I have observed in connection ith the irrigation system, as it is conducted by the Department of Public Works, two principles. It is proposed that the old objectionable Indian principle of forced labour should be revived, and that there should be a compulsory water rate not merely in the Punjaub; for if the Committee will look into Mr. Campbell's report, they will find that a compulsory water rate was equally proposed to be applied to the Orissa irrigation after it came into the hands of the Government, in fact it was attempted to be applied. The first rate was five rupees per beegah, and nobody would take water at that rate; and then it was lowered to one rupee, but however, the rains are so much more plentiful in that corner of the Indian Ocean than they are in Upper India, that the native cultivators did not see any advantage in taking the water even at one rupee, until there happened to be a break in the rains, and then they began to show a disposition to take it, upon which the young civilian who was in charge of the works on behalf of the Department of Public Works, immediately opened the sluices and covered the whole country with water, and reported that water had been taken to the extent of 20,000*l.*, two lacs of rupees. But the effect of this opening of the sluices, which was done without making any individual arrangements with the cultivators, was that the whole country was covered with water, and nobody could say who wanted it or who did not; or who had previously been provided from wells or in other ways, and who had not; and it merely led to an immense litigation, and instead of 20,000*l.* I do not believe that they got 20,000 pence. That leads me to remark upon another evil of this vast centralised irrigation system, which is that the officers administering the system are placed in a state of independence under the Department of Public Works; they are actually independent (there may have been some relaxation of this *imperium in imperio* lately in Bengal) of every authority except the Governor himself, and so they are under no proper check at all. That is all I have to say about public works.

814. Can you offer any observation with reference to the system that has grown up of borrowing money for the promotion of these works?—Yes, I consider that that is one potent cause of the derangement of the finances of India of late years. The great check upon expenditure is that the income should be limited, and everything that breaks down that check gives scope to the expenditure. Now, of late years a system of borrowing has been introduced, which is quite as open to objection as the old open loans of the company. Indeed, I think it is worse, for the open loans were raised at a minimum rate of interest, whatever happened to be the lowest possible rate of interest at the time, and if the money was not wanted the Treasury was closed at once; whereas now large sums are taken out of the money market, and transferred to the Treasury, forming an elastic and expansive margin, confusing and obliterating the real check on expenditure. It seems almost impossible to make any distinction, either in the accounts or in the objects for which the loans are raised, between ordinary and extraordinary works, and in my opinion the loan system should be entirely closed, except in well defined cases of real emergency. The only real justification for borrowing is when there is an emergent occasion for a large sum of money beyond what can with advantage be raised by taxation; whether it is for war, or irrigation works, or for roads which facilitate all the transactions of the country. That furnishes a justification, but it should be marked out quite distinctly from every other purpose, and strictly appropriated to a particular given object.

815. You would deal then with the loan and its application in the same way as the English Parliament dealt with the loan for the fortifications, when they scheduled the works in the Act so as to make a specific application of the loan?—Yes, I think that entirely a case in point. Nobody in Parliament objected to that loan, because the fortification works were not likely to yield a money profit of so much per cent. The justification of that loan seems to me to be the justification of every loan, namely, that the sum immediately required for the specific purpose is larger than can with advantage be derived from taxation within the year; and I cannot recognise the distinction which has been set up of late between productive and unproductive works. It

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seems to me that a common road, which facilitates production of every sort, is far more productive than these great irrigation works are likely to be. And so I fall back upon the old justification for loans, namely, that there is an exigency which cannot properly be provided for within the year, and for which you must therefore fall back upon capital. You may class the income tax under the same head. Just as this new system of annual borrowing has relaxed the springs of economy, so has the income tax; it is such a very attractive tax to a financier and administrator. You have only to put on two or three per cent. and you get your money at once, without any apparent difficulty; and the constant reference which is made, either in words or in mind, to the possibility of raising as much money as they want by an income tax, has had a great influence in producing the habit of profuseness which has grown up of late years.

816. Do you think that there has been in recent times a tendency to endeavour to deal with every subject at once, as it were, and to do a great deal more within the year than the financial resources of India legitimately admit of?—No doubt there has. We may have been formerly too slow, but of late we have certainly been too precipitate. Works which, spread over a reasonable period, would be attended with general benefit, lead to waste and bad work, and even convulse society by deranging the finances and raising the rate of wages, if put forward all at once. The experience of Ireland for a short period after the famine, or rather during the famine and afterwards, is entirely in point. It was a prevailing argument in those days that if the resources of Ireland were properly developed, there would be ample subsistence for the whole 8,000,000 of Ireland, and so no doubt there would have been if we had taken a period of 100 years; but the consequence of attempting to develope these resources all at once was to interfere with other industries, and to lead to great waste. And the same took place shortly afterwards in reference to English railways. We attempted to make all the railways of England at once, and that also led to a catastrophe. This is a precisely similar case.

817. You think that keeping expenditure within the ordinary growth of the revenue would also keep the works within wholesome limits, and prevent them from too rapidly extending?—Certainly. I consider that the old rule of English finance, that the expenditure of the year should be provided by ways and means raised within the year, is a most wholesome natural check, and I attribute the derangement of our finances in India of late years in great degree to that check having been lost sight of and thrown to the winds. Another cause, I think, is the absence of any departmental financial control like that exercised by the Treasury in this country; that is an interior control within the administration. Lord Ellenborough was very sensible of that, and attempted it, but failed. I had hoped that I should have been able to act upon it, and have a general revision of establishments, but I found obstructions at every point. It was not understood or acknowledged that there ought to be such control. I well remember that once when I proposed a revision of a large expensive establishment, the member of Council who had the administration of that establishment said to me, "I should as soon think of inte[r]fering with your financial arrangements as for you to interfere with my establishment." The idea was foreign to India.

818. The view which they take in the Council is that each member is equally authoritative in regard to his own department?—In regard to his own department; and the authority of the financial department over all the others as to expenditure and reduction of expenditure is practically acknowledged. Then I make another observation: the old rule of Indian finance was to look to your income as a fixed quantity, and to regulate your expenditure accordingly. Now this is completely reversed; the scale of expenditure is first fixed, and the taxation is then brought up to a level with it, with little forethought of whither it is leading us. No doubt this is the English rule; but England is a highly national, homogeneous country, and our people, having the management of their own affairs in their own hands, submit to any necessary taxation from year to year.

819. Does it not appear that this increased disposition to deal easily with finance arises from some change that has taken place in the administration of the governments, namely, that the Governors and Governor General are no longer their own financiers, as they were in former times, but have handed the finances over to an officer in India, who is really their subordinate?—Yes; that division of labour may be necessary, provided the government maintains the necessary control.

820. But do you think that there is any mode of carrying on the Government in India by which the Governor General, as regards his functions, and the several Governors as regards theirs, can divest themselves of the duty of being their own financiers, that is to say, superintending the duties of finance and expenditure themselves; is not that their most important duty?—Certainly it is the duty of the Governor General to supervise the work of every department; and as finance is the root of the whole, that ought to have his especial attention, and so it has been under all able and active Governors General.

821. But do not you think that the system that has been introduced in recent times has rather tended to weaken that sense of responsibility?—Yes; now I appreciate your meaning, which I did not fully before. I think since the appointment of the financial member of council there has been much too great a disposition on the part of the Government of India to depend upon him, as if it were his responsibility, and to take everything on his authority; there is too great a disposition to that, no doubt. And the financial member of council being merely a departmental functionary, has not the same power of checking expenditure as the Governor General. The Governor General, and the Governors and Lieutenant Governors of the local governments are the only really effective financial authorities, and the responsibility ought to be fixed upon them, every necessary aid of skilled financial officers being given to them. I speak from the actual experience of a comparison of my position as Governor of Madras and Financial Minister at Calcutta.

822. Do not you think that that has also had great influence over the local Governors; that they have made themselves less financial administrators

eir Presidencies than they were before, has an idea grown up that they are representatives of the Sovereign in not the administrators of the funds? cal governors in India have of late had to do with finance. When I was Go- of Madras, if I took an interest in e it was merely an amateur interest; estimates used to be got in by the Deputy ountant of the Government of India at dras, and they were laid before Council, and revised them as well as we could, but that s all.

823. Do not you think that formerly, before the new system was introduced, the governors, especially in the Presidencies, regarded the financial administration as their highest and main duty, and did not think so much of being the representatives of royalty, and so forth?—Yes, they were then responsible for the finances, and they did look well after them, no doubt about it; and the finances of Madras and Bombay never within my knowledge in those old times gave any trouble; they were conducted in a very regular and satisfactory way.

824. May we now go to the consideration of what remedies you suggest to put an end to the causes of financial embarrassment which has recently taken place?—First of all certainly reduction of expenditure. There is a great reduction required in the military expenditure, not in the details, but in the general arrangements, to revise the general military arrangements in a manner suited to the circumstances of the esen ttime. These great armies, formerly maintained by native powers, have ceased to exist, d their teeth have been drawn by taking ay their guns. We have an overpowering rce of artillery; and the great Bengal native my, which was a source of great anxiety, much so that the principal use of the uropean army was to keep it in check, has sappeared. On the other hand, the people of many parts of India have not only ceased to arry or use arms, but they have lost the habit nd idea of using them. That is remarkably he case in the south of India; there is no part f Her Majesty's dominions where the people are o amenable to law, so quiet, and so peaceably disposed as they are all through the Madras Presidency, so much so that the Madras native army itself has lost its military character; it has become a sort of family arrangement, and the Committee may have observed that for many years no Madras regiments have been sent on any foreign expedition; they have always been employed to keep the peace at ome.

825. Sir *S. Northcote.*] Except the engineers o Abyssinia?—There is a very remarkable body of pioneers; they were employed upon the anicuts and other public works, and they did good service in Abyssinia, no doubt.

826. Mr. *Bourke.*] Burmah is another case, is it not?—They merely keep the police in Burmah.

827. But they were there in the war?—That was a good while ago.

828. *Chairman.*] Was it not a consideration in sending Madras sepoys abroad, that they had less difficulty in questions of caste than those of Bengal?—Yes; but it is a fact that the famous old coast army, which not merely established our supremacy in the south of India, but formed the nucleus of the Bengal native army, and fought the battle of Plassy, so that the principal Bengal regiments to the day of their death were called after their old Madras officers, has become a very peaceable, unmilitary, respectable sort of body. Then, too, the configuration of the peninsula must be remembered; it narrows to a point; it is approachable by sea on both sides; and now it is traversed by railways in various directions; so that there is a great call for a considerable reduction of military force in the south of India, and all these considerations apply more or less to the Bombay army. Then an additional reason is, that an excellent police, which, although local, is organised, and is quite sufficient to maintain the peace of the country, except in case of any serious insurrection or invasion, and to do all the ordinary duty of jails and guards of treasure, and so forth, has been established. Sir Patrick Grant, who was Commander in Chief when I was at Madras, and I recommended that the Madras army should be reduced from 52 regiments to 40 regiments. It was actually reduced to 44, and the Government of India has since recommended that a further reduction should be made, and obviously it ought to be made in every point of view, both to save expense and to send the people to their homes where they would add to the productive population. In fact, as regards the south of India, a single well-equipped division at Bangalore with an outpost at Madras, an European regiment for the garrison at Madras, is all that is required.

829. Provided the corps is in a movable condition?—Yes; an army corps sufficiently equipped, a proper proportion of it should always be ready for active service. The same at Bombay; there should be another army corps at Bombay. The same for lower Bengal and Behar: there should be another there, one advantage of which would be that the military protection of the eastern frontier would be better looked after than it has been of late years The same for the North-western Provinces. The same for the Punjab; and in the Punjab this arrangement would be attended with the great incidental advantage of absorbing the separate frontier military force which is under the immediate direction of the Government of the Punjab, and has been open to great objection from the military character it has given to the Government of the Punjab. I believe that we owe to the connection of the Government of the Punjab with that frontier force a great many border expeditions that might well have been saved; it would be a great thing to absorb that into the regular army. Then there might be a large reduction of are artillery.

830. Mr. *Dickinson.*] You have left out Scinde?—Scinde is a thinly peopled peaceable country; a very small force suffices for Scinde; that may be taken with Bombay. This large reduction of native force, combined with a considerable reduction of artillery, would amount to a very considerable saving. As regards some branches of the Indian administration, there ought to be a very extensive decentralisation; but as regards the army, the time has come for a very important centralisation. In other words, the time has come when the entire army of India ought to be under the supreme Government of India.

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831. *Chairman.*] You mean made one army?—Made one army under the supreme Government of India. Everything has approached to that, we are on the verge of it; the difficulties have already practically been overcome.

832. Do you mean that there should be only one general staff, so that the economy should be carried through the whole administration of the three armies, by treating them as one?—That there should be one army, one general staff, one general command, and that we should get rid of the separate head quarter staffs of Bengal, Madras, and Bombay. In mere salaries and allowances that would be a very considerable saving; but the indirect saving of stopping expenditure at its source would be still greater. These head quarter staffs of the different Presidencies, with their old traditional ideas of separate armies and separate commands, have a great tendency to keep up expenditure; they must all have the same establishments; they have actually got separate gun-carriage and gunpowder manufactories, and a complete equipment and outfit for each army, just as if it were the only army. In that indirect way there would be a great economy.

833. Do you attach, then, no importance to the view that has been so often expressed by those connected with Indian administration, that it is extremely desirable to have the military force upon more than one base in India, so that in case of a mutiny or other disturbance of a comparatively local character, there would be a chance of the other forces not being influenced by it?—That consideration was entitled to influence in former days; but circumstances now have entirely altered; the old formidable Bengal native army has disappeared; the much smaller native force which we now have in Northern India is well in hand, and the Madras and Bombay armies have virtually lost their separate character, and should be converted into native forces, auxiliary to the local European force. Moreover, we have amalgamated the entire European army; that is a great facility; it is all one army now, all relieved from England; as it is under one command in England, so it ought to be under one command in India. Then, too, the improved means of locomotion by railways and steamers have made one regiment as good as half a dozen.

834. Do you think that the considerations which apply to the English army apply also to the whole native army, and that it is not desirable to continue any amount of separation even between the Deccan and Hindostan?—The local principle may be retained within limits. We might make the native auxiliary force local as regards each presidency; that is, as there is now a native local force auxiliary to the European force serving in Northern India, so there might continue to be a small auxiliary native force for service in the Madras Presidency, and the same in Bombay. Each auxiliary native force should be recruited, as far as possible, within its own limits, although liable to serve beyond them in the event of active operations in the field. We should thus retain whatever benefit may be derivable from the existing separation of the three native armies. In fact, that separation would be more complete than ever, which would save the heavy expense of batta to native troops serving out of their own presidency. I consider that merely a matter of detail.

835. You would have a division of [illegible] under a divisional general, instead of [illegible] separate army as it is now?—Yes; [illegible] it by army corps; there would be five [illegible]

836. Would you rely mainly for the p[illegible]tion of the peace upon the new improved police corps in the different provinces and [illegible]dencies?—The absence of that new imp[illegible] local police corps formerly rendered it neces[illegible] to employ the native troops on a great scale. [illegible] economies that were made in the native milit[illegible] force in the Madras Presidency within the fi[illegible] few months of the establishment of the new poli[illegible] were extraordinary; and but for that we coul[illegible] not reduce the native army. Formerly every jail, every treasury, was garrisoned from the native army; now the native troops are all concentrated for purely military purposes; they have consequently more regiments than they know what to do with, they know not where to put them. They have been retained, not for the sake of the native troops, or for any real use they are of, but owing to the embarrassment of having such a large number of European officers thrown upon the hands of the Government.

837. You think that we have not reaped the full financial benefit that we ought to have derived from the larger European force in the country?—No, but there is still a third economy. I have mentioned a great economy of force, and I have mentioned a great economy of head quarter staff establishments, but there is also a third economy. There is a very anomalous office in India, that of Commander in Chief; it is an overgrown office altogether; the Commander in Chief is too great a functionary [illegible] be a satisfactory subordinate; I can remember beginning with Sir Edward Barnes, several gre[illegible] embarrassments arising from the conflictin[illegible] claims of the Commander in Chief and the Gover[illegible]nor General, and from the semi-independent po[illegible]sition which the Commander in Chief was abl[illegible] to take up under the supposed support of th[illegible] Horse Guards; this was the sort of tone used by his staff, "I know nothing about the Governor General and his military secretary; the only authority I know is the Horse Guards. I see nothing in my instructions except the Horse Guards." That was the sort of tone that was kept up; and the existence of this overgrown, inordinately powerful, office was a great embarrassment, no doubt about it whatever; moreover the Commander in Chief was so situated that he could not properly perform his duties.

838. Do you recollect whether formerly the arrangements for the general staff of the army were kept very much in the hands of the Governor General, who, not merely in form but in substance, regulated the general staff of the army till recent times?—Yes, that is true; I remember that in Lord William Bentinck's time, the action of the civil government upon the administration of the army was much closer and more searching than it is now. In the course of years the Commander in Chief has acquired an independence quite beyond former experience.

839. That would probably arise from the greater proportionate power of the European troops in India, as compared with the native army?—Yes, and from the necessity of his constant absence. That is one great objection to the appointment; the Commander in Chief is divided between two duties, both of which are

equally

cessary, but both of which it is impos- m to perform. On the one hand, he be always on the move, inspecting his n Assam to Peshawur. On the other, t always to be at head quarters, attending ncil of the Governor General.

As the chief military adviser of the rnor General?—Yes, as the chief military iser of the Governor General; and that is one at cause of the want of understanding and of continual irritating correspondence which s gone on.

841. Do you think that in recent times a gr deal of expenditure, as well of time as mone has resulted from the Commander in Chief of India exercising a much more minute control over the Commanders in Chief of the Presidencies, so that the work in connection with the army is done twice over?—That has arisen of late years, because the control of the Government of India over the detailed administration of the armies of Madras and Bombay is a matter of recent years. There are three establishments doing treble work, that is the Commander in Chief for the whole of India with the head quarter Staff in Bengal, and the Commander in Chief and head quarter Staff at Madras, and the Commander in Chief and head quarter Staff at Bombay, all doing very much the same work. And in consequence of the great inconvenience arising from the Commander in Chief's frequent absence on tours of inspection, it has been found necessary that the Governor General should have a second military adviser, the Military Member of Council, so that there is another person doing the same work at a high rate of salary, producing additional complication. Obviously the offices of Commander in Chief and Military Member of Council should be fused into one in the shape of a Minister of War, who should reside constantly at head quarters, and should have no duties at all of personal inspection; and the duties of local command and personal inspection should be entirely relegated to the commanders of the five army corps. Those duties would then be done much more cheaply, and much better; they would be more constantly done; the responsibility would be fixed upon those who could do them, because they would always be upon the spot. The Minister of War would always be in personal communication with the Governor General and the other Members of Council, and he would hold a position similar to that of the Minister of War in France. Every season he might employ inspecting officers, selected by him for the occasion, to report upon the state of the different army corps, and the Ordnance, Commissariat, and other subsidiary establishments connected with them.

842. Mr. *R. Fowler.*] You spoke of one native army corps for Madras; of how many men would that consist?—It would be a very moderate one.

843. Twenty thousand men?—No, nothing of the sort; less than half that; it would be a strong division, that would be all, including all arms, horse, foot, and artillery, with a certain proportion fully equipped for active service.

844. Mr. *Dickinson.*] Do you mean that each army corps should be confined to its own area so far as reliefs are concerned?—As to reliefs from England, no. As regards the auxiliary native troops, I think that they should be confined to their own Presidency, except during active service in the field. As regards the Europeans, it should be matter of general reg... E. Minister of War.

845. *Chairman.*] Do you thi... duction of expenditure could be ... naval branch by any better system ?... the naval force there would be large ... under two heads. First of all, that unjustifi... subsidy that is paid to the Admiralty, unjustifiabl... as it appears to me, ought to be dropped unques... tionably. But the greatest economy would be in vessels needlessly employed, especially in connection with Bombay, under the head of transport vessels, and passage vessels, and steamers at the disposal of the political agents in the Gulf, and under various other heads; I would also strongly urge that the propriety, at any rate, of fully arming the two new harbour batteries should be reconsidered. I doubt the necessity of them at all; it would be far better to depend upon our general naval force in India, which has its headquarters at Bombay, and which can be rapidly reinforced through the Suez Canal when danger threatens. And whatever is saved in sea-going vessels of the descriptions which I have mentioned will be saved ten times over in the dockyards. We all know from our English experience what a prolific source of wastefulness dockyards are, and it would be a great object, an object which I in vain attempted, to bring the dockyards at Bombay under control.

846. Do you think then that it would be better that the Admiralty should undertake all the naval duties in connection with India than that there should be an attempt to carry them on in India separately?—I do not think that there is any occasion for naval services, that is, for maintaining marine establishments, except on a very limited scale, independent of the Royal Navy. The transport of troops, so far as it ... required by sea, can be easily done by runni... contracts or temporary contracts suited to ea... occasion, and I do not see what else there is.

847. Would you carry on all the civil duties in time of peace, and rest on the British navy, in case of war, to undertake the naval duties?—Yes, I would carry on the civil duties by contract. There is plenty of shipping at Bombay, and Calcutta, and at Madras too, and good lines of passage steamers connecting every part of the coasts of India and the adjoining countries.

848. Can you state any principles of reduction of expenditure under the civil departments of the Government?—Yes. The reduction of civil expenditure must be combined with the increased employment of natives. We all know that Lord Cornwallis proceeded on a principle of distrust, and reduced the employment of the natives to the lowest footing; about 100*l.* a year was as much as the highest paid natives got avowedly by salary. By Lord William Bentinck's time this system had completely broken down; there were enormous arrears of business, especially of judicial business, and he gave the first impulse to the increased employment of the natives by appointing a superior class of native judges.

849. Had not Mr. Elphinstone developed that policy fully before Lord William Bentinck's time?—He was always in favour of it, but was not able to apply the principle in this systematic way. Two solemn national pledges were given to employ the natives equally with Europeans, according to their qualifications, without reference to religion, or caste, or colour, or anything, namely, the 87th clause of the Charter Act of 1833, and the clause in the Queen's Proclamation. In

nited effect began to be given to y the 10th clause of the Indian 1861, the natives were declared seats in Council, but that carried ll, it was merely honorary; and by Courts Act of the same year, a single intment of a native judge was authorised in ch of the High Courts. But the most impornt principle which has been laid down, although nothing has been done upon it, was by the East India Civil Service Act of 1861, by which it was enacted that any native, anybody, in fact, who had resided for seven years in India was eligible for any situation ordinarily held by covenanted civil servants, provided that he was able to pass certain examinations; and by the third Act of 1870 some difficulties that were felt about examinations were explained and got rid of; so now it is entirely open to the Government of India, according to regulations to be laid down by them, to admit natives who have acquired experience in India, and who have the requisite qualifications, to any situations for which they may be considered qualified; but up to the present moment nothing has been done.

850. Will you explain how the economy is to be effected by the employment of natives instead of Europeans, unless they are to be employed at lower rates of salaries?—That certainly must be the practical result, because it is undoubted that the present scale of salaries received by the officers of the Civil Service has been fixed with reference to European wants and expectations.

851. Would you add, "and with reference to the fact that they are serving in a foreign country which has not their own climate"?—I included that; the present scale of salaries has reference to the whole of the circumstances of the employment of Europeans in India. I believe that it is no more than is sufficient to induce properly qualified Europeans to devote their lives to Indian service. But as regards the natives the case is totally different, because it is their own country; they have no sacrifice to make of going to a foreign country and an ungenial climate. Their habits also are much more frugal and economical; even if they lived equally well they would spend at least a third less, and perhaps even half less than Europeans; and now that the demand for qualified administrators in the lower departments of Government has so much increased owing to the prosperity and the progress of the country, so many new wants having been developed, clearly we ought to enter upon a plan of employing natives on a large scale in every situation for which they are qualified. There are whole classes of situations for which they are eminently qualified. It has long been a common saying in India, and among people connected with India, that the natives have all the qualities to make them good revenue officers; from Todar Mull, Akbar's minister, who made the first revenue survey of India, and Purneah, who made Mysore so flourishing a country until it was thrown into confusion by the Rajah, down to Madhava Rao, and a very remarkable man, although less known to fame, Ramia Ayanagar, the natives are specially qualified for revenue functions. The whole of the appointments to the Customs might be filled by natives. Then there is the great judicial department; it stands *a fortiori* that if they are fit to be judges of the High Court, surely they are fit for the subordinate appointments. They have fully justified Lord William Bentinck's con them. Previously to his time they rise to be a moonsiff at about 100*l.* a opened to them a class of judgeships of year; and these were declared to be the u courts of first instance, that is every suit wh was first to be brought into these native c The native judges have fully come up to mark, not only in point of ability but in point integrity, showing that the natives of India, they are only placed in favourable circun stances, are quite as capable of being influence good as Europeans. While the Europeans re insufficiently paid, up to Lord Clive's time, they were as corrupt as they could be; so it was with the natives under Lord Cornwallis, and between him and Lord William Bentinck; but now that we have begun to pay them properly, to give them a motive to good conduct and to retaining their valuable situations, and that we place them in a position of self-respect, their morality has improved very much indeed.

852. Do you know whether, apart from the general classification of the subordinate employments that you have mentioned, with scales of salary low, compared with those paid to Europeans, there has been any attempt to classify salaries in the higher appointments now held by natives, making a distinction between the salary due to a native in his own country and the salary due to an Englishman in India?—No; the subject is entirely in its elements. At present the employment of natives in important situations is altogether exceptional, so that the occasion has not arisen for this classification. But if it were determined, as a principle, to fulfil the solem pledges which our nation has given with regar to throwing open civil employments, and military too, to the inhabitants of India in their own country; if that were seriously and honestly acted upon, then that question would force itself upon our attention, and it would become absolutely necessary to draw a distinction between the classes of employment which would be ordinarily filled by natives, and those in which Europeans would still be mainly employed The matter would not be attended with much difficulty, because a foundation has been laid for a native civil service in the subordinate judgeships, and the corresponding situations in the revenue department. I consider the Indian Civil Service, that is the European Civil Service, to have been a highly honourable and excellent body. Our nation appears under the most favourable aspect in reference to the Indian Civil Service. Considering their freedom from corruption and malversation, under circumstances of great temptation, and their remarkable pervading public spirit, they are altogether an honour to our nation. But it is a provisional temporary arrangement; it is a sort of scaffolding which has been erected until the edifice of our Indian Empire is completed, and as it is completed, that scaffolding should be taken down; and it seems to me to be altogether inconsistent and unreasonable that we should profess that our great object is to train the natives to self government, that it is the ultimate end of all our proceedings in the administration of our great Indian Empire, that we should qualify the natives to administer the affairs of their own country in a satisfactory manner; and yet, while we are constantly professing this, we do not allow them to take even the initiatory step. We

want

t-rate artisans, and yet to become apprentices, oyment in the civil and n that the natives can e qualified for higher posts.

. Have you considered whether it would be ssary to make any specific arrangement to re the service being really native, and to ard against this service falling into the hands subordinate Europeans who were content to ke a lesser salary?—It seems to me that the heck of seven years' residence is a satisfactory one; an European who has lived for seven years in India has become naturalised in a manner, and must have become acquainted with country affairs. The entrance to the service should also be guarded by competitive examinations at which the natives are at least a match for Europeans. This has been the practice at Madras for many years. Beyond that everything must depend upon the honesty and faithfulness of the local government.

854. You would leave it to them to carry out the policy without attempting any system of absolute restriction in the selection of persons, who may be called natives, for these appointments?—Yes.

855. Now do you think that economy might be further enforced in India by the decentralisation of the finances?—Yes, I think that is the main point of all; that is really the key to the solution of the whole problem. And I may mention that this decentralisation is not at all a new idea; it was an early aspiration of our Indian administrators, and it has had a gradual growth and development. It soon began to be perceived that it was simply impossible that the whole of that great country, with its immense population, 67,000,000 for the province of Lower Bengal alone, for instance, could be administered on the principle of centralisation; and as early as Lord Amherst's time an Act was passed by which local funds were established, and local agents were appointed; that was merely a small germ of local administration. And as I have already mentioned, the old town duties were put into that fund until it became necessary to reabsorb them into the fisc in consequence of the financial difficulties arising out of the first Burmese war. It will be found, on looking over my three budget statements while I was Minister of Finance in India, that every year the Government of India transferred to local receipts to be administered by the local governments, various sources of income more or less of a local character, and that, developing more fully a germ which had been planted under Lord Canning's Government, I arranged for an annual local fund budget, that is, annual estimates, an annual account, and a regular audit of local funds. Mr. Laing had the same aspirations; he actually assigned 500,000*l.* to be raised by the local governments; but that was a premature effort. Mr. Massey had the same aspirations. The first occasion, however, on which any general substantial application was given to the principle, was the resolution of the 31st of August, 1864, towards the end of my administration of the finances, by which it was arranged that the expense of the police of the towns of every part of British India should be charged upon local funds, and should be so provided for; and the effect of this principle in promoting local self government was pointed out. The final application of it, which now has to be acted upon and practically considered, was Lord Mayo's resolution of the 14th of December 1870, by which certain branches of administration, police, and education, and so forth, were placed under the local governments; and a sum of something less than 5,000,000*l.* was appropriated out of the revenue for carrying on that service.

856. Do you approve of that arrangement?—I entirely approve of it. I think it an excellent first step, but it is of a provisional and imperfect character. It is open to this obvious objection, that no self-adjusting principle is provided between the services which have been transferred to the local governments, and those which have been retained by the central government, or rather between the funds applicable to each; so that from year to year, while there may be a deficiency in the local budgets requiring to be met by local taxation, there may be a decided surplus in the general budget. That want of harmony, and want of mutual arrangement, is a decisive objection, and the more so as the particular branches of administration transferred are those which develope most rapidly under an improving state of society. One main reason given for this arrangement is, that the particular branches of administration transferred to the local governments are such as are likely to be a subject of interest to the local governments and communities; but the fact is that there are other branches which are quite as much a subject of interest to them. The assessment and management of the land revenue, the customs, the salt, the judicial administration, are quite as much a subject of local interest; in fact the judicial and revenue administration are more a subject of local interest to these local communities than some of those branches which have been actually transferred. That I also think a great defect.

857. Do you think then that they ought to have proceeded upon the other basis of leaving the local administration to be borne out of a specific fund, excepting only those that were merely imperial?—Yes, I think that we should come to that. Do not understand me as objecting to what Lord Mayo did; for I think that was a great step in advance, and was perhaps all he could in safety do. The whole of India is going through a process of education on this subject, and that is perhaps, was the best that could be done as a first step; but the main reason why this measure of Lord Mayo's, although so good as a first step, cannot be maintained as a final arrangement, is the influence of the balance of the revenue. In the management of public revenue and expenditure, it is quite as influential and decisive a consideration who have the balance, as it is in the management of a private estate. Even if a private estate has many charges upon it as the [illegible] yet if the surplus, what [illegible] belongs to a particular individual has the strongest [illegible] that estate; and [illegible] virtue of the principle consists in the [illegible] be saved by economy [illegible] expenditure, [illegible] possible, shorn [illegible] Now Lord Mayo [illegible] in that; those [illegible] fact with the

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sons, and many others, I think that the practical application of the principle should be reversed, by taking out the services administered by the Supreme Government, and leaving the entire surplus to the local governments. The real administration of India is vested in the local governments; for all practical administrative purposes they are the major, and the Supreme Government is the minor quantity. Instead of attempting to define what the local governments should do, the process ought to be reversed. The functions of the Supreme Government should be defined, and everything not included in that definition should be left to the local governments.

858. You would put our local presidency governments very much on the footing of a native state which pays a specific sum to the British Government of India and gets the benefit of its general protection?—Yes, with the addition of a more active supervision on the part of the Supreme Government.

859. Leaving all the details to the local administration? — Yes. In fact we are nearer that result than we imagine. The real government of India, as it affects the daily wants and habits of the people, is actually vested in the eight local administrations; the entire civil administration, the assessment and collection of the land revenue (this assessment being much the most important function of Indian administration as affecting the welfare of the people), the police, the entire judicial administration, Public Works, except so far as they have been concentrated under Calcutta, and Education, are all under the local governm[illegible] fore, instead of setting [illegible] of local administration [illegible]king assignments for carrying [illegible]on, the under the immediate ch[illegible]ge of the S[illegible] Government ought to b[illegible] eliminated, a[illegible] carrying them on a sufficient sum shoul[illegible] annually taken out of the general revenue.

860. Out of the general revenue of each d[illegible] trict, do you mean?—Out of the general reven[illegible] of India; and all the rest should be left to t[illegible] local governments. The real key to this grea[illegible] reform would then be reached, the disposal o[illegible] the balance or net surplus; that is the key to the whole. So far as it has been tried, judging from Bengal, where it has been carefully administered, this plan has worked extremely well; but symptoms are already appearing of the imperfection which I pointed out. The Governor of Bengal complains that the branch of his administration which most stands in need of reform is the subordinate district establishments; but inasmuch as they have been reserved by the central government, together with the funds applicable to them, he is not able to enter upon the subject as he would wish.

861. Have you directed your attention to the peculiarity of the arrangement by which the local governments are to look to local sources of revenue to make good any deficiency that may arise in the assignment that has been made to the special services of their district?—Yes; my belief is that if the plan was carried out in the way which I have suggested the necessity for local provincial taxes would disappear.

Friday, 28th February 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Eastwick.
Sir George Balfour.	Sir James Elphinstone.
Sir Thomas Bazley.	Mr. Fawcett.
Mr. Beach.	Mr. Robert Fowler.
Mr. Baillie Cochrane.	Mr. Hermon.
Mr. Crawford.	Mr. Lyttelton.
Mr. Cross.	Sir Stafford Northcote.
Mr. Charles Dalrymple.	Mr. John Benjamin Smith.
Mr. Beckett Denison.	Sir David Wedderburn.
Mr. Dickinson.	Sir Charles Wingfield.
Mr. Grant Duff.	

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

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862. *Chairman.*] I BELIEVE you wish to add to your answer to the last question put to you on Tuesday?—Yes, with the leave of the Committee I will complete that answer. The necessity for additional taxation arises from the fact that one portion of the finances has been dismembered from the rest. If all the assets and liabilities were kept together, and proper economy were observed, there would be ample for every purpose. It is the old story of the belly and the members; certain members have been cut off from the financial reserve, the special assignments with which they have been endowed being quite insufficient to meet their prospective development, consequently they wither and require to be supplied with nourishment from some other source. The general exchequer has been broken into two, one of the fragments being made dependent upon local taxation.

863. What is your view, or have you any view, as to the mode by which the system of indefinite taxation could be restrained by means of representation, or of the finances being supervised?—I am of opinion that as in other countries where the same principle has been carried out, representation must be commensurate with taxation. I think that there ought to be first, provincial councils, that is, eight quasi representative councils (I do not say that they should be appointed by popular election at first) at the chief seats of the eight local administrations. Then there should be zillah, or county councils, each district being represented by its notables, and confidential men. And, lastly, there should be town and village municipalities, and the principle of direct election should be introduced within such limits as may be safe and expedient.

864. Do you mean for the provincial councils?—Not at first in the provincial councils, but certainly in the town and village municipalities, and possibly in the zillah or county; but that is what we should work up to, actual election, and we have had experience enough to show that it is quite practicable. The earliest instance of it that I remember was when Government separated its connection from the religious endowments of the Madras Presidency; the moment they were set free from the Government control different classes of religious opinion came to the surface; the old-fashioned Hindoos claimed to have their entire management, but the new school, who had been educated under our *régime*, said that they were Hindoos also, belonged to the Hindoo nation, and participated more or less in the faith of their fathers, and they should have a share of the management too; and I remember that the collector of Madura, where there is one of the richest of those foundations, proposed that it should be put to the vote, and he actually distributed voting papers and had an election; the two wardens, as they are called, who were to have charge of this large endowment, were elected in that way by popular election with great general satisfaction; and when I was recalled from Madras considerable progress had been made in the formation of a municipality for Madras on the same principle. I am confident that it would have succeeded.

865. Mr. *Fawcett.*] What year was that?—I was recalled from Madras in June, 1860, but the Madura affair took place I think three years before.

866. *Chairman.*] Probably you know whether amongst the Hindoos the whole community are more or less governed by societies with regular organisations throughout India?—Yes; I was going to remark on the preparedness of the people of India for this development; both by ancient habitude and recent cultivation. The foundation of Indian society is the village municipality; that has been the salvation of India. One foreign conqueror after another has swept over India, but the village municipalities have stuck to the soil like their own Kusa grass, which they liken it to; it is a kind of grass which it is impossible to tear up by the roots, because it grows in bunches, and they say that the village constitution is like that grass. They have been nursed in it, it is perfectly familiar to them, and even in the large towns, for instance, Delhi, although there was then no official municipality, yet the people acted in the municipal spirit. I remember the Sahookars coming forward in a body with their chowdery at their head to make

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a representation on a subject which interested them. The same thing has repeatedly taken place at Benares and elsewhere. Then, the natives are by no means deficient in public spirited liberality; the country is covered with ancient works, tanks, caravanserais, and works of various kinds, which have been constructed by individual munificence, and the extraordinary liberality of the Parsees and others who have acquired fortunes during the late time of mercantile activity, is well known. If the councils were merely consultative, the members would never become emancipated from the control of the European official presidents. The natives should not always be made to go in leading strings. It is the old story of not allowing a boy to go into the water till he can swim; he never will learn to swim unless he goes into the water and incurs a little risk and paddles about. At first no doubt they will be timid and frugal; but a little done willingly is better than a great deal done under compulsion, or done for them. Give them the raising and spending of their own money and the motive will be supplied, and life and reality will be imparted to the whole system. All would act under a real personal responsibility under the eye of those who would be familiar with all the details, and would have the strongest possible interest in maintaining a vigilant control over them. And it would be a school of self-government for the whole of India, the longest step yet taken towards teaching its 200,000,000 of people to govern themselves, which is the end and object of our connection with that country. This is not mere speculation, for under the active administration of the present Governor of Bengal we have already acquired considerable experience. I beg to give in an extract of a page and a half from his Report for 1871-72, which has just been received: "On the whole, after very much thought, he" (the Lieutenant Governor) "came to the conclusion that for the first year at any rate it would be well to invite his Council to devote itself to the subject of local taxation, properly so called, and that as regards provincial expenditure, he might for the present try the effect of constant economy and thrift, and see if he could manage to pull through with the resources which he had. That then was the programme with which the Government commenced the financial year 1871-72. This course, determined on with anxiety and hesitation, has succeeded beyond the Lieutenant Governor's most sanguine hopes. No extensive reductions of establishments have been made in any department, for in the only department in which some branches have been reduced, additions have been made to other branches; really reasonable demands have not, it is hoped, been rejected; real necessities have been provided for; but a constant watchfulness has been maintained over little things; nothing has been spent, so far as the Government could help, without necessity, merely because it was the custom to spend it; excrescences have been retrenched wherever they came to light. The previous scale of efficiency in regard to public works has been maintained, but there has been no indulgence in the æsthetics of bricks and mortar, except so far as the completion of the already far advanced High Court rendered this necessary. The result has been, that in most of the civil departments there has been a considerable saving. In the Department of Public Works a very considerable savi[illegible] been made; some small windfalls have [illegible] and the financial year has ended with a [illegible] about 140,000 *l.*, on a comparison of the [illegible] and expenditure of the year, that sum be[illegible] clear addition to ordinary balances in hand [illegible] commencement of the year. Under these [illegible] cumstances, the Lieutenant Governor has [illegible] that the grounds on which fresh provincial tax[illegible] tion might have been proposed have disappear[illegible] from under him, and at the close of the last ses[illegible] sion of his Council he was able to announce, tha[illegible] as regards provincial taxation, so far as his own personal opinion and the present time are concerned, he does not anticipate the necessity of asking the Council to consider any measures for imposing fresh burdens on the people, but will be content that the efforts of all should be devoted to elaborating and putting in execution the system of local self-taxation for local benefits, which has so much occupied the Council and the Government, and in respect of which also, the Lieutenant Governor hopes that a sort of finality has for the present been reached. The system of account is such that it was impossible to be quite sure of the result till the year was closed, and the financial year 1871-72 may be described as having been, for the most part, a year of economies. Now that the result has been to show so considerable a surplus, the Lieutenant Governor has felt more at liberty to look to improvement as well as to economy, and has made a good many grants in excess of the ordinary Budget provision. In particular, he has made provision in the Budget for 1872-73 of 20,000 *l.* for the new subdivisional establishments already alluded to; and he ha[illegible] since thought himself at liberty to devote a ver[illegible] considerable sum towards the commencement [illegible] a system of popular education. He hopes tha[illegible] the provincial finance is now sufficiently easy t[illegible] enable him to invite the submission by local an[illegible] departmental officers of any plans by which grea[illegible] public improvements may be effected at a mode[illegible] rate cost. Before leaving this subject the Lieu[illegible] tenant Governor would ask to be allowed to sub[illegible] mit his humble testimony to the wisdom and the practical efficiency of the system of provincial finance inaugurated by the Government of the late Earl Mayo. It seems to him that for a beginning it went quite far enough, and not too far; that it has most successfully applied a motive to economy and method which has taken full effect; that it has immensely diminished the friction between the Supreme and subordinate Governments to which the finance of the civil departments continually gave rise; and that it has enabled the local governments to mould and shape the departmental establishments and expenses, with a view to their efficiency and their adaptation to local requirements, in a way which was impossible under the old system. The experiment has been, the Lieutenant Governor ventures to say, a complete and unalloyed success." I alluded in my last evidence to the Government of Bengal intending to propose to the Government of India to extend this system to the subordinate executive service; and I beg leave to put in another shorter extract on that point. He says, "There may be difficulty in so arranging the services that part shall be paid from Imperial and part from provincial funds. The Lieutenant Governor hopes that the Government of India may perhaps consent to make over to this Government the funds assigned

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the uncovenanted services, together estimated cost of the various special and duties, for which temporary establishe so often entertained in Bengal; and may be able to weld the whole into one enanted Civil Service. With this view hole scheme will be submitted to the Goment of India."

867. With reference to the provincial coun, do you consider that for the present the nstitution of those councils should be on the oting established by law for Madras and Bomay?—No; I think it should be enlarged. I think that there should be a representative of every district in the Presidency, selected at first by the Government, but in selecting him the Government should take appropriate means of ascertaining that they got the man who, on the whole, possessed the confidence of the district in the greatest degree. That should be the primary qualification; mere executive ability or even extensive knowledge, should be considered quite secondary compared with the fact of the representative having the confidence of the district.

868. Are we to understand that it is to be a person engaged in the public service, or that it is to be a native inhabitant?—Anybody whatever. In many cases they would be persons engaged in the public service, because the most advanced class, especially in the south of India, are the young men who have been educated at our schools and colleges, and trained in the public service; they are a very remarkable set of men.

869. Do you mean natives of India?—Yes. They show a solidity of character and a thoughtulness which I have never seen exceeded in any eople, European or Indian.

870. Would they be paid or unpaid as members of the Council?—I think where they reuire it they must be paid; they must have substence where they want it; but if they are en of property and independent fortune, they ould not require any payment. That point as been discussed with reference to the native embers of the Council of India, and the course dvocated by me, and which was looked upon with favour by the other members of Council, was that those who wanted it should be paid. And, in fact, payment was made in one case, probably more.

871. Do you see any important distinction s regards independence of character between e subordinate public servants with a larger rospect of promotion before them, and public ervants who are at the head of the service either ith no prospect of promotion before them, or ith only promotion to very important stations, hich are the subject of public observation?—here is no doubt that men in the early vigour f life who look forward to a career in the public rvice would regard the authorities with more ference and respect, and would be more likely e guided by their influence, but at the comcement of the system I think there would be harm in that. And I must do these native officers the credit of saying that, whatever their views or aspirations for themselves might be, I always found them ready to speak out candidly in the interests of the country and the public. I have no fear of their withholding their genuine sentiments. In the municipality at Calcutta if any fault is found, it is rather that the ak out too openly.

872. Do you think that any further c should be imposed in the constitution Councils?—Yes, I think that the budget system by estimate, account, and audit, and the principle of Treasury or Financial Departmental control, should be firmly established at the seat of each of the eight provincial administrations; in other words, instead of merely training a small number of officials at Calcutta to the true principles, of finance, I would train the whole country through these provincial, district, and municipal councils; and I conceive that the annual scrutiny and revision of the estimates and accounts, and the discussions which would arise out of it at the seats of the eight provincial governments, would have a highly educating effect in a political sense. It has been so in England; that is the political training which our ancestors had, and it has borne excellent fruit here; and why should it not in India? The natives are excellent accountants, and have a sharp eye to their own interests, and they are not barbarians waiting to be civilised, but they are an ancient people who were a literary and scientific people when our own ancestors were barbarians, or something very like it.

873. Would you preserve the present power of the Supreme Government over the provincial councils to prevent any new tax being levied without the sanction of the Governor General?—Yes, entirely so. I think that no new taxation, or borrowing, should be permitted without the express previous sanction of the Supreme Government, with a full statement of reasons; and, moreover, that it should be shown that each particular proposal had undergone full local scrutiny, and that it was approved by the prevailing good sense and influence of the province. In other words, I think that the check from above should be firmly maintained until that from below has been fully matured.

874. Then you would require that check and judgment to be interposed before the local government submitted any scheme of taxation to the provincial council?—I think it should first undergo the ordeal of a full local discussion by the representatives of the people of the province.

875. Is it your view that, after the local council has discussed the subject and formed its opinion, the Governor General should then interpose his authority, or do you mean that the finance should be carried on as it is in this country, and that the proposal for taxation should be on the authority of the government, that is to say, the local government and the Supreme Government?—I think that the point of interposition and contact of the Supreme Government should be after the matter has been fully discussed locally. I conceive that until that has taken place, until it has been seen what the people have inside their minds on the subject, and what the local interests and influences are, the Supreme Government would not be in a position to judge of the merits of the different cases.

876. Have you considered what the effect would be of the British Government playing off two governments upon the people; one at Bom-

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b[illegible]posing a tax, and the other at Calcutta [illegible] it?—I think that one of the chief [illegible] the framework or scheme, into which [illegible]ian Empire has settled down, is, to follow Mountstuart Elphinstone's view, that it furnishes the opportunity of trying all sorts of experiments in politics and administration on a small scale, without compromising the rest of the country, so that the plans which are successful in any particular province become a model to the whole country, while those that fail act as a warning to the whole country.

877. Was not his remark applicable rather to what may be called administrative officers dealing with large districts?—No doubt it was, but it equally applies to administration however conducted, whether entirely on the old official system, or with a greater or less infusion of the popular element.

878. But do you not see a distinction between an administrative officer administering a district and the representative of the Crown administering the actual government in place of the Crown?—In this point of view I see no distinction; I do not apprehend your meaning.

879. Is there not a distinction between an administrative officer administering one or two zillahs, and the representative of the British Crown in India administering the whole Government of the Presidency?—I do not understand that the governors, lieutenant governors, and chief commissioners administering the eight provinces of the British Indian Empire stand now on a different footing in respect to the public interests or their own public responsibilities, from what they did under the East India Company.

880. Was not Mr. Elphinstone's view applicable to the administration of the district when he was administering a district in the Deccan, or was it applied by him to his functions as a governor?—On the occasion when I remember it, it had reference to differences between the Governments. He said that, so far from objecting to the absence of uniformity, he considered it a positive advantage, because it enabled the same experiment to be tried in a variety of different ways, and the absence of any such power of trying experiments in different ways was one main objection to the system which is now coming to an end, of governing entirely from the single centre of Calcutta, by one set of people, according to one model, namely, the Bengal model.

881. In these councils you would propose that all the responsibility of finance or of originating finance should rest with the executive Government, I presume?—Yes, entirely so; an individual member of Council should have no power of originating any expense.

882. Or any tax?—Or any tax; the initiative would remain with the responsible executive Government.

883. And would you propose that the eight provincial Governments should be reorganised to carry on their administration in the same way as you propose that the supreme Government should be reorganised in the relation of the executive Government, finance, and expenditure?—It does not require any reorganisation; the organisation is all there; it is merely that the springs should be placed in the hands of the local governments instead of the Supreme Government. It is a more easy transition even than that, because it is only quite of late years that the Supreme Government has taken [illegible] these springs, and it is merely to retur[illegible] to their former state.

884. I meant, whether you proposed [illegible] should be a Budget prepared by the local [illegible]ment, and submitted to the local council? [illegible] the Deputy Accountant General at Mad[illegible] instance, or Bombay, instead of being the se[illegible] of the Supreme Government, would become [illegible] he was in former days, the servant of the lo[illegible] government, and the auditor the same, and wo[illegible] conduct, under the directons of the local gover[illegible]ment, this improved system of finance under im[illegible]proved circumstances. The Accountant General at Calcutta might, or might not, gather up the whole in an annual general statement to be submitted to the Home Government. I suppose each of the eight administrations would send at least one copy of their Budgets home direct to save time. I should like to touch briefly upon the application of this great change under three heads: first of all, Public Works. Of course, as the accountant officers would again come under the control of the local governments, so would the Public Works officers, and we should then at last have disinterred the practical engineer and man of business employer, to whom I alluded in my former evidence, from under the mountain of useless, mischievous, expensive officialism. We should have got at an authority entrusted with spending the money who has some very considerable direct interest in economy. We should have arrived at real direct personal action and responsibility, and should have got rid of the scramble and the uncertainty, and have vindicated the principle of individuality against that of a vast un[illegible] manageable aggregate. And the same in referen[illegible] to irrigation. The change would be especiall[illegible] blessed in reference to irrigation. I have not [illegible] doubt that as soon as it is known in the south [illegible] India that a change of this sort is in contempl[illegible]tion, the agricultural population will immediatel[illegible] begin to look up those hundreds of ruin[illegible] tanks I was speaking of, and think of re[illegible] storing [the bunds between hills, and s[illegible] forth; and as for the canals, it will neve[illegible] enter into their imagination to undertake them[illegible] at least in the manner in which we have been doing. And then it will have another remarkable effect in sweeping up alienations from the revenue. Our Government, ever since Lord Cornwallis's time, has been in a chroni[illegible] state of antagonism with the landowners an[illegible] other people of influence in regard to aliena[illegible]tions of the revenue, jaghires, inams, an[illegible] everything of that sort, and we have been all through in a false position, because our objec[illegible] was to sweep all these alienations into the fisc[illegible] Now, inasmuch as the people of the country ha[illegible] no direct personal influence over the fisc, they regarded these resumptions as a dead loss; the[illegible] were swept into a general reservoir, where the[illegible] were entirely beyond their own control, and co[illegible] sequently they were continually fighting [illegible] question with us; but when the finance of In[illegible] is localised and broken up into manageab[illegible] sections, then a strong natural interest in these alienations will arise in the minds of the local populations. In the Punjaub, for instance, the proportion of the revenue which has been alienated for a longer or shorter period, is extraordinary. Viewed in a popular sense, in the taxpayer's sense, it is a great grievance; it imposes an in-

ordinate,

unfair burden upon those who still charged. I will answer for it that the f the first council at Lahore, constituted r less on the popular principle, will run his, and they will think how much they t do by recovering such and such alienations which there is no real ground, and they will able to do what we cannot do. And the same with the large payments out of the revenue, of which we have been speaking, to the Tippoo family, and the Carnatic family, and so forth; those would become grievances and scandals of the highest order; in fact they could not take place; it would be impossible to take the money directly from under the control of a local popular council, and give it to people who spend it in idleness at the best, and generally much worse, in gross dissipation. The junior collateral branches of those families are the most depraved people on the whole face of the earth, for the simple reason that generation after generation they have been entirely relieved from the condition of our race of working for their bread; they live in perfect idleness, and spend their time in dissipation. Gulam Mahomed as I said, was an exception, and he has spent a great part of the additional funds that were so unexpectedly placed at his disposal in large donations to charities, by the lac of rupees.

885. Mr. *J. B. Smith.*] Is it your opinion that if these grants had been submitted to native councils they never would have been allowed?—Certainly they would not; in fact the people would no longer be indifferent to these things, they would be brought face to face with them. And then the last incidental, but great advantage of this plan would be that the Supreme Government would become detached from its exclusive connection with Bengal, and would be reconstituted by selecting the ablest and best men from every part of India for the secretariat as well as for the seats in Council. There would be an end to the mischievous plan of employing one presidency to govern the others, and of course to impose its own limited experience, and its own model, upon all the rest. The injurious effect of that, although it comes less to the surface, has been very great indeed; it had almost paralysed the administration of India before the change took place.

886. *Chairman.*] May I remind you that the proposition to separate the Governor General from the Government of Bengal is one that Parliament endeavoured to enforce upon the administration of India in 1834, and that it has repeatedly endeavoured to enforce it from that time to this, and has never succeeded in doing so; can you tell us the reason why, or have you ever heard the reason why?—I am not speaking of the Government of the province of Bengal proper, because the actual administration of Bengal has been separated; what I was speaking of is the fact that, in spite of this desire of Parliament to constitute the Supreme Government of India a real Government of India composed of officers selected from the whole of India, that has not been done; there are many reasons for its having failed.

887. Did you ever hear the reason that has been very often stated and repeated, of the extreme difficulty of carrying on the Government, if it happened that the Governor General should be in Calcutta and its neighbourhood, as he ought to be very often, and if the Governor of Bengal happened to be a much superior man to the Governor General in point of character?—No, I never heard that reason given, and I do not think it is a sound reason. I think the matter had got into a rut; it is a tradition. The Supreme Government of India grew out of the Government of Bengal; it was formed out of the Government of Bengal, not only the Council, but the secretariat, and the under secretaries, and the clerks, and the whole were Bengali; there was a strong Bengal tradition, and spirit, and enthusiasm, and their mission, as they conceived, was to impose Bengal models, and Bengal ideas, upon the whole of India, and they succeeded to some extent.

888. Still at any time for these 30 or 40 years, if the Governor General had chosen to give effect to the policy of Parliament, he could have done so, and he must have known that he would be completely supported by the authorities in this country; and yet it seems that no Governor General has ever taken advantage of that state of things?—No doubt he would, but this local official interest was too strong for him; he could not contend against it. It reminds one of the family compact in Canada, until the rebellion; until it was all rooted out by revolution, it could not be got rid of. Canada for a long period was governed by an official clique, called the family compact, a tradition of this sort, and many efforts were made, in vain, from home to get rid of it. The false nomenclature, which has grown up of late years, would by this plan be corrected; "Government of India" would again become "Supreme Government of India." It is logically false to call it the Government of India; it is not the Government of India; much the largest part of the Government of India is the eight administrations; whereas the name, "Government of India," has been appropriated to the single supervising power.

889. And you would build it up of intelligence derived from all India, all the Presidencies, of administrative officers of superior intelligence?—Yes, it was always called the Supreme Government in my time, but now the Bengal party have adopted the fashion of calling it the Government of India, and the Council of India. The fact is, that the Council of India now, is what is called the Council of India plus the Councils of Madras and Bombay, and so forth; and we should hear no more about the "minor Presidencies," for their equality, under the supervision of the Supreme Government, would become a matter of fact, as well as of constitutional right. That term, "minor Presidencies," was invented in Bengal, and means that all the other Presidencies are habitually subject to the direction of Bengal, which ought to be put an end to.

890. We may now go to the more general question of the taxation of India with a view of raising the requisite supplies; and I will ask you whether on that subject you wish to offer any observations, confining them to the points more immediately under consideration?—First of all, I would speak of the right of India to raise her revenue in the manner most convenient to herself. As India provides in the fullest manner for all her expenses, she ought to have the same privilege which is accorded to the British colonies, of levying the amount in the manner most convenient to herself. We bear with Canada and Australia when, with a more or less covert view to protection, they impose duties which are decidedly injurious to British

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trade; while, on the other hand, we do not permit India to levy even ordinary moderate revenue duties. We ought not to have one law for the weak and another for the strong; or, rather, we ought not, either in justice or policy, to take advantage of the circumstance of our having at present entire control over a country of great latent strength, a country which has a great future before it, to do to India what we should not venture to do to Canada or Australia, or even to the Cape or New Zealand. Then I would call attention to the difference between direct and indirect taxation in its bearing upon India. We all learned when we were boys, from Adam Smith, that indirect taxation brings the whole of the population under contribution at the time, and in the manner most convenient to them, with a minimum of interference with their personal comfort and habits.

891. That is supposing that the indirect taxation is addressed to all articles of consumption?—Yes. For the most part they pay the tax in the price of the article without knowing that they do so. Indirect taxation is still so much in vogue in England, that we raise about four-sevenths of our revenue from consumable articles, which by habit have become necessaries. Taxes of this class are represented in India only by the salt tax, and the excise upon spirits and drugs, amounting together to about one-sixth of the revenue; but if the feeling of the people be consulted, that is the most popular part of our fiscal system. The native alternative for the income tax is always some form or other of indirect taxation; and Imperial policy coincides with popular predilection. Administering, as we do, a foreign government, which can never have a strong hold upon the affections of the people, or an intimate acquaintance with their circumstances, which is best for us? An easy going self-acting system to which the people have long been accustomed, or one which is totally unsuited to their character and habits, and is singularly odious to them? It matters less now, but wait till another crisis comes, and see how it will be then.

892. To apply those views to the particular taxes that have been much under our consideration, do you consider that a license tax is a direct tax?—A direct tax, certainly.

893. Do you consider the license tax so generally odious, that it ought not to be enforced?—I consider that, in the next degree to the income tax, the license tax, in the hands of the central government, is extremely odious. If the charge for each license is put high, then it becomes unequal and oppressive. If it is put low, then it is unproductive. Mr. Laing illustrated that in a remarkable manner, showing that from an extraordinarily large number of people, an extraordinarily small sum was found to be capable of realisation; but nevertheless it is suited to municipal taxation, because there the people have the management of their own affairs in their own hands, and they are not afraid of the tax; in fact, the inequality ceases there; they make it equal because they are familiar with all the circumstances which have to be considered in assessing the tax.

894. Are you speaking now of a classified license tax?—The ordinary form in which a license tax exists in India is, that it is fixed upon trades and professions; so much for bankers, so much for grocers, so much for this, so [illegible] that.

895. That every man, whatever be [illegible] of his business, provided he comes under [illegible] particular class of trader, pays the same [illegible]—Yes; the same remark applies even to the income tax. The natives are not afraid of an income tax, if they are allowed to levy it themselves: and it will be seen from that remarkable report of Mr. Campbell, that the most popular municipal tax in Bengal is, a very rude form of income tax, which is merely the heads of the village or town sitting down together, and considering how the sum which they require could best be apportioned among those who they know could afford to pay it, leaving out those who could not afford to pay it for any reason best known to them. They know the sum required for the expenses of the town or village, and then the notables of the town or village put their heads together and apportion it.

896. What is your view then with reference to the schemes of income tax that have been enforced in India since the introduction of that tax?—I think that they are an entire mistake. An income tax based upon the principle of self-assessment is unsuited to India. I have endeavoured to save the time of the Committee, by showing briefly why it is unsuited to in India. It is unsuited, first, to a Government occupying, as the Supreme Government of India does, a central position at the head of a system of local administrations. The personal interest of the different populations is enlisted on behalf of their respective administrations, while the central Government is regarded with cold indifference. There is actual ignorance, to a degree little appreciated. I became sensible of that when I was at Madras. I used, both as an old Bengal officer, and also as an Indian public man, to talk to natives of respectability, who I thought would have taken a more general view about the Government of Calcutta. I found that they knew absolutely nothing about it. Their government entirely was the Governor and Council of Madras; they had never looked beyond that; and when the orders came from Calcutta for levying the income tax, it was much as if an avatar of one of their malignant deities had imposed a new strange instrument of torture. Whatever, therefore, partakes of a voluntary character in the taxation of India ought to belong to the separate revenue of the local governments; and below that it should attach to the purely municipal administrations, where the people have the raising and spending of the money entirely in their own hands. Next, this income tax based upon the principle of self-assessment, is unsuited to a people who are not united to their government by a strong tie of national interest. A foreign rule can never be popular in this sense. Voluntary assessment, without the stimulus of a strong personal interest in the government to be supported, is not likely to be very productive. We have the example of our own people in respect to that. Our fathers and grandfathers paid their 10 per cent. income tax with great satisfaction, as long as they thought the money was wanted to keep Boney off our shores; but the moment the war was over, away it went; it disappeared the very first session. Next, it is unsuited to the low state of morality of an Asiatic people. The temptation to evasion is overpowering to them; and extensive fraud and

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e inequality are the inevitable result. eir old Native Governments, the evasion of taxation by the monied as carried to an extraordinary extent. habits still prevailed in Upper India I served there; you used to see men n to be worth lacs upon lacs of rupees king about in the streets dressed in the comnest and dirtiest garments, and all the outside their *ménage* was as shabby and obscure as ossible; if they indulged, it was indoors, or perhaps some one of them might get appointed treasurer to the Residency, or obtain some other ground of confidence of that sort, and then he would launch out a little and set up his expensive bullock carriage, and so on. They have continued that under our *régime* under another form. They are no longer afraid, indeed, to keep their carriages, but when it comes to assessing themselves for the income tax, they just evade it in every possible way. Lastly, it is unsuited to a people who, owing to the same low state of morality, eagerly avail themselves of every opportunity of extortion. We are under the necessity in India of employing large numbers of ill-paid public servants to collect a tax of this sort, and the consequence is the gross violation of another of Adam Smith's rules, namely, to take out, and keep out, of the pockets of the people as little as possible that does not come into the Treasury; whereas the fact is that for every rupee paid into the Treasury from the income tax, 20 or more are taken out of the pockets of the people.

897. Those are the officers who practise this extortion?—Yes, the subordinate agents of the Government, the intermediate people. Infinitely more sticks to the fingers of the intermediate people than goes into the Treasury. That objection does not at all apply to indirect taxation; everything goes into the Treasury there. The answer usually given to all this is, "Would you let the monied classes go scot free?" My answer to that is, India is a poor country in this sense, that with enormous productive powers there is a serious deficiency of capital. The great want of the country is cheap capital. The prevailing rates of interest among private persons are exorbitant, and business can therefore only be carried on at high rates of profit. Wealthy people are few, and the town populations are small compared with the rural communities. If, therefore, the taxable minimum of income is fixed high, little is got. If low, then the Government is brought into the irritating antagonistic relation with the people so well described by Mr. Laing.

898. Those expressions "high" and "low" being merely relative, could you give us some idea what you mean by "high" and by "low"?—When Sir Richard Temple revived the income tax, he urged in defence of it that only 150,000 persons would be assessed out of 150 millions, or one in a thousand; but the consequence of that was that he got nothing worth having. His estimate was 900,000*l.* By his last budget the minimum assessable income was raised to 1,000 rupees a year, and the estimated produce, at the same rate of one per cent., was reduced to 570,000*l.* But if the taxable income is low, then the Government is at once brought into a cat and dog relation with the people, and there is general fraud, extortion, and resistance to the tax. It is a mistake to suppose that the rich few pay no more than the poor many. The rich pay the taxes on consumable articles in proportion to their families and dependents, who are very numerous in Indian families in easy circumstances. They pay nearly the whole of the stamp duties, and they contribute, in proportion to their real property or consumption, to the municipal taxes upon which so large a share of the public expenditure is to be thrown. This last reason is acquiring increased force, because now that it is admitted that the wants of India cannot be supplied out of Imperial taxation, the stress is daily falling more and more upon municipal taxation. Now, as municipal taxation is based upon joint action, we can trust the people to see that the rich pay in proportion to their riches.

899. Would not that have this defect, that a rich man coming to live in a village with a number of small people, his whole wealth would be made tributary to the expense of that one village, although it might be derived from investments in various places, and in the public funds?—No; there would be no fear of that. The natives of India have a strong sense of justice, and a still stronger social and domestic sense; and if a rich Sahookar lived in a small village he would be a source of such great benefit to that village that the people would practically be under his influence. But we have quite experience enough of Indian municipal administration to be able to judge, and as a matter of fact no such danger has arisen.

900. But then if he were not taxed he would be exempted from direct taxation, and he would not pay his share, unless we adopt the theory that a rich man in all his expenditure bears his share of taxation; because all the people to whom he pays money pay taxes?—The case which you point out is a very exceptional one, so exceptional that I do not remember a single instance of it. I was, therefore, speaking of it as a theoretical abstract question. I never heard of a rich Sahooker who lived isolated in a small village. They live in towns where they carry on their trade.

901. Supposing that he lived in a large town, and had half a million of money invested in the funds, is he to be taxed for that half million of money for the benefit of the town, because he lives in it, though the income is derived from the whole people of India?—That is as it may be. Possibly the municipal revenue would be derived from a house tax, then he would pay only in proportion to the premises occupied by him. It might be derived from town duties, then he would pay merely according to his consumption. If, as in many places in Bengal, it was derived from a rough income tax, then, no doubt, his money in the funds would come under consideration; but the roughness implies that it would only be in a very general way indeed. The practical standard is not the income, but the expenditure.

902. But, with regard to your observation that the income tax is a means of considerable extortion, does it apply, do you think, to the tax assessed on incomes of such a high standard as 1,000 rupees a year; or would persons having that income be sufficiently under the view of officers of the Government of a higher position who would be considered incapable of extortion?—Persons in the receipt of 1,000 rupees a year are extremely numerous; that is 100*l.* a year; that is a sort of lower middle class, and it would embrace tens of thousands of the agricultural

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population. Certainly the European officers of the Government have not a sufficient knowledge of the individual circumstances of that class of people to enable them to furnish protection. They would be at the mercy of the subordinate native officers of the Government. But when we came to the case of a man like the great Gwalior Sahookar, a very rich Sahookar who attends the durbar of the Lieutenant Governor at Agra, and so on, we should see that he was not oppressed.

903. What limit do you conceive of income would bring the persons liable to income tax under the direct observation of the officers of the Government to whom we could not generally impute the vice of extortion?—I think it depends more upon their local personal relations with officers of the Government than upon their income. A native, even of large income, who resided in an out of the way part of the country would be very much at the mercy of the local native officers, while a person of small income in daily communication with the European officers would be safe.

904. Is it your opinion that still, at the present day, the European officers of the Government, and those higher native officers whom you have stated to be above the vice of extortion, have not a personal knowledge of the community in each zillah, or part of the zillah, with an income of 100*l.* or 200*l.* a year?—No, not sufficient for this purpose; take the hundreds of flourishing villages in the districts of the North Western territory; what knowledge has a commissioner, or even a collector, who, under the present system, is often an acting officer new to the district, of these thousands, and tens of thousands, of flourishing peasant proprietors that would enable him to protect them individually.

905. When you use the word "collector," you mean the assistant collectors and sub-collectors, and all the class who would be fairly classed as not practising extortion?—Yes, I am speaking of Europeans.

906. And natives, because your proposal is that natives, being equal in morale to the Europeans, should be admitted to the offices which the Europeans hold?—Well, I think that the income tax is a severe trial to the morality of all public officers, except the highest. We know that a tehsildar in the North Western Provinces, was in the way of making a fortune out of the income tax. I should trust some of the native officers of whom I was speaking, in the south of India, certainly. To one of them I confided a trust of that sort, as great as was ever confided to any European.

907. Would you not trust any young civilian, as regards his integrity, in collecting income tax, though you might not trust his discretion in dealing with such questions as you mentioned last time with regard to irrigation?—Entirely as regards his integrity, but then, being young and inexperienced, he would be very much in the hands of his native officers, and every civilian, especially a young civilian, has a surrounding of more or less favourite native officers.

908. Your view is that neither the license tax nor the income tax can be adjusted upon any basis that will give satisfaction, or will not create such dissatisfaction that it is undesirable to make use of them?—Entirely so, that is my view; I think that they are only practically available as municipal taxes.

909. Are these the only sources that of, apart from the land revenue, of direct in India?—Yes, but before I leave dire tion, I should like to be allowed to put paragraphs from my last financial statement, ing the financial results of the first income t

910. It went very low, I think, in the scale It did at first, but it was altered afterwards. will read the passages, if you please; "the incom tax which, to use Mr. Wilson's words, was passed for a limited period with a view to the present emergency, will expire on the day appointed by law, the 31st July next. As a potent, but imperfect, fiscal machine, it should be regarded as the great financial reserve of the country; and it will now be laid on the shelf complete in all its gear, ready to be reimposed in case of any new emergency. The income tax was passed for five years from 31st July 1860, at the rate of 2 per cent. upon incomes between 200 rupees and 500 rupees a year, and of 4 per cent. upon incomes above 500 rupees; and of this last-mentioned 4 per cent., 1 per cent. was appropriated to roads, canals, or other reproductive works. The assessment was to be an annual one" (that is a very important point) to make it equal, "but before the first year had expired, an Act was passed authorising the Governor General in Council to continue the original assessments for another year. In May 1862 this power was extended to the remaining three years, and the limit of exemption was raised from 200 rupees to 500 rupees." That was under Mr. Laing. "From the 31st July 1863, the rate of 4 per cent. was reduced to 3." That was my first budget. "The original assessment has become obsolete in every sense. Persons deriving their income from salaries and the funds pay the full 3 per cent., but the assessments made five years ago" (upon variable incomes), "which were originally insufficient and unequal, have become much more so by the great increase of wealth, and by the change in the circumstances of individuals during the interval. The gross amount that will be realised from the income tax in five years will be 8,008,127*l.*, and the cost of the establishments employed in collecting it will be 366,160*l.*, or at the average rate of about 4½ per cent., leaving 7,641,967*l.* as the net proceeds of the tax. The sum appropriated to local works" (out of that sum) "will be 1,500,000*l.*, so that the benefit to the general revenue from the income tax will be about 6,141,967*l.* Debt to a much larger amount than this has been paid off at home and in India within the last three years." So that the practical effect of the income tax was to enable us to pay off so much more debt. We paid off in those three years about 12,000,000*l.* of debt, so practically the income tax went to the payment of debt. "I have followed the usual course in taking the cost of the tax at the expense of the machinery actually employed in collecting it; but in order to estimate the real cost, the work it caused to the different Governments, secretariats, army and police, the printing, translating, telegraphing, stationery, and all the other incidents of the tax should be included." In fact, the Government for many months did nothing but try to work this income tax into the country, and failed entirely after all. Then there is another head of expense that I have not included here which ought to be included, which is the vast sum extorted from the people which did not go into the fisc, and the cost of the harassment

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and disaffection and other evil consequences of the tax.

Have you any opinion to offer to the Committee with reference to the system of indirect taxation?—Yes; I will begin with the principal item, salt. The principal indirect tax is the duty on salt which has a bad name arising from a fallacy. It is popularly assumed, that because there is a tax on salt, therefore, there must be a diminution in the quantity of salt which each person consumes. Salt, however, is the last thing in which a native of India of any class, economises. He would economise in anything sooner than in his salt, because their diet is chiefly vegetable, and salt is an absolute necessary of life. They are great hands at what we call condiments, musalah; and of the musalah, number one A, is the salt, and they would save in their dress, their house, anything whatever, rather than salt. The annual incidence of the highest existing rate of duty on salt (that in Bengal proper) is less than 1 *s.* I may mention that, since it has been found that the population of Bengal proper is much larger than it was supposed to be, that calculation is supposed to have been put out somewhat; but any how, it is very small. The profits of agriculture, and the wages of labour have so increased of late, that this bears an inappreciable proportion to the income even of the most ordinary labourer. Several circumstances have also combined to mitigate the operation of the salt tax. The first of these, is the abolition of the Bengal salt monopoly, and the substitution of free trade in salt for Government manufacture, which was finally accomplished in February 1863; and a description of the measures taken for that purpose, and for gradually disposing of the great accumulated stock of salt, will be found in my financial statements for 1863-64, pages 25–8; for 1864–65, pages 24–5; and for 1865–66, pages 26–7. It was going on all through my administration. The great increase in the export trade (and here I would remark that India is full of anomalies and strange contingencies) has led to a corresponding increase in the importation of salt from Cheshire, for the returns made in manufactured goods are quite insufficient to occupy the outward freight, and the Liverpool ships are filled up at very low rates with salt from Cheshire. In fact, it is brought as ballast, or at very little more than the cost of ballast. Then the railways have had an immense influence in cheapening salt. In the Madras Presidency the opening of the railways into the interior, gave an extraordinary lift to the salt trade. Pain have also been taken to carry the branches from the different coast termini of the railways, Calcutta, Madras, and so on, right into the salt depôts, so that the salt is laden at once, and of course from the ships it goes at once upon the railway. My opinion is, and any one who really knows India will agree with me, that the railways, and the great facility which has been given to the importation of salt from Cheshire, have cheapened salt more than any increase of duty of late years has enhanced it. But there is an invetérate prejudice in England against this tax quite as strong as the feeling in India in favour of it, and, therefore, as it will take a great deal to root that prejudice out of the English mind, I venture to put in a passage from my last Budget Statement. The prejudice in this country against the salt tax is so strong, and, as it appears to me, so unreasonable, and so contrary to the real facts, that I would be glad to be allowed to put in that paragraph. "The body of the people of India are the countless peasant proprietors, and the much smaller number of persons who live by wages in town and country. The annual incidence of the highest existing rate of duty upon salt, calculated upon the consumption of a single individual, is less than 1 *s.*, and the profits of agriculture and the rates of wages have so increased of late, that this bears an inappreciable proportion to the income even of the most ordinary labourer. Owing to the greatly increased importations from Liverpool, the average price of salt in Bengal, exclusive of duty, is not half what it was; while in the south and west of India the price has been greatly diminished by the reduction in the cost of carriage, arising from the opening of the railroads to various points in the interior. Half the revenue of England is levied upon consumable articles which, from habit, have become necessaries, but taxes of this class are represented in India only by the salt tax and the excise upon spirits and drugs, amounting to about one-seventh of the revenue. No tax can be collected more cheaply or with less annoyance to the people than the salt tax. In India, where the interference of subordinate fiscal agents is more than usually disliked, this is one of the greatest recommendations of a tax. The only really productive taxes are those which are paid by the body of the people. Clearly, they ought to pay their fair share, for they profit even more than the rich by the advantages of good government. A rich man can generally protect himself, but if the interests of the poor man" (I mean the comparatively poor) "are not cared for by the State, he is ground down by the rich, and is rarely able to rise in the social scale." That is exactly the state of the case under the native governments. We are a government for the body of the people, the comparatively poor. "The increased prices and wages from which the bulk of the payers of this tax are enjoying such great advantages, are distinctly the result of strong and just government, and they are also the main cause of the increased expenditure for which we have to provide." That is all I have to say about the salt question.

912. Mr. *J. B. Smith.*] Do you think that the salt tax is unpopular with the natives of India?—No; decidedly popular; I mean as popular as a tax can be; no tax is really popular.

913. *Chairman.*] You perhaps recollect the fact that the first indirect tax that the people of this country abolished after the great war was the salt tax?—Yes.

914. Perhaps that is the foundation of their prejudice against it?—They abolished a great many others. In order to come to a true analogy we must review the whole of the events of that period.

915. With reference to the excise on spirits and drugs, do you wish to observe anything to the Committee?—Well, the excise on spirits and drugs, although highly approved of by the educated, sensible, and well-disposed natives, is by no means so popular with the mass of the people as the salt tax; in fact the salt tax is neither popular nor unpopular; they do not know anything about it. The millions of Bengal and the North Western Provinces, and of Madras and Bombay away from the sea coast, do not know anything about it. But the spirit duty is

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brought to every village as an universal excise, and as such, and as diminishing their enjoyment of spirits and other stimulants, it is less popular with the body of the people than the salt tax; but nevertheless it is an excellent tax; all well-disposed natives are entirely in favour of it, and they readily concur with the Government in fixing the tax, district by district, at the maximum amount which is consistent with its realisation. That is the principle; great freedom of adaptation is allowed. The rate varies even from district to district of the same Presidency with a view to adjust the tax according to the circumstances of the district on that principle, to obtain a maximum of revenue from a minimum of consumption; and that principle is honestly acted up to by the Government officers, and great progress has been made of late years by establishing a strict control over the distilleries, and so forth. The most injurious of all these stimulants is the hemp drug or ganja; it habitually produces violent deeds and much insanity. But Mr. Campbell reports, "We have succeeded in raising, and have in the past year still further raised, the duty, so that in 1871–72 the consumption was about a third less than 15 years ago, while the revenue derived from it was more than doubled."

916. Have you any observation to offer upon the stamp duty?—It is so far a good tax, that it is raised in general from those who can afford to pay; and it is raised with great facility without any inquisition or interference. In fact it is a voluntary tax; but I cannot accede to the opinion that the stamps upon legal proceedings ought to be maintained because they discourage litigation. How can this be reconciled with the opposite true maxim that justice ought to be made accessible to everybody, however poor? It is a painful necessity of the present state of Indian Finance, that we have to levy taxes on law proceedings; and as soon as the administration is placed on a proper footing. This is one of the first taxes that ought to be taken off.

917. Is it your opinion then, that the law should be administered gratis to the community?—Yes, as far as the Government establishments are concerned, they all pay for that in the taxes, and those who are under the unfortunate necessity of having recourse to law proceedings, and of incurring thereby great expense and loss of time, are the last people who ought to be made to pay extra.

918. But do they not resort to courts of justice often from the negligent and unskilful and irregular manner in which they manage their own affairs?—The applicants to the courts are generally people who are craving for justice.

919. Have you anything to state to the Committee with reference to the opium revenue?—Yes; opium is not a tax at all, except so far as it diminishes the profits that would otherwise be derived by the landowners. It is a trading speculation of a highly speculative character, which troubles Indian financiers by the odd jumps it takes up and down from year to year, but which in a course of years is our great standby. It is a fertile source of revenue without any taxation.

920. Sir *Stafford Northcote.*] May I ask if you have ever considered the possibility of avoiding those fluctuations in the yield from opium, by taking a fixed sum from opium each year?—That is only a matter of account. We practically do it, because if we get more from o[illegible] we expect, and it leads to a surplus, i[illegible] the balances.

921. It goes to the reduction of the d[illegible] goes into the balances of India, the res[illegible] fact, and lightens the stress upon us in l[illegible] years. In fact, I consider that that is act[illegible] done. The result of all my observation of [illegible] opium revenue is, that although it is very varia[illegible] from year to year, yet in a course of years [illegible] is as thoroughly to be depended upon as the ta[illegible] upon spirits in England. It rests on the same basis entirely. It is a remarkable instance o[illegible] the extraordinarily fine prolific character of the soil and climate of India, that it grows this drug of a superior quality to that grown by any other country in the world, and the Chinese will never be able to do without it, I believe. It is the habitual favourite stimulant of unnumbered millions of people. There is a question which has been agitated for the last 30 years or more, whether the Bengal opium monopoly might not be converted into a transit duty on the Bombay footing. There is no doubt that transit duty in the abstract is a very preferable mode of levying the tax, because it is levied without any interference at all with the cultivators. In fact it is a mere export duty; and before I left India I had begun to consider whether it would be practicable to extend the Bombay system of collecting the opium revenue to Bengal, and I recorded a minute on the subject which I should be glad to give in, because it contains very curious information, and it is a sort of *résumé* of that part of the subject up to that date, and throws considerable light upon it and also upon the bearing of the expenses of production upon the net produce of the tax. My administration unfortunately covered the transition period between the previous contracted annual supply of opium and the larger supply which was subsequently produced, so that my three budgets came in for a disproportionate share of the outlay.

922. But was it your conclusion that the present mode of levying the duty was the best in Bengal?—I came to no conclusion. The most mature views I had been able to form up to that time are expressed in this paper to which I have referred, which is not very long.

923. As to the customs; have you any suggestions to make with reference to the present arrangements?—Yes; first of all I would call attention to their total inadequacy. In 1860 Mr. Wilson stated in his budget speech, "Upon the whole the customs in the present year are expected to yield 3,430,000*l.* as compared with 2,073,000*l.* the year preceding;" thus an increase was provided for of a good deal more than a million in one year, while Sir Richard Temple took only 2,416,500*l.* for customs in his budget estimate for 1870–71. So it is Mr. Wilson's three millions and a half to Sir Richard Temple's 2,400,000*l.* So that, although the trade of India increased in those 10 years from 60,000,000*l.* to 106,000,000*l.*, the customs yielded 1,013,500*l.* less. If customs duties are a legitimate source of revenue, so small an amount as 2,400,000*l.* for the whole of India is simply ridiculous. The ground has been cleared for a good customs revenue by the abolition of, first, the sayer and muhtarafa, and next of the transit and town duties which were substituted for them, but were after all found to be injurious. I wish to mention, by the way, what I omitted in my former notice of the muhtarafa;

that mixed up with the Madras was a very sound house tax, which of the most productive items, and I proat, while the rest of the muhtarafa were ed, that house tax should be retained as a pal tax. But that was the day of grand cial operations, and so the entire muhtarafa swept away wholesale. Now the house tax be revived in the shape of a municipal x. And the ground has been cleared for a ood customs revenue also by the general reduction of the assessment of the land revenue, and as this general reduction was made according to a regulated wholesale system, it overlapped the time when the great necessity for it existed; it took years to mature the arrangements for this general reduction of the assessment, and when the machine had once been put in motion it could not be stopped, and so it went on long after the necessity for it had ceased. The great necessity for it was when the prices of agricultural produce were low. I must give the Committee some idea of that period of Indian finance.

924. Mr. *Fawcett.*] What year was this?—I should say from the year 1820 to the year 1835. The grain was hardly worth moving.

925. *Chairman.*] What part of India are you speaking of?—The whole of India, more or less, but especially Upper India, and the North West Provinces; in fact, in the bulk of India. Grain was hardly exported in those days at all. Only rice was exported, and so it was a little dearer in Bengal by comparison; but Bengal was always a cheap country. No doubt the assessments then ressed very heavily. The great necessity for e general reduction of the assessment of the nd revenue was when the prices of agricultural roduce were low; but in the meantime those xtraordinary circumstances occurred which led o a great increase in the price of agricultural roduce, so that now the landowners profit both y the rise of prices and by the reduction of the ssessment. If prices in those former days had een at all what they are now, I do not believe hat the assessment would have been lowered at all; but prices then being very low, the assessment was universally lowered, and in the meantime prices went up, and so the agriculturists got it both ways, and they have been further benefited by the railways, roads, irrigation, and other works. Then I would remark upon the customs policy prescribed by the peculiar conditions of the Indian trade, and first the course followed by the Company. There are two modes of levying duties upon trade; one, which has been generally adopted in Europe, of exacting a high rate of duty upon imports, leaving exports entirely free; and the other, which was in use in India, of levying low rates of duty both upon imports and exports. The Indian practice was adapted to the special circumstances of the trade. The exports of merchandise from India greatly exceed the imports, the difference being balanced partly by great importations of treasure, and partly by the large sums which have to be remitted from India to England on public and private account without return. The profit of mercantile transactions (I consider this a very important point) does not depend merely upon the return cargo, but upon the combined result of the outward and home voyage. That is seen very plainly in freight; for instance, freight to Calcutta is always less than it is to Bombay, because they are able to get such an abundant return cargo from Calcutta; and, to carry the comparison further, freight to Bombay is always less than it is to Kurrachee for the same reason, because they can get hardly anything to take home from Kurrachee. Therefore, in such a state of things what is most required for the improvement of the trade of India is to give all possible encouragement to her imports. Such is the abundance and richness of the productions of India, that, without absolutely possessing the monopoly of any article except jute, India has in respect to many articles such a decided superiority over all other nations taken together, that they can easily bear a moderate export duty without checking the demand for them. A net revenue of several millions a year is obtained from the export of opium. That is entirely an export duty, and it is paid partly by the people of China, and partly by the landowners of the Valley of the Ganges in the indirect and impalpable shape of a diminution of what would otherwise be their income. And it is the same at Bombay. The landowners of Malwa and Central India would get so much more if we allowed their opium to go to China tax free.

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926. But does that extend to articles in which India would not have a *quasi* monopoly of production?—Take an example: it extends to jute. India has an entire monopoly of jute; it has no monopoly of opium, only a superiority in growing it. In fact, one small portion of India, eastern Bengal, has the entire monopoly of jute; it is all grown in three or four districts of eastern Bengal; and jute has filled the channels, not only of trade and manufacture, but of consumption, in Europe to such an extent, that if a moderate duty, three per cent. or five per cent. (three per cent. I propose), were placed upon it, it would be paid without any perceptible effect whatever upon the trade. How far that slight burden would be divided between the consumer in Europe and the landowners of Bengal, who might get an infinitesimal sum less than they would otherwise get, it is difficult to say, but that would be the result. Indigo has for many years paid an export duty of three rupees a maund, and lac dye and shellac a duty of four per cent. *ad valorem*, without any injury to the trade. In 1859 the export duty on rice was increased from half an anna to two annas a maund, and so far from the exportation of this article having been checked, it rose from a total value of 2,265,656 *l.* in 1859 to one of 3,936,709 *l.* in 1863-4. An *ad valorem* duty of three per cent. is charged upon the export of all unenumerated articles without its having had any perceptible effect upon the demand for them. This includes oil seeds, the trade in which has of late years become so important. In the case of saltpetre only, has any injurious consequence resulted from an export duty. The manufacture of artificial saltpetre was, no doubt, encouraged by the increase of the duty to 5 *l.* 10 *s.* a ton; but this is an argument, not against export duties in general, but against unduly high export duties. There is no reason to believe that if the rate had remained at three per cent. any such effect would have been produced. But although Mr. Wilson made a mistake about increasing the export duty on saltpetre, yet it is important as showing that a high authority on such matters did not object to export duties on principle.

927. At the same time he illustrated the error?—Yes, but it was an error of application entirely.

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entirely. If he had left it at its old low rate nobody would ever have heard anything about it. I had better put with Mr. Wilson, Mr. McCulloch. I beg leave to put in a letter from him to me. I often used to discuss this subject with the late Mr. McCulloch; and when I was appointed to the charge of the financial department in India, I requested him to give me his opinion in writing, which he did in the following letter:—"Stationery Office, 27th January 1859.—Dear Sir Charles, I know of no book in which you will find a summary statement of the objections to duties on exports." (I had asked him to refer me to some place where I could find the objections stated fully.) "And in truth there is no general objection to them; for in their case everything depends on circumstances, and though, in general, duties on exports are objectionable, there are many cases in which they are about the best that can be imposed. In all cases in which substitutes for exported articles may easily be found, or in which the exporting country has no very peculiar advantages of production, duties on exports would be highly objectionable, and would, in fact, endanger the whole of the foreign trade of the country which had recourse to them. But when a country has any very decided natural or acquired advantages of production on her side, then I think that moderate duties on exports may be advantageously resorted to. They would not endanger the branches of industry which they affect, and they would be paid by the foreigner." I think in India they would be divided between the foreigner and the landowners, who are extremely well off, and have profited more by our Government than any other class whatever both in Bengal and everywhere else. "On this ground it has always appeared to me that the abolition of the duty on coal when exported from this country was a great error; and I further believe that it was a scandalous job, and that the public were sacrificed to promote these private interests. If China were subjected to a vigorous and efficient government like Russia or France, then I think her rulers would act wisely in imposing a duty, say of twopence or threepence or sixpence per lb. on all tea exported." But he was under a mistake there. The Chinese have charged an export duty of 12 per cent. for a long time upon tea, and we take 33 per cent. more. "This duty would entirely fall on the English and Americans; and though it might give some little stimulus to the substitution of coffee and other articles for tea, that would not countervail the advantages China would derive from the revenue she would raise on tea. The duty on opium exported from India has been highly advantageous. Latterly, it has produced to the Company 5,000,000 *l.* a year, and, instead of being injurious to the Chinese, it has been advantageous to them" (by limiting the consumption, I suppose); "no doubt it has acted as a bounty on the culture of opium in China, but its prohibition would have given it a still greater stimulus." We need not be afraid of China opium; then he concludes by saying, "This, therefore, you will see is not a question of principle, but of circumstances. Duties on exports should not be rashly imposed; but neither, on the other hand, should they be uniformly rejected. Cases are every now and then occurring in which their imposition would be highly expedient."

928. It all comes to this, then, that the duty is a good one if you can lay the duty upon the foreign consumer; and if you bring it [illegible] the home producer it is not a good on[illegible] why should not the home producer share?

929. That is to be worked out upon t[illegible] cumstances of each particular article, an[illegible] upon any general theory of export duty?—[illegible] so. I would not, for a moment suggest a d[illegible] upon cotton, because India is subject to a ve[illegible] sharp competition indeed from America. I would be suicidal to put a duty upon cotton, bu upon jute, in which it has a monopoly, I woul certainly impose a duty. Rice pays on exporta tion from China a duty of 6½ per cent., and raw silk only 2½ per cent. Olive oil and sulphu each pay 5*d.* per cwt. to the Italian Govern ment. In fact the Italian Government now take export duties from all their valuable semi-tropica products. The second principal source of re venue of the Greek Government is the expor duty on currants.

930. They wanted us to take off the duty tha they might put it on?—Yes. I proposed an in crease in the duty upon rice. I was overrule by the Home Government, but in March 186[illegible] (Mr. Laing) again proposed it, and then it wa accepted. When the necessity of making nev financial arrangements consequent upon the grea expenditure arising out of the mutiny became ap parent at Calcutta, previously to Mr. Wilson's ap pointment, the merchants of Calcutta took coun sel among themselves, and the best opinion then were in favour of imposing a duty upo exports. Not expecting to be examined upo this I have not brought the papers, but I can show that, not only on that occasion, but als on one or two other occasions quite recently i the Bengal Council, very high practical authori ties have expressed themselves in favour o duties upon exports; and the best mercantil opinion of India, I mean the European mercan tile opinion, is in favour of duties upon exports.

931. We may take it as your view that thi question should be reconsidered in India witl reference to various articles of export on th principles which you have stated?—Yes. A the very time while I was proposing a low ex port duty on tea, the tea planters of Assam pro posed to Mr. Beadon to pay 2½ per cent. upo their tea for making roads. Since that th Wynaad coffee planters proposed to Lord Na pier to pay 3 per cent. upon the export of thei coffee for the same purpose, showing that the had no objection to it in principle; but Lor Napier said that it was a thing not to be hear of. In fact it is a deep politico-economical pre judice of the present day to object to expor duties on principle as export duties.

932. Mr. *J. B. Smith.*] But in that case i they got roads as a compensation for this duty they would not ultimately be the losers by it?—No, certainly not; but still it shows that the did not object to an export duty on principle for although that happened to be the applicatio of the money which they proposed, there ar many other beneficial applications of money raise by export duty.

933. But they saw that they could recou themselves by having better roads?—Yes, an so coffee planters and tea planters may recou themselves by having good police, and goo judicial tribunals, and good post-offices and tele graphs, and good laws, and so forth. The Ceylo planters in the same way passed in their Islan Assembl

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uty of 1 *s.* per cwt. upon coffee. ly one other observation which I ke, which is as to the real limit to ction of the staples of the export ndia, because that has bearings of a nificant kind. The real limit to the tion of the staples of the export trade dia is, not the capacity of the country roduce them, but the limited amount labour and capital applicable to their pro-tion; so that when the demand for any rticular staple is much pressed, it checks the oduction of other articles, the price of which is consequently enhanced. When the price of cotton rose to a great height during the American War, it led to such an increase of the cultivation at the expense of other articles, that the price of every other exportable product rose in the market, and it was commonly remarked that no profit was to be made from any return cargo except cotton. For the same reason, grain, the food of the people, rose greatly in price; so much so, that with the additional advantage of quicker returns (for it was sold on the spot) it became to a great extent more profitable to cultivate grain than cotton. At this present time the artificial extension of industrial crops, under the strong pressure habitually applied to our Indian administration by Manchester, is bringing about an artificial famine, which, if it once sets in, cannot be relieved from abroad. So vast a population, scattered over the recesses of a great continent, cannot be fed from abroad. The point at which we have arrived, therefore, is, that India is in a far more independent position than she formerly was as regards the staples of her export trade. The demand for them is greater than the supply; so that, even if one or more of them fell off, as saltpetre has done, the void would quickly be filled by at least an equal development of other articles. The existing stock of capital and labour is insufficient to meet the demand upon it; and until this is largely increased in proportion to the demand, there will always be more than sufficient employment for it, whatever fluctuations may take place between different articles of export.

934. Mr. *Grant Duff.*] You have rendered in your long career many services to India. You would think, would you not, that you had done another service to India if you succeeded in impressing upon the members of this large and influential Committee the immense importance of strengthening the hands of any government that may chance to be in power against the constantly recurring claims of those Indian officers who have already got so much out of the Indian taxpayer, and are banded together to get so much more?—Yes, that is entirely my view.

935. The same remark which applies to the importance of strengthening the hands of Government against the pecuniary demands of Indian officers applies, does it not, to the claims that are made from time to time in Parliament for the payment of large sums to Indian magnates who come or send over here and spend most lavishly in influencing public opinion?—Entirely so. And I beg to be allowed to take this opportunity of explaining my previous evidence on that subject, by saying that I did not mean to go beyond a statement of these three facts; first, that large sums have been appropriated in the exchequers of these Indian magnates under the head of agency, that is, money to be spent in England; next, that when ordinary purely public questions relating to India come before Parliament, for instance, the annual Indian Budget, the attendance is of the smallest; and thirdly, that when these personal questions, in which the Indian magnates are concerned, come before Parliament, there is often a large attendance. I entirely refrain from any personal imputation, but those three facts must be taken in connection with each other.

936. You suggested a commission with the power of examining upon oath as a means of getting at the truth about the sums for what is called agency, spent by Indian magnates in this country. It would certainly be a most admirable thing if this could be done, but do you really see your way to proposing it; how would you proceed?—I was asked whether the only effectual way to prevent a recurrence of such transactions would not be to have a scrutiny, and to drive it home, and I answered yes; and my experience of public life, both in India and in England, is that the only way to keep the body politic sweet and pure is never to be restrained from investigation by the fear of disgraceful disclosures; but to scrutinise and search every matter of that kind to the bottom. When it becomes perfectly known that, as a matter of national policy, that will be the consequence of malversation, then malversation will be powerfully checked. In fact that is the only effectual check, and if such things are passed over without a full investigation, they will be encouraged for the future. The relative position of the British nation towards India is such that this is a very serious danger indeed. We know what took place under the Empire of Rome in reference to this, and our Empire is at least as great and as full of temptation.

937. You said in answer to Question 733, that you imputed no improper motives to Members of Parliament in connection with these cases, and we, of course, who sit here would entirely agree with you; but are you not aware that the kind of thing that goes on under the name of agency causes things to be said in India about the bringing of the cases of native magnates before the House of Commons, which it is well should not be said either in India or anywhere else?—I readily concur in that. It is perfectly well known in India that these large sums are charged to these Indian magnates as agency to promote their objects in England, and the natives of India interpret it according to their own experience; they know what agency in India means, and so they presume that it has the same meaning in England.

938. Now I am going to read you a portion of a very curious document which has come into my hands. It is an English translation of a letter written in Urdoo, and it purports to be from certain persons in London to a great native chief, and I am going to ask you whether you are aware that letters of this kind are written to native princes of India; whether it is not lamentable that such things should be written and circulated in India; and whether you could suggest any way better than the kind of publicity which I am going to give at present to this document for stopping such proceedings: "The commercial relations of the petitioners and their acquaintance with people of rank and power here afford them access and importance. The petitioners can obtain correct information on any cases pend-

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ing in the several offices here, and can advocate and prosecute any case before Her Majesty's Secretary of State for India. They can also bring any case forward in Parliament, and can obtain the legal opinions of experienced and renowned legal practitioners. They can assure that every secrecy will be observed, and that every effort and precaution will be used to conduct the cases entrusted to them. It is of the greatest importance that all orders in such cases should be accompanied with hoondies of amounts suited to each case. The petitioners promise that they will have every regard to economy in disbursing the monies thus entrusted. Native chiefs are aware how the * * * has from time to time been advocating the necessity of all uniting in appointing a Member of Parliament to advocate their interests in that assembly. The advantages of this arrangement are undoubtedly very great, and the petitioners are ready to give their sincere co-operation in the matter. But it is necessary that to carry out this arrangement, unanimity should be secured; and as the success of the proposal is calculated to be attended with heavy cost, it is not within the means of one or two chiefs to carry it out. The petitioners have adopted Urdoo in this communication, believing that it would be the more suitable, and if allowed, will continue to write in that language in future"?—I do not doubt that such letters, and worse, are written to India; and I am perfectly convinced that it is high time that some public action should be taken in the matter. The only action which I can suggest is that which throughout my public life I have followed to the extent of my power, both when I was a young man in India, and afterwards during my 19 years at the Treasury. It was a principle which I invariably followed, never to pass over any case of malversation. I do not mean that I urged that the cases should be severely dealt with; but that it should be felt that such transactions would not be ignored or allowed to drop out of sight; and on that principle I have six or seven times, with the help of Sir Richard Mayne in this country, and Sir Duncan Macgregor, the head of the constabulary in Ireland, followed embezzlers and defaulters across the Atlantic, greatly to the public advantage (and there are many similar instances in England); and I believe with excellent effect to the manifest elevation of the standard of morality on those points in official life in England; and the same when I was Governor of Madras. I can only suggest that the same rule should be applied to this case, and that the matter should be searched to the bottom; that we should turn it out, and see what is in it; that we should see what became of that 30,000 *l.*, for instance, which was charged in a single item for agency in the Mysore accounts. I was previously aware that very large sums had been taken out of the remainder of Purneah's treasury with the professed object of forwarding the local official cause, for it was really the Anglo-Indian and native official cause, of reviving the native government of Mysore.

939. Sir *Stafford Northcote.*] The euphemistic expression is "for diffusing information"?—Yes.

940. Mr. *Grant Duff.*] You said with great truth and felicity (if you will permit me to say so) that the repairing to England of Great Indian personages, and their spending here heavy sums of money given for agency and other purposes to English people, reminds you of th[illegible] of the Roman Empire; you are a[illegible] ever, are you not, that disgraceful a[illegible] arts that are resorted to by these people persons whom they have in their pay, worse in the days of the Company; for ex[illegible] is it not true that the Nawab of Arcot was posed actually to return no less than 18 M[illegible] bers to the House of Commons?—That is a v[illegible] old state of things indeed; we might as well g[illegible] back to Sir Robert Walpole's English Admini[illegible] tration. The standard of morality in Englan[illegible] has greatly improved since that, and the prac tice of this generation, and that of the generatio[illegible] of which you are speaking, cannot with an[illegible] fairness be brought into comparison.

941. But still, as a matter of fact, it was so?—It was so.

942. Now I want to ask you about the pres sure of home interests and ideas upon India[illegible] finance: in your reply to Question 426, yo[illegible] began by saying that the old Company left th[illegible] several governments much more to their ow[illegible] discretion than the Secretary of State does; an[illegible] then you go on to say that India and Englan[illegible] have been brought side by side, and that th[illegible] influences of Parliament and the press ar[illegible] brought to bear upon India without any barrie[illegible] at all. Now I will first ask you whether yo[illegible] are under the impression that the Secretary o[illegible] State in Council limits himself for the most par[illegible] to revision and control, or whether you imagin[illegible] that he is in the habit of frequently interferin[illegible] to originate; and, secondly, I will ask yo[illegible] whether you suppose that the influences yo[illegible] speak of, the influences of Parliament an[illegible] the press, are brought to bear on the Secre tary of State and his Council, or upon the Vicero[illegible] and the Governors of Madras and Bombay di rectly?—No doubt the primary function of th[illegible] Secretary of State is revision and control, but I conceive that a practice has grown up, since th[illegible] transfer of the Government, of more frequently originating particular works in India. Th[illegible] Godavery case, for instance, occurs to me, th[illegible] Madras Irrigation, the Orissa Irrigation, and I think the Port Canning Railway. I conceiv[illegible] that although the Company kept a very tigh hand indeed over their Indian Governors, an[illegible] required to know all they did, and limited an[illegible] checked them very effectually, yet, in the mod[illegible] of adopting measures, and the detailed applica tion of measures as to the time and mode o giving effect to them, they left a great deal mor[illegible] to the local governments than is left now: Fo[illegible] instance, I recollect that the correspondence abou[illegible] half batta and reducing the officers' allowances had been going on for many years, and repeate[illegible] general injunctions had been sent to reduce th[illegible] batta, but being left to the local governments t[illegible] give effect to these instructions, it was delaye[illegible] for many years until Lord William Bentinck wa[illegible] appointed. As to the second question which yo[illegible] have put to me, it is difficult to say whether th[illegible] influence is brought more to bear on one or th[illegible] other. It is brought to bear on both; it is no[illegible] entirely, or perhaps chiefly, through instruction sent by the Secretary of State to India that thes[illegible] things are done. It commences by the formatio[illegible] of a company; then it becomes a popular subject then the newspaper press accept and advocate it then Manchester and the city are all for it; an[illegible] then such a power of public opinion is formed tha[illegible] it is very difficult either for the Home Govern men

the Indian Government, or both withstand it.

943. But as a matter of fact, is it not true that the Secretary of State in Council very rarely originates any expenditure in India?—Compared with the whole of the expenditure very rarely no doubt; but still he does originate.

944. Would it not be true to say that he hardly ever has done so?—No; I would not go so far as that. Take the Tippoo expenditure, for instance, the grant to the Tippoo family; and the Godavery, I know was, in the main, in fact entirely, an English enterprise pressed from England.

945. Are you quite sure of that, because it is quite contrary to my impression about the Godavery?—Very little was known about it either at Madras or Calcutta. A great deal more was known and thought at Manchester about the Godavery than was known at either of those places.

946. Now, you have said, in answer to Question 416, that the arrangements made to continue in the Council the exclusive control over payments out of the revenue have, as regards expenditure, gone for nothing; the Council has now existed for 15 years nearly. Will you have the goodness to tell me on how many occasions the control over the expenditure has been taken out of the hands of the Council of the Secretary of State, either by Parliament or by any other body or person whatsoever, directly or indirectly?—Well, the Council has yielded to this moral pressure of Manchester and the city, and of the body of military officers and Indian magnates, or rather their English friends, just as the Secretary of State has yielded; and it is because they have yielded to it that I cannot point to any instance in which there has been any overt action in the matter. In fact, they had the power, and nothing but a change in the law could have taken it from them.

947. But do not you mean, when you speak of their yielding to pressure, that the members of Council simply shared, more or less, the opinions of their time about Indian subjects?—To a great extent certainly. It is because they too fully shared the opinions of their time, and of the society in which they lived, that they have failed as a safeguard. Public officers who have been placed in an independent position and fenced round with every guarantee, as is the case with the Council, are expected to exercise a check which does not belong to more popular bodies; they are our final reserve. I would make the same answer in reference to the Indian Council as I did in reference to the Government of Bombay. It was what the Government of Bombay was paid for. It was their duty; they were sitting on the bench like a judge; and, instead of yielding to the *popularis aura*, or setting their sails to it, as they really did, and backing up those strong popular interests, pressing, for instance, 500 shares of the Back Bay Company upon the Government of India with extreme vehemence, the Government of Bombay ought to have stood upon its independence, to have endeavoured to check this popular madness, and to have fallen back for support upon the Government of India and the Home Government; but so far from the Bombay Government looking to the Government of India for support against this madness, the great difficulty of the Government of India was to control the Government of Bombay itself.

948. But with regard to the Council of the Secretary of State, does not what you say after all only come to this: that your opinions as to certain measures were different from the opinions that were held by the Council and the Secretary of State. You cannot say surely, that the Council of the Secretary of State was in any way overborne by any external force whatever?—Well, they were so far over-borne, that if they had taken up an independent, conscientious position, and had exerted themselves to withstand this popular madness, we should all have heard of it, it would have made a great controversy. That shows that there was a moral pressure, perhaps also a moral or immoral contagion, which affected them.

949. But what right have you to say that they did not take up a conscientious position. Does it not simply mean that you differed in opinion from them as to particular things?—Well, we are sitting in judgment now upon a large class of transactions.

950. I have attended something like 150 meetings of the Indian Council. I have been in the closest business and private relations with many of its members for between four and five years, and I am under the impression that its control over the finances of India is very strictly exercised, and all but supreme, theoretically and practically. Will you explain to me from what data you have arrived at a conclusion so entirely opposed to mine?—I have pointed out, first of all, that a new profusion has characterised the administration of the finances of India since it was transferred to the Crown. I have also pointed out various grave instances of questionable expenditure; and I find that the Council of India has not opposed any check upon this profusion and upon these questionable expenditures, and therefore I say that the Council of India has failed to exercise that check which it was intended and hoped that it would exercise.

951. By whom intended and hoped?—By those who constituted it and gave it those independent powers, the same which are possessed by the judges. They have their places for life.

952. Then you do not mean to say that the Council has been frequently overborne either by Parliament or by the Secretary of State?—It has not come to a controversy, because if this Council had, according to my view, done its duty, then we should have seen whether it was officially overborne. It fact it could not be officially overborne because they had the law on their side, and the law has not been altered, so it must have been a moral compulsion; and perhaps the Council itself partook more or less of the contagion of these popular delusions.

953. In short, because the policy of the Council of the Secretary of State, with regard to certain matters, has differed from your policy, you believe that the Council of the Secretary of State has been affected by a moral contagion?—That is not a correct way of putting it; I have pointed out a policy of profusion, and a series of transactions of a cognate character, which not only I, but various other people of greater authority than myself, consider very objectionable, and I see that the Council of India, notwithstanding all the guarantees that were introduced into the constitution of the Council, have failed to oppose a check to these transactions.

954. But

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954. But you admit that the Council of the Secretary of State has been very rarely overruled in any matter by the Secretary of State during the 15 years for which it has existed, and still more rarely by Parliament?—I do not doubt that in the majority of cases they have gone together.

955. In how many cases do you suppose the Council has been overruled by the Secretary of State?—As the papers are not laid before the public, I consider the Secretary of State and the Council as one. He has his Privy Council. All this policy and these transactions are the act of the Secretary of State in Council; I cannot distinguish between them.

956. Would you be surprised to learn that the Secretary of State has in the 15 years during which the Council has existed, only overruled his Council eight times altogether?—No, I should not be surprised; so far as the Council yielded to this policy and these transactions, there was no occasion for overruling them.

957. Are you aware whether the present Secretary of State has ever overruled his Council upon any one occasion?—It is a secret Council; its transactions are not laid before the public.

958. You do not know as a matter of fact?—No; I view the Secretary of State and his Council as a single political body; I know the safeguards that were intended to be provided, because I took part in the discussions, and I see that this political body as a whole (I cannot separate the parts) has failed to answer the purposes that were then intended.

959. You mean that you think so?—I know it, because I know what the purposes were, and I know what has taken place since.

960. Then, in reply to Question 400, you stated that there had been much greater weakness in recent times in the finance of India than there was formerly, and you ascribed the former more satisfactory state of things to the frugality and independence of the East India Company; is it not the fact that the directors were opposed to the Affghan War, and that although undertaken without their approval, their representations that India ought to be relieved of a portion of the enormous expenditure on that war, were entirely disregarded?—That is perfectly true. If the Company had not been entirely overruled, the Affghan War, and all the disasters which grew out of it, the least of which perhaps was the excessive expenditure, would never have taken place.

961. Nothing so bad as that has happened since the transfer of the Government to the Crown; no such great expenditure has been saddled upon India since that time?—No, because the *régime* of the Crown in India was inaugurated by a thorough reconquest of India, and all the circumstances indicate that that was the turning point from a period of war and territorial aggrandisement, to a period of settled peace and industry; India has been set upon a course of peaceful industry. But there was something at the commencement of your question which I am not prepared to admit, in reference to there having been greater weakness in the finances of India since the Queen's Government has been inaugurated. Those were not my words, I think, but "embarrassment" and "derangement." But if the circumstances which have caused that embarrassment and derangement were removed, the finances would be stronger than ever.

962. Is it not also the fact, that [illegible] frequently remonstrated against the [illegible] in India of a larger number of Brit[illegible] and men than the circumstances of Indi[illegible] and that those representations were [illegible] vain?—Yes, no doubt they often re[illegible] against the number; the standard of the [illegible] military force in India was then very much [illegible] than it is now, and therefore, their remonstran[illegible] are an additional proof of their frugality. [illegible] fact, they erred on the side of having too sma[illegible] European force latterly.

963. *Chairman.*] Of officers, not of men; y[illegible] recollect the enormous number of officers sent out with the regiments?—Yes, there was always a controversy going on between the India Office and the War Office, and the Horse Guards, a chronic warfare.

964. Mr. *Grant Duff.*] Now, I will take another illustration: is it not also the fact that notwithstanding the positive assurance given by the President of the India Board to the Secret Committee of the Court of Directors in 1840 "that it was not the intention of Her Majesty's Government that any part of the expense of the first expedition to China should be defrayed ultimately from Indian revenues," a claim was subsequently made by the Treasury, that India should bear the ordinary charges of the troops and ships employed, and that, notwithstanding the urgent remonstrances of the Directors, those charges were finally imposed on Indian revenues; and is it not also the fact, that the letters from the Treasury advocating the payment from Indian revenues were signed "C. E. Trevelyan"?—Yes; I can speak from personal knowledge [illegible] all that. It appeared to the Treasury of th[illegible] day that, inasmuch as India had a large intere[illegible] in China, arising from the opium revenue an[illegible] the trade, she ought to pay her share in thi[illegible] joint expedition, and I recollect strongly urgin[illegible] that the best rule of distribution would be tha[illegible] India should pay the ordinary, and the Queen[illegible] Government the extraordinary, expenses, that is[illegible] that India should be at no further charge beyond what she would have been at if there had been no war at all; that she should lend her troops and pay the ordinary pay and allowances exactly the same as if they had remained in India, and that everything beyond that, including the whole of the heavy transport charges, should be paid by the Queen's Government. The India House showed extreme reluctance and fought the Treasury step by step, and I have an obscure recollection that among the arguments they used, was this, that expectations had been held out to them that they would be more liberally dealt with, or differently dealt with; but I cannot speak positively about that.

965. But now, do not all these instances which I have given prove that the pressure of the Imperial Government upon the Indian Government with the view of getting as much, and paying as little as it can, is by no means a new thing, but was just as bad in the days of the East India Company as it has ever been in the days of the Crown?—I agree that it is not a new thing, but I entirely deny that it was as bad. In fact, these stout resistances which the East India Company opposed to the demands of the Queen's Government in former days show that a substantial barrier did exist, and I can answer for those resistances having been to a great extent effectual. And then what has been

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does not at all go to general character usion or economy. I could give 50 in- of the habitual frugality of the East Company. The most striking comparison t between the administration of Public s under the Queen, and their administra- under the Company.

966. Now a word or two, as you have alluded to it, about the frugality of the Company; the Company were in many ways extremely frugal, but there has been a great deal of talk, as you know, at different times, about a certain ball that was given in the year 1868 to the Sultan; do not you think that if the Sultan had come to London during the reign of the Company, it is highly probable that the Company would have entertained him, and entertained him right royally out of the revenue of India?—Well, the Company would have done what the occasion required, but there was a frugality even in their entertainments. The typical story in Hadji Baba of the Two Chairs emerging from the hackney coach when the Persian Ambassador expected a grand cavalcade, is characteristic; they did entertain, not right royally, but very hospitably, their officers and various public people.

967. Now I want to ask you something about their entertainments: the Company, as I am informed, was perpetually giving entertainments out of the revenues of India; did it or did it not give a great dinner to every Governor General and every Governor and Commander in Chief whom it sent out; did the directors not, up to a comparatively recent period, dine together once every week in one of two large buildings in the city, one of which, when that thrifty, but nevertheless jovial body ceased to enjoy those dinners, was sold, and now subserves graver purposes as the Wesleyan Centenary Hall; and did not the expense of their entertainments amount every year to between 2,000 *l.* and 3,000 *l.*?—As for themselves, I know they had luncheons which were very frugal, as far as I remember; and as for the dinners (for it was merely dinners; there were no decorations at all) they were at the London Tavern, and there was no expense whatever, except for what was eaten and drunk; and if there was wine of any special quality, it was sure to be labelled on the bottle to make the most of it. It was part of the policy of that day; the directors were a corporate body, and they could not receive their Governors and Commanders in Chief at all their 24 private houses, so they used to receive them in their corporate capacity at the London Tavern; but there was no extraordinary expense at all. Several years of those entertainments would not amount to what the Sultan's ball cost.

968. Mr. *R. Fowler.*] They drunk principally port, I suppose?—Yes, not much champagne in those days. I remember old Madeira was a great luxury then, and the principal part of the entertainments was the toasting afterwards.

969. Mr. *Grant Duff.*] As a matter of fact I suppose you would not deny that in the year 1830–31 they spent on dinners 2,865 *l.* 18 *s.*; in the year 1831–32 they spent 2,606 *l.* 5 *s.* on dinners; in the year 1832–33 they spent 2,465 *l.* 18 *s.* 6 *d.*; in the year 1833–34 they spent 1,808 *l.* 6 *s.* 1 *d.* on dinners; in the year 1851–52 they spent 1,895 *l.* 0 *s.* 6 *d.* on dinners; in the year 1852–53 they spent 2,016 *l.* 10 *s.* on dinners; in the year 1853–54 they spent 2,320 *l.* 16 *s.* on dinners; in the year 1854–55 they spent on dinners 2,014 *l.* 7 *s.* 6 *d.*; and in the year 1855–56 they spent 2,004 *l.* 18 *s.* on dinners?—Well, really it seems to me very moderate.

970. Then I want to know why the Sultan's ball was so immoderate, the only entertainment that has been given by the Queen's Indian Government since it has existed?—Well, I am sorry that I mentioned the Sultan's ball; I mentioned it among the other instances. I have no doubt that the Company would have paid some compliment or other to the Sultan; still it is a popular example.

971. Mr. *R. Fowler.*] But I suppose these dinners were in connection with business?—I want to explain about the dinners; judged by the standard of the City Companies, this annual expenditure on the East India Company's dinners was extremely moderate. I also think it was very proper that India, having a great Mussulman population, and being under great obligations to the Sultan for the facilities he has given for keeping up the communication with India, should have marked its sense of his advent to this country in some handsome manner; what was peculiarly exceptional in it was, not that Anglo-India paid this compliment to the Sultan in London, but that it was not counterbalanced by any similar mark of distinction on the part of the Queen's Government.

972. Mr. *Grant Duff.*] The mistake, if any, was, that the Imperial Government entertained the Sultan too little, not that the Indian Government entertained him too much?—Yes; in fact we had it on one side, not on the other; the primary compliment should have been on the part of the Queen's Government, but that was omitted, and it was all put off upon India.

973. Sir *Stafford Northcote.*] Have you not heard it commonly said that the great fault committed at that time was that Her Majesty's Government wished to entertain the Sultan, that they did not desire to do it at their own expense, and that they therefore handed him over to the Indian Government to entertain?—That was the popular way of putting it; but the real thing was that India was charged, and I do not say improperly charged, with the expense of a very handsome entertainment to the Sultan, but that there was nothing corresponding to it on the part of England.

974. Just let me tell you very briefly what the real circumstances were, and ask you whether that puts a different complexion upon it. The original idea of that entertainment was a suggestion of mine to my Council, or to some members of it, that as the Sultan was coming here, and as our new office was very nearly finished, it might be desirable to show him our office, and I asked them whether they thought it would be desirable to invite him to a luncheon there. The answer that I received was, "It would be quite a right thing to do; it is what the old East India Company would certainly have done, and the only question is whether we can find a room fit to receive him in, the building being so imperfectly prepared." Upon that I went down with two or three members of Council to the India Office to see whether there was a room in which we could entertain him, and we thought that the state of preparation was such that it would hardly be possible. However I said to them, "See if you can do anything, and send for the architect." I went away, having other busi-

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ness to do. When I saw them afterwards they said, "The architect has suggested a plan by which this can be done; if we would cover in the central court we could give him a very handsome entertainment," and their suggestion was that that would be the thing that the East India Company would probably have done, the object being to show this magnificent building which had just been completed. I threw the matter rather into their hands, and it was taken up, and at the first moment no idea of what the expense would be had arisen. Subsequently they having a committee found that it would cost this amount; but, in the meantime, the idea had taken very much hold on their minds, and it was thought best to go on with it. Do you believe that if those circumstances had been fairly known to the public, and it had been well known that it was an Indian matter, and not at all one concerning Her Majesty's Governmen[illegible] nothing about it until it had made some p[illegible] the same kind of fault would have been [illegible] that has been commonly found?—Well, it [illegible] beautiful entertainment, and quite worthy [illegible] occasion, and suited to it. It was a very [illegible] idea, and if I could undo what has been do[illegible] would not. I think it was what ought to hav[illegible] been done. The real point of the question is, not what we did on behalf of India, but what was left undone on the part of England; and I mentioned it in somewhat the same sense. We were speaking of how much more easy and agreeable it is to spend other people's money than our own. Now this was a case in which we entertained the Sultan with other people's money, and spared our own. The imputation is not against the Administration of India; they only did their duty, in my opinion.

Tuesday, 4th March 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir George Balfour.
Sir T. Bazley.
Mr. Beach.
Mr. Birley.
Mr. Bourke.
Mr. Crawford.
Mr. Cross.
Mr. Beckett Denison.
Mr. Dickinson.
Mr. Grant Duff.
Mr. Eastwick.
Sir James Elphinstone.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Robert Fowler.
Mr. Hermon.
Mr. Lyttelton.
Mr. John Benjamin Smith.
Sir David Wedderburn.
Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Sir CHARLES EDWARD TREVELYAN, K.C.B., re-called; and further Examined.

975. *Chairman.*] I THINK you wish, with reference to your former answers, to make some observation respecting the dissents of the Members of Council from the acts of the Secretary of State?—Yes; the tabular statement in the Appendix, No. 26, of the Second Report of the Committee throws a strong light upon the view which I then submitted as to the character of the Council under the new *régime*. Regarded as individual dissents, there were 35 in 13 years, or less than three in a year; the subjects of the dissents were 13, or exactly one a year. With the exception of the additional grant to the Mysore princes, none of the subjects to which I have called attention, as having specially required the interference of the Council for the protection of Indian interests, in the exercise of the exclusive power entrusted to it for this purpose of ordering payments out of the revenue, are alluded to. No allusion is made in any of the dissents to the novel abnormal arrangement by which promotion in the staff corps was made to depend upon length of service only, without any reference to vacancies in a fixed establishment. The present and prospective effect of this arrangement was described by the late Major General Sir Henry Durand, in his Minute of the 7th September 1869, as follows: "Admitting that Major General Hannyngton's estimate may be the more correct one, it is to be observed that he calculates on a maximum number of colonels with colonel's allowance in the staff corps at 749 instead of 982, according to the calculations of the undersigned. He makes no reference to the local colonels, of whom at the same period the undersigned calculated there would be 172. Reducing this latter number according to Major General Hannyngton's ratio would give 139, which, with the 749 of the staff corps, would represent a total of 888 recipients of the allowance, which will give an annual cost of 998,866 *l.* 16 *s.*, or close upon one million sterling, and this for a purely native army, not half the strength of that for which, prior to the Mutiny 176 colonels' allowances were deemed sufficient at an annual cost of 197,973 *l.* 12 *s.* It is clear that, whereas on the 1st January 1868 there were 145 Indian officers drawing the colonel's allowance, which, with their English pay, amounted to 165,452 *l.*, there will, on the 1st January 1880, be over half a million sterling paid to officers drawing colonels' allowances, and after a further period of 12 years, 1st January 1892, over a million sterling of charge on the like account. We shall therefore progress rapidly, if existing arrangements are maintained, towards a non-effective charge bearing the same ratio to the net military expenditure on effective services, as does the costly non-effective service of the British army. To suppose that, *pari passu* with this growth of non-effective charges, the Government of India can succeed in future years in reducing the effective service charges so as to keep down military expenditure to a particular amount, by crippling the force necessary for the security of the Empire, is simply absurd; yet, I must reiterate that as the staff corps system was imposed upon the Government of India contrary to the late Lord Canning's views, the Government of India, which will have to contend against this source of military financial embarrassment, is in no degree responsible for its creation. As an incubus calculated to be an effective counterpoise to military economy, it is a difficulty which, though it will weigh heavily upon, did certainly not originate with the Government of India or its advisers, but was forced upon them by the Home authorities." And again, in his Minute dated 16th October 1869, he says, "From Table H, it will be seen that, as compared with 1856, we have, in 1869, a reduction of 1,201 European officers in number, that is about one-fourth, but an aggregate increase of cost of above 7 lacs annually; notwithstanding the reduction in staff corps pay, the average cost for officers has increased from 4,448 rupees to

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to 6,278 rupees. The result is that the 3,312 officers at present cost above 7 lacs more than the 4,513 did formerly, and actually cost 60,60,960 rupees, or 606,096 *l.* more than the same number would have cost in 1856. We have therefore the singular result as regards the officers of the Indian army, that though they have been reduced in the interval between 1856 and 1869 by 25 per cent., their average cost has increased more than 1,800 rupees each, or a total of above 60 lacs. The fact is that the larger proportion of the higher grades now existing annuls the effect of the lower rates due to the decreased staff corps pay of grades, and this cause of augmented expenditure will increase and not diminish for a considerable number of years. It cannot be said, therefore, that the present system, for which the Government of India is not responsible, as it was imposed upon it by the Home Government, is a financial success from an economical point of view."

976. Was that written by General Durand when he was in India, or when he was at the India Office?—When he was in India as Military Member of Council.

977. Have you been able to pursue that investigation to know whether it was a policy enforced upon the Secretary of State by Indian opinion and Indian Members of Council in this country?—It was pressed upon him by the parties immediately interested, namely, the officers themselves; it was the invention of an Indian officer, and was worked out by a committee composed of English and Indian officers.

978. Do you know whether this proposal was not supported by the members of the Indian Council in this country?—I presume that, as they did not dissent from it, they supported it.

979. I believe you wish to make some further remarks on the subject of exports and imports?—Yes. Our true policy in India is to levy low rates of duty both upon exports and imports, imports being at least as much deserving of encouragement as exports. Acting upon this policy, I proposed in April 1863, as part of my first Budget, that the duty upon iron, the great material of industry upon which the works of every kind in progress in India so essentially depend, should be reduced from 1 to 10 per cent.; and in the following year, 1864, the import duty upon several hundred articles, including all the other metals besides iron, was reduced from 10 to $7\frac{1}{2}$ per cent. In 1865 the Government of India, on my recommendation, reduced the duty on saltpetre from 2 rupees to 1 rupee a maund; reimposed the normal export duty of 3 per cent. upon jute, wool, tea and coffee; reimposed the export duty upon hides, sugar, and silk to the extent of 2 per cent.; and raised the export duty on rice and other grains from 2 annas to 3 annas a maund. Jute, when manufactured in India into gunny bags and other articles, was already charged with an export duty of 3 per cent., and the manufacture of the country was thereby placed at a disadvantage in any market where it might be brought into competition with similar articles manufactured in England. The export duties imposed at my recommendation, were disallowed by the Secretary of State; but two years after the additional anna upon grain was reimposed at Mr. Massey's recommendation, and was sanctioned by the Secretary of State. Although the Secretary of State objected in 1865 to an export duty of 3 per cent. being levied on [illegible] coffee for the benefit of the Indian Exchequer, a duty of 45 per cent: was levied on this same [illegible] in England for the benefit of the English exchequer. This was neither just nor general, and the more so because great part of the [illegible] exported from India is sent direct to France and other foreign countries, and the Indian Treasury therefore misses any benefit from it. It should be explained that as the cultivation is carried on in wild frontier and mountainous districts, the public expenditure is more than usually heavy, both for making roads for the conveyance of the produce to the coast and supplies into the interior, and for providing the machinery of a civilised administration for a thinly scattered population.

980. In those districts?—Yes, in those districts, Assam, Wynaad, and so on. Hence the admission which has at different times been made by the tea planters of Assam, and the coffee planters of Wynaad and Ceylon, of the natural equity of their paying a moderate export duty upon their respective products. The tabular statements at pages 22-3 of the Statistical Abstract relating to British India, showing how the principal articles of export have increased from 1862 to 1871, clearly indicates that the time has arrived for dealing with this question in a practical way. Then I stated that the best mercantile opinion in India was in favour of moderate export duties; and I beg to give in support of that an extract from the proceedings of a meeting of the Calcutta Chamber of Commerce, 17th of March 1859; an extract from the proceedings of a public meeting on the customs duties at Calcutta, 7th of April 1859; and a short extract from the proceedings of the Legislative Council of India on the Income Tax Bill, the 17th of March 1871. In the Calcutta Chamber of Commerce, Mr. Remfry spoke as follows:—"His suggestion was that the Chamber ought to impress upon Government the necessity of levying an export duty on such articles of produce as cotton, sugar, indigo, &c., &c. These articles would bring in a large revenue, and he would explain to the meeting why the duty on exports should be increased more than the imports. The merchant in England would not pay a single pice less for the goods, nor will the merchant here (the shipper) pay one pice more to the producer. So that it was plain that the tax affected the consumer and not the producer. It was the wealthy zemindar who profited by it, and always reaped a rich harvest. As the price of every article of produce increased, the zemindar wrung it out of the ryots. He would now briefly state to the meeting how the price of certain, in fact all, articles of produce in this country had risen within the last 25 years. In referring to his accounts, he found that in 1835-36, not 1835, for he arrived in the country in 1836, he meant the latter year, he then bought mustard seed at the rate of 2 rupees a maund; it was now sold at 4 rupees per maund. Teal seed he bought at *Rs.* 1. 8., it was now *Rs.* 3. 8. Linseed at *Rs.* 1. 6., now *Rs.* 3. 12. and *Rs.* 4. 8. Rice at *Rs.* 1. 4., now *Rs.* 3. 8. The difference of price of the several articles he had just mentioned, in 1835-36, and those ruling now, left the zemindar an excellent profit, and as it would continue to increase he will be the gainer; and he took every possible advantage over his ryots by increasing the revenue, and he was, as all know,

perfect

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over them. Though the prices he g in 1835-36 compared with the s were less than one-half; still they left t to the grower, a good profit to the and enabled them to compete in the rkets. Where then had all the enor- erence in present rates gone to? Why e pockets of the zemindars, who gave no- in return, *and these* were the men who ld be made to contribute to the necessities e State. He (Mr. Remfry) would ask the eting would it not have been far better for the overnment to have increased the export duty an to have levied 20 per cent. on the imports, some of which were on articles which may be called necessaries of life. He understood perfectly well that the theory of commerce was not to tax exports, but they should still adopt a course which would benefit the poorer classes. It was a shame, he thought, that Englishmen should be made to pay the expenses of the mutiny after their having, to the risk of their lives, fought hard in putting it down. It was the Englishman who saved the life of the zemindar, and protected his land and property; and Government, as if repaying his kindness, now taxed him. He had an opportunity of speaking to a Member of Council the other day, and he told that gentleman that he and his brother members ought to be ashamed, sitting as Englishmen in that Council, to allow such a Bill to pass, which was legislation backways. He pointed out to him (the member) who were the people that should have been taxed; the wealthy native zemindars or landowners. 'But,' asked the mber, 'how are we to get at them?' This estion he thought could easily be answered. ey all remembered the way the shareolders of the defunct Union Bank were assed, each man was made to pay according to s means to meet the necessities of the case, and he would have these rich proprietors, in the st resort, assessed, and so proceed in the legitiate way, without fear or prejudice, to extricate he country from its difficulties. If through the Englishman the natives were saved, it was but air that they should be taxed, and not he. After some further remarks, Mr. Remfry concluded by expressing a hope that Lord Stanley, to whom the Europeans in India must appeal for a modification of the present Customs Bill, would increase the exports, and see the propriety of making the wealthy natives of this country contribute towards the expenses caused by the rebellion, and that the chamber would agitate the question. Mr. Remfry said he was certain that Lord Stanley would attend to his suggestions of increasing the export duties, if the matter was represented by the chamber. Lord Stanley was a sensible man, and he did not think that that statesman would be led away by any clique. He (Lord Stanley) would not be inimical to such a measure when he saw that it was for the good of the country, and that the Government would recover an immense revenue by it. Lord Stanley might not proceed with it immediately, still he would not lose sight of the measure. He thought it was absolutely necessary that some such step should be taken, so that the people who were well able to pay might be taxed. They were, as he said before, the zemindars. The zemindar was not a person who was taxed like other people. He paid the same revenue to Government which he had paid years when the state of the country was quite different from what it now was. In the revenue he paid, the zemindar could not be touched, while he raised the rents of his ryots in proportion to the value of the article." Then I find this passage in a speech delivered at the same meeting by Mr. Bullen: "Now he (Mr. Bullen) was not going to argue in favour of export duties in the abstract. He knew that they were opposed to recent commercial legislation, and that which argumented in favour of them were not likely to meet much approval. But he agreed with Mr. Remfry, that the circumstances of this country were peculiar, and such as would possibly justify a departure from principles applicable elsewhere, and if it were a question whether it would be wiser to increase the import or export duties here, he was free to confess there appeared to him more arguments in favour of increasing the latter than the former. He believed the export trade of this country was in a position better able to bear increased taxation than the import trade. What, he would ask, would be the effect of an increase of export duties? It would, he thought, be admitted on all sides that a purchaser of a produce for a foreign market could only afford to pay for it such a price as, plus the duty and all charges, would enable him to lay that produce down in the market of consumption at certain limits. What then would necessarily follow an increase of the export duty? Why, that the first cost of the commodity must decline in proportion; this again would re-act on the grower, and eventually, through him, on the landholder. Well, this was just what was wanted. All of them who have had much experience in this country must remember how important has been the rise in prices of all articles of produce within the last few years. As Mr. Remfry had shown, the greater portion of the profit had gone into the pockets of the landholder. And, unless by a system of direct taxation, there was no other way, except by export duties, in which these profits can be got at, for owing to the rental of their estates having been proportionably fixed years ago, when the produce of the land was worth so much less than it has been of late, that rental no longer represented even approximately the value of their estates. Then, if they took such articles as were produced in India alone, and which consequently would not have to compete in foreign markets with such as could be produced cheaper in other countries, the effect of any increase in the export duty would rather be to raise the price to the consumer; and if by such a device they could raise revenue out of foreign consumers, without detriment to the producer, that would seem to be the very perfection of customs taxation. He alluded to such articles as saltpetre and, possibly, indigo. He (Mr. Bullen) would not, however, wish it to be understood that he was arguing in favour of export duties in the abstract; which indeed would be inconsistent with his own resolution, but merely, that as between the two trades, in the peculiar position of land tenure in this country, the export was in a better position to bear an increased impost. There was, however, one argument in favour of encouragement, instead of discouragement, being extended to import trade. Our exports always exceeded our imports by several millions sterling annually, and to balance that debt, England had to send us large amounts of bullion, to the great disturbance occasionally

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occasionally of her money market. It was not likely that India would for many years take from foreign countries as much produce as she could export, but it would be a wise policy to encourage imports as much as possible, though the impositions of heavy duties was certainly an Irish kind of encouragement." At the public meeting on the Customs duties, Mr. Maitland, in the course of his speech, said this: "The tariff made only two alterations in exports. The export duty on raw silk was removed, while that on rice and grain was quadrupled, being raised from half an anna to two annas a maund, whatever the quality and value of the grain. The reason given for removing the silk duty was to enable Indian silk to compete more successfully with that of other countries. The duty was only 3½ annas a seer, or less than 3*d.* per pound; and he believed that the general feeling among merchants was, that such a trifling change would produce no effect at all, and that the Government might have kept their revenue." The following is the extract from the proceedings of the Legislative Council of India on the Income Tax Bill, to which I have referred. It is from a speech by Mr. Bullen Smith: "Assuming, as he had said, that all export duties were objectionable, but that the necessities of the State rendered some income from such a source imperative, the question then surely arose, which among our considerable articles of export most nearly approached the conditions under which, according to the universally received principles of political economy, an export duty could best be borne? In other words, which of our considerable articles of export had, as regards supplying the wants of other countries, a monopoly, or the nearest approach thereto? He thought none would deny that the institution of such an examination as he had sketched, into the position of our various export trades, would be the proper course to pursue under the circumstances; but he found nothing in this exposition showing that the principle he spoke of had even been considered. By way of illustration, he would take the three important articles of indigo, rice, and jute; and he specially selected jute, because, in the financial statement before him, the continued flourishing condition of this article was dwelt upon. He found that this article, of which he might say that British India had almost an entire monopoly, the value of which had nearly doubled of late years, and the export of which had marvellously increased, left the country free of all duty whatever. He found that indigo, of which British India furnished the main supply to the world, although Guatemala to a certain extent competed, paid an export duty of 3 rupees per maund, or, say, 1¼ per cent. on the average selling price of the season just closed; while rice paid an export duty of 3 annas per maund, equal at present prices in the Presidency to nearly 9 per cent. on the common, and over 7 per cent. on the better qualities. That is to say, the article of which we had virtually a monopoly, and the growing prosperity of which was matter of universal comment, paid no export duty; the article which met with a certain competition paid 1¼ per cent., while the article which was exposed to a keen competition in every market to which it went, was at the present moment paying an export duty of 9 per cent." I was also desired by the Committee to give in a copy of my Minute, dated in November 1864, proposing the appointment of a Commission at Calcutta, to consider the propriety of converting the [illegible] monopoly into an export duty. [illegible] entertained up to that time is expr[illegible] following sentence: "I feel confide[illegible] change of system could be effected wi[illegible] the government revenue, and without [illegible] derangement of the trade." There are [illegible] memoranda, one upon the Bengal opium a[illegible] ments, and the other upon the Malwa opi[illegible] rangements, which were carefully prepare[illegible] me in the Financial Department at Calcut[illegible] that time, which I will give in; it is for the C[illegible] mittee to say whether they shall appear as part [illegible] their proceedings.

981. Mr. *Grant Duff.*] In answer to Questio[illegible] 758, you said that you praised the financial ad[illegible] ministration of the Company with special refer[illegible] ence to its fixed policy of keeping within it[illegible] means. Did it keep within its means?—The Company was the founder of our Indian Empire, and the whole period of the administration of the Company was a period of construction of th[illegible] Empire; so that the expenses of the wars out[illegible] which that Empire originated were continuall[illegible] pressing upon them, and therefore they were ofte[illegible] in deficit, although on two or three remarkable occasions, by the exercise of strict economy, a surplus was produced; but the observation that I have to make is, that if it had not been for this habitual frugality of the Company, they never could have done what they did; they never could have constructed that Empire.

982. No one wishes, I am sure, for a moment to detract from the glory of the Company; it is difficult to speak too strongly about that. I confine my questions entirely to the financial as[illegible] of its affairs, and I want to ask you whethe[illegible] kept anything like so well within its means as [illegible] Government that has succeeded it, especially [illegible] you remember what an amount of actual proper[illegible] the present Government has created for t[illegible] people of India out of the taxes of t[illegible] people of India; while the Company created [illegible] little that it was a common, though no doubt ve[illegible] exaggerated, saying 30 years ago that Englan[illegible] would leave no monuments on the soil of Indi[illegible] except mountains of beer bottles?—I hav[illegible] already admitted that the bad side of the Com[illegible] pany was their dislike of roads and indifferenc[illegible] to education; but looking only to finance, they had in their latter years, before the great Affgha[illegible] war was forced upon them by the Queen's Govern[illegible] ment, two periods of financial prosperity, under Lord Amherst and under Lord William Ben[illegible] tinck; and I think that they may well compare with the brief periods of surplus under the Queen's Government.

983. Do you think that the financinl admini[illegible] tration of India was the best or the worst part [illegible] the Company's system?—That is too large [illegible] question to receive an answer offhand. I shou[illegible] say, on a brief consideration, that it was neithe[illegible] the one nor the other. The character of thei[illegible] financial administration was as I stated; it ha[illegible] the cardinal merit of frugality; and although they did not construct a system of public works like the Queen's Government, they constructed the Empire, without which those public works could have had no existence.

984. Then how was it, may I ask you, that on the 7th of July 1853, you told the Committee which was then sitting, that "The financial system of India is the least perfect and advanced of all branches of administration in India; in fact it is still

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and elementary state"?—I was r of Her Majesty's Treasury, and orking for years at the elaboration m of estimate, account, and audit; essing that opinion I had particular o the perfection of the machinery of e synthetical arrangements by which is reduced to a science. That opinion is istinct from the consideration of the par- merit of the Company as to its frugality.

986. But do you know that that statement you made shocked Sir James Melville so ich that he came forward and gave evidence ectly opposed to it?—I know that perfectly; what I pointed at then was what I afterwards had the happiness of introducing, with the assistance of Mr. Forster and Mr. Whiffin, namely, a plan to reduce the machinery of Indian finance into a regular synthetical state. That the Company never arrived at; their accounts were conducted n the antiquated, purely mercantile, system ich I described in a previous day's evidence; l the whole of that part of their finance was a very crude state indeed.

986. So that you would agree, I suppose, that the financial system of India has been gradually improving since the early days of the Company up to the present time, although we may admit that it is still by no means perfect?—Yes, I think the foundation has been laid of very great financial improvements. The extension to India of the improved English system of public account, by estimate, account, and audit, commonly called the Budget system, was a very great improvement; and although it has broken vn in the application that was given to it Calcutta to the finances of the whole of India, t I expect that it will be applied to the separate finances of the Supreme Government, and of e different local governments, with the greatest ossible advantage. As between the financial stems of the Queen's and the Company's overnments, I should describe the difference in is general way, that while the financial system f the Company was best in substance, the finanial system of the Queen's Government hitherto as been best in form and external arrangement.

987. You say that the finance of the Company was best in substance; I suppose you admit that very considerable change has come over mercantile feeling in the last generation?—Yes; ut I do not precisely understand what you ean by a considerable change. The mercantile ofession has advanced, and has come more to e front, and is much more powerful than it as.

988. And also more speculative?—Yes, more peculative also.

989. *Chairman.*] Perhaps it might be said at it deals more with other people's capital han it did formerly?—Certainly it does; and it hows the same disposition to deal with the apital of the Government of India.

990. Mr. *Grant Duff.*] You say, in answer to Question 537, that the East India Company represented the mercantile interest of England of that date; but I also understand you to say that much of the unnecessary expenditure to which you object has been forced on the Government of India by the pressure of the mercantile interest here and in India; would not the pressure of the mercantile interest have been stronger on a mercantile body like the Company, than on a body like the Council of the Secretary of State?—No; because the East India Company incorporated in itself a great amount of mercantile interest, and it had extremely deep roots in English society. It was a popular body; the proprietors, and the numerous other families interested in the maintenance of the Company, represented a great body of substantial English opinion.

991. Is it not one of the commonest commonplaces of Indian reformers that there ought to be a much larger mercantile element in the Council of the Secretary of State, because it is now supposed to be too little influenced by mercantile opinion?—I think it is merely a commonplace; I think it is a mistake. I think that the experience we have had of late years of the action of the mercantile and monied interests upon the finances of India shows that it would be extremely dangerous to admit the mercantile and monied influence into the Council.

992. You said in answer to Question 440, that the Company managed the recruiting for themselves, and that they had a single depôt at Warley, in Essex; it is true, is it not, though the Warley depôt was only for recruits actually in the service of the Company, and that in regard to the Queen's regiments which went to India, an entirely different arrangement existed, based on the principle of repaying to the British Exchequer the actual cost of providing recruits under the Imperial system?—That is the case. I consider that there is great virtue in that expression "the actual cost;" the actual cost is just what India ought now to be required to pay.

993. In answer to Question 628, you said that the War Department and the Admiralty screw as much as they can out of India, and then the entire body of the military officers extort as much as they can; now it is quite true that we want all the help the House of Commons can give us both in standing up against the War Office and the Admiralty, which do not, I am sure, mean to do anything unfair for India, but simply to do what they conceive to be right to the British taxpayer; and we want all the help that the House of Commons, and above all, which this Committee can give us, in standing up against the officers who are fighting for their own hand; but did not precisely the same state of things exist in the days of the Company?—No; the difference is that in the days of the Company these discussions were carried on between two independent Powers; for the Company, in all detailed financial matters of this kind, was virtually independent, and was not interfered with. I know that from experience, because I had the settlement of these accounts with the officers of the Company for a great many years, and a very heavy burden it was upon me. In those days I had to stand up for the British taxpayer, and when the Melvills had given me their ultimatum on any particulur point, I had to consider whether it was worth my while to go to the Chancellor of the Exchequer, and lay the matter before him, and induce him to enter into all the intricate considerations upon which the settlement was founded. On the whole the Company had decidedly the best of it in those days.

994. Does not now, what you so expressively called in your evidence the other day, the same "cat and dog business," go on between the India Office of to-day and the War Office?—Yes; but now both sides are Queen's officers. Before, this

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chronic controversy was carried on between the virtually independent power of the Company and the departments of the Queen's Government; now it is carried on between two departments of the Queen's Government.

995. But an independent power, which, as I think we proved the other day, could be at any time overruled by the Board of Control the President of which was a member of the Cabinet?—Not in expenditure out of the revenue. By law the Company was vested with an exclusive power of ordering payments out of the revenue, and if in these controversies between me and the Melvills we had come to a final issue, the only way in which the view taken by the Treasury could have been forced upon the India House would have been by a *mandamus* from the Court of Queen's Bench.

996. And that procedure was resorted to in extreme cases, was it not?—I do not remember its being resorted to in any case in which the Home Government itself was interested. The only instance which I remember in my time is when the President of the Board of Control attempted to force the Court of Directors to send a despatch to India ordering the payment by the Nawab or King of Lucknow of debts alleged to be owing to British subjects.

997. You mean the Nizam, do you not?—No.

998. Mr. *Fowler.*] When was that case to which you refer?—It is a great many years ago. I should think about the year 1830 to 1835, when Mr. Charles Grant, afterwards Lord Glenelg, was President of the Board of Control.

999. There was a case of this sort about the year 1823, was there not?—This was much later; it may also have happened in reference to the Nizam.

1000. *Chairman.*] You are thinking of the case of the Lucknow bankers?—Yes; I really forget when it was, but it attracted my attention at the time, and I thought that the Company did extremely well in resisting it, and they carried the day. The debts had been bought up by British subjects.

1001. Mr. *Grant Duff.*] Have you had your attention drawn to these papers which I hand to you (*handing the same to the Witness*), because if you have not, I think you should look at them in justice to some servants of the people of India, who do their duty by them as zealously as even you yourself ever did either at Whitehall or at Calcutta?—Without looking at the papers I am quite ready to admit that.

1002. *Chairman.*] Will you state what those papers are?—It is a "Copy of the Proceedings of the Committee of which Mr. Seccombe was a member, which sat at the end of last year, to inquire into the expense of the recruits for the regiments serving in India." It is Parliamentary Paper No. 129, of the 27th of March 1871. There is a Report of the Committee. I am quite ready to admit that the officers of the India Office do the very best for India that they can.

1003. Mr. *Grant Duff.*] You believe that Mr. Seccombe and Sir Thomas Pears made just as stout a resistance to Mr. Cardwell's subordinates as ever the Melvills did to you?—So far as depended upon them they did, but they were not backed in the way that the Melvills were.

1004. Do you see from that Paper that the conclusion arrived at was one which resulted from the labours of an impartial Committee which went into the subject of recruiti[ng] doubt it. I have not time now to g[o] tails, and I therefore cannot form upon the results; but I feel sure that of the India Office did the best they India, and that the officers of the War the best they could for the War Office.

1005. You admitted, I think, the othe[r] that the Cabinet has never overruled the retary of State in Council in any matter tha[t] cost India anything like so much as the Affg[han] War, in which the Company were overruled? I freely admit that. That is the most expensi[ve] matter on which Anglo-India was ever overrul[ed] by the Queen's Government.

1006. In short, ever since Mr. Pitt's Act, whe[n] the Home Government was determined to over rule the persons who were immediately charge[d] with the Government of India they were able t[o] do so?—Yes, they were able to do so; but th[e] power was rarely exercised under the Company the instance of the Affghan war is quite a uniq[ue] case.

1007. *Chairman.*] Do you know whether th[e] Cabinet overruled the Court of Directors or no in the annexation of Oude, or whether the Cour of Directors were concurrent with the Cabinet i[n] the appropriation of Oude by the British Govern ment?—The question of the annexation of Oud[e] had been going on in various forms all throug[h] the period of my public life, and both sides o[f] the question were fully represented, not only i[n] Parliament, but among the officers of the Com pany, and at last the pear fell when it was quit[e] ripe. I do not remember whether the Compan[y] agreed to it or not. It was a matter of cour[se] and was quite right. My impression is that th[ere] was no decided stand made by the Compa[ny] against the annexation of Oude.

1008. You do not recollect whether it was policy which they favoured adversely to th[e] Governor General?—Well, the Company wa[s] generally adverse to annexation, but the circum stances were so very strong in favour of th[e] annexation of Oude, that even if they did g[o] through the form of objecting, it did not amoun[t] to much.

1009. Mr. *Grant Duff.*] I want to ask yo[u] one or two questions about barracks (on whic[h] you gave us some very interesting evidence th[e] other day), just to make our information com plete; Sir Charles Napier was one of the firs[t] persons, was he not, who called attention i[n] India to improved barrack accommodation?—Ye[s] I think so.

1010. Do you chance to remember a passag[e] in his "Indian Misgovernment," published i[n] 1854, which is a sort of *locus classicus* on th[e] subject; I will read it to you: "The barrac[k] system sacrifices soldiers' lives and happiness t[o] a fallacious, dishonest economy. I charge th[e] Court of Directors, the Military Board of Cal cutta, the Government of Bombay with shamefu[l] negligence of the soldiers' safety. Colaba barracks slaughter-houses of more thousands of Britis[h] soldiers than would suffice for the winning of 50 battles, a pestilential barrack. In Bengal barracks are, with few exceptions, extremely bad, but more pernicious still is the number of men crammed into them." Do you chance to remember that passage?—Yes, I remember it, and I agree with it.

1011. The writings of Sir Charles Napier and others excited, did they not, a good deal of interest in

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rack question in India, even before the and when it broke out a huge double d barrack was being erected at Cawn- That may be so.

2. After the Mutiny the greatly increased of British troops caused renewed attention directed to the subject, did it not?—Cer- inly.

1013. Did you ever see this Despatch of Lord Elgin's, dated 7th January 1863, I think a few days before you took your seat in Council, from which I am going to read an important extract?—This is a Despatch to Sir Charles Wood, then Secretary of State in Council, and is dated the 7th January 1863. "Your Despatch of the 30th August, No. 145 in the Financial Department, authorising us to apply a portion of the cash balances to supplement the amount which can be set aside year by year from the current revenue of India for expenditure upon public works, having been transferred to this department for further consideration, we now have the honour to report to you the conclusions at which we have arrived on this very important subject. (2.) You express an opinion that 3,000,000 *l.* sterling may safely be withdrawn from the cash reserves for this purpose, and you propose that this sum should be wholly devoted to useful works of a remunerative character, such as the Godavery river improvement works, the canals in Sindh or elsewhere, roads for the transport of cotton, and so forth, leaving it, however, to our Government to select undertakings to which the funds should be applied. (3.) The permission which Her Majesty's Government has thus accorded for laying out a large sum from the accumulated surplus cash balances on works of internal improvement was received by us with much satisfaction, for ample and most profitable employment could certainly be found for any amount that could thus be safely made available, either by applying it to enhance the grants that can be made from surplus revenue to the different important works of this class, which are now under construction in various parts of the country, so as to admit of their being carried on with greater energy, and brought more rapidly to completion than would otherwise be possible; or by appropriating it in aid of altogether new works of a similar character, of which many have been projected, but the commencement of which has been unavoidably postponed for want of the necessary funds. (4.) But on proceeding to consider more in detail the exact nature and weight of the various claims that might be made upon us, in behalf of the numerous classes of works dealt with in the Public Works Annual Estimates, we were compelled, though not without a strong feeling of disappointment, to accept the conclusion that there is still a more urgent call upon the resources of the Government of India than that for extending works of internal improvement, namely, that for the provision of permanent barrack accommodation for the European troops quartered in the country, and that this alone will probably absorb all the additional means which the state of the cash renders available. (5.) You are well aware that when the great increase in the strength of the European forces in this country took place in the latter end of 1857 and the beginning of 1858, it became necessary to provide shelter for the additional troops in a very short time, and that it was only possible to accomplish this with the necessary promptitude by constructing barracks of a very temporary and imperfect kind. In some parts of the country, as in Oudh, the barracks created since the mutinies, though not equal in size to the standard barracks, nor built of the best materials, are, it is true, very airy substantial buildings, and are calculated to last for several years. And at other places, as Secunderabad, new permanent barracks have been altogether or nearly completed. But speaking generally the new barracks are of quite a temporary character; they have been constructed of such material as were immediately available, and have, in many instances, been placed on hurriedly chosen sites. Moreover, in many places, as for instance in Rohilkhund, at Delhi, and Saugor, the troops are still in a greater or less degree unprovided with regular barracks, and are partly quartered in hired dwelling-houses, or in Government buildings which, having been destroyed during the mutinies, were hastily repaired and appropriated to meet the most pressing wants of the European soldiers. (6.) The accommodation for a large portion of the European troops being of the nature we have described, the necessity for speedily replacing it by proper barracks has never been lost sight of. But a final consideration of the subject was necessarily deferred while the state of the finances was so unfavourable as to demand the restriction of all expenditure within the narrowest limits; nor indeed could it have been usefully taken up so long as the strength of the European forces serving in India remained uncertain, nor until the distribution of the force finally fixed upon had been determined. Our expenditure on military works for the last three years has, therefore, been confined in great measure to the maintenance and improvement of existing buildings, and little or nothing has been done towards increasing the number of permanent barracks (7.) But the time has clearly now come when a different line of action may properly be followed"; and then they go on to press most strongly this scheme of new permanent barracks upon the Government at home, are you acquainted with that Despatch?—Yes, I am aware of that Despatch, and I freely admit that English sanitary improvement has been productive of great advantage in the military, as well as in other departments in India, and is likely to be productive of still greater advantage in calling attention to the elementary sanitary considerations connected with the lodging of the troops. For instance, it was thought at first that, provided the troops were only put in the hills, they must be healthy there, whereas it was found by experience that if they were put into stuffy, ill-ventilated, ill-drained houses in the hills, it was worse than their being in the plains. Well, sanitary science has set that right. I mention that as an example. And as regards barracks, I freely admit that a great deal had still to be done for the improvement of the barracks. The question is, not whether something considerable ought not to have been done, but as to what was really done. There are two ways of doing everything, a good and a bad way, and it appears to me that what was actually done was open to several objections, which I am prepared to mention.

1014. I think we will get to that presently; but let us quite understand each other now, if you please. This Despatch, so far as it goes, shows,

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shows, does it not, that the first pressure to make these great new barrack works was first put by the Government of India upon the Secretary of State; not by the Secretary of State upon the Government of India?—No; I do not think it proves that, because I believe that the fountain of the sanitary stream was in England. All this time a Commission was sitting in England to consider the subject of housing the troops in India on a grand scale, and in a complete form, and the mere mention of the "standard plans" shows that all this statement had reference to what was in progress in England.

1015. I think not; this Despatch that I have read to you was dated, was it not, the 7th January 1863?—Yes.

1016. Do you know what the Secretary of State replied to that Despatch?—I do not remember.

1017. Then I will read you a paragraph from his Despatch: "But in alluding to the mortality of European troops at several military stations, and the importance of increased sanitary precautions in all matters relating to barrack buildings; you observe 'that some of the worst outbreaks of cholera have occurred in places which are supplied with standard barracks of the best kind erected before 1857;'" now, that phrase, "standard barracks erected before 1857," shows, does it not, that standard barracks existed long before the Royal Commission on the sanitary state of the army in India was called into existence, because that Commission was only appointed in 1859?—Certainly; if the term "standard barracks," as an official Indian term, can be traced to 1857, it would show that it was precedent to the Royal Commission.

1018. Then the Despatch continues: "'And that the stations provided with only temporary quarters have proved generally as healthy as others;' there is, consequently, so far as the health of the troops is concerned, no immediate demand for a large expenditure on this account. Her Majesty's Government are, nevertheless, very desirous that measures should be taken for providing suitable barrack accommodation, but that must be done gradually, and there is no reason for separating the necessary charge to be incurred on this account from the ordinary expenditure of each year." Now, would you not say that that Despatch from the Secretary of State, being the answer to the pressing demand of the Government of India to create great new barracks, looks very much as if the pressure came from India upon England, not from England upon India?—The Despatch from the Secretary of State, so far as it goes, no doubt is an injunction to caution; but I cannot reconcile that with the general course of events, because the great estimates of 8, 10, or 11 millions, and the extensive plans of palatial barracks in various parts of India, were fully known to the Secretary of State, and fully reported.

1019. I am speaking now of the Despatch that was written from the Secretary of State to the Goverment of India on the 9th March 1863; we will presently come to discuss the so-called palatial barracks; you admit that that Despatch is a genuine document?—Yes; I do not doubt that.

1020. Now then, still sticking to the date, is it not true that on the 2nd July 1863 the Government of India passed a resolution recognising the necessity for completing the old and erecting new barracks, and appointed Colonel C[illegible] to assist it in doing so?—Yes; I recolle[illegible] resolution.

1021. Was not that several months bef[illegible] Government of India received the Report [illegible] Royal Sanitary Commission?—Well, if [illegible] stated as a fact, I am quite ready to admit it.

1022. The Government of India did not receiv[illegible] the Secretary of State's Despatch calling its attention to the Report of the Royal Commission on the sanitary state of the army in India, for more than two months after that, did it?—I am quite ready to admit that; but I may remark that it was perfectly well known in India that the Royal Commission had been sitting for months, and the out-turn of the Royal Commission was perfectly well understood in India, and formed the rule upon which the Government of India acted.

1023. And when the Secretary of State did call the attention of the Government of India to the Report of the Sanitary Commission, he did it in this spirit, did he not; "as you are making barracks, at least consider the suggestions of the best sanitary authorities at home before you finally determine what to do"; was not that the spirit of his injunction?—I do not doubt that that instruction was given.

1024. The designs for the new barracks were all made in India, were they not, and either carried into effect in India without reference to home, or else they were sent to England for criticism and returned to India; they were not model plans sent out from England to be obeyed in India; is that not so?—My recollection is that the plans received from England were taken as the basis; any important deviation from them had to be justified and explained.

1025. But would you be surprised to know that that was not so; would you be surprised to learn that Colonel Crommelin was so far advanced with his plans, made by the orders of yourself and your colleagues, not by the orders of the Secretary of State, that he had time to make very few alterations in his plans, after receiving the suggestions of the Royal Commission, the Secretary of State's Despatch having reached India in the end of September, and Colonel Crommelin having reported to you on the 29th October?—The impression I received from all the discussions which took place in the Supreme Council of India on this subject was that the model plans and the recommendations of the Royal Commission were our polar star, even before the Report of the Royal Commission was received. I cannot say how far Colonel Crommelin received inspiration from home from the Royal Commission.

1026. I think Colonel Crommelin has already told us in evidence that he made very few alterations indeed in his original plan in consequence of the suggestions of the Royal Commission. (To Colonel *Crommelin.*) I think as a matter of fact you made in the Report that you presented on the 29th October, 1861, to the Indian Government, very few changes indeed upon what you had resolved to do, in consequence of the suggestions of the Army Sanitary Commission?—(Colonel *Crommelin.*) The changes were very slight indeed; they were only in the disposition of parts of the building. (Sir *Charles Trevelyan.*) Might Colonel Crommelin be asked whether he first became acquainted with the plans and recommendations of the Royal Commission when the

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[illegible] was received by the Government of [illegible] a formal shape?

[illegible] (To Colonel *Crommelin.*) When did you [illegible] acquainted with the Report of the Royal [illegible]ission?— (Colonel *Crommelin.*) After I [illegible]mpleted my first memorandum.

1028. *Chairman.*] Was it through the Govern[illegible]nt of India sending it to you, by a direct communication from England?— After I had completed my first memorandum which embodied the whole of the principles, I received from Sir Charles Trevelyan himself a copy of the Sanitary Commission Report which he had received before its official publication. I re-read my memorandum, and pointed out the various points in which my recommendations were the same as those of the Sanitary Commission; but no alterations of any material consequence were made in my Report.

1029. Mr. *Grant Duff* (to Sir *Charles Trevelyan*).]—Now we will pass to the double storied barracks; I want to find out definitely who was responsible for them; did the Royal Commission recommend double storied barracks?—My impression is that they did.

1030. Is it not the fact that they did not say one word about them, for or against?—I may be mistaken, but I know it was one grand principle of the Royal Commission that the troops should not sleep on the ground floor; that they should be above the pestilential exhalations which affect people sleeping on the ground floor.

1031. *Chairman.*] Are you clear in your recollection as to what came from the Royal Commission in England, and what came from Colonel Crommelin's report, which reached you at much the same period?—I believe they were much of the same opinion.

1032. Mr. *Grant Duff.*] You do not commit yourself to the assertion, surely, that the Royal Commission said anything whatever about double storied barracks, for or against them?—I say what is equivalent to it, that I believe that the opinion expressed by the Royal Commission was that the troops should not sleep on the ground floor. It was one principle that was constantly before us, that the troops were not to sleep upon the ground floor, and I remember a question when the barracks were very large, and the troops not very numerous, what was to be done with the ground floor; it was difficult to utilise it.

1033. Did Colonel Crommelin recommend double storied barracks, or did he not?—Colonel Crommelin was merely a subordinate officer of the head of the Public Works Department. Unquestionably the director, the secretary of the Public Works Department, recommended double storied barracks.

1034. But it was on Colonel Crommelin's report, sent in on the 29th October 1863, that the Government of India deliberated, was it not?—Yes, that was the principal document, but it was not then merely; the subject was going on for months.

1035. I think Colonel Crommelin was ordered by you, Sir Charles Trevelyan, and your colleagues, to make that report to you, and he did make that report to you?—Yes.

1036. And in that report there occurred the following sentences:—"In damp climates like Bengal the expense of raising the sleeping apartments of the men well above the ground must be incurred, and here it may be advisable to carry out the arrangement; but even then the lower floors must be well raised for the auxiliary accommodation, although not so much as would be necessary if they were to be occupied as dormitories. On the score of health there do not appear to be any manifest reasons why Government should be put to any great expense in placing men in upper stories in the North West Provinces, or in the Punjaub, or in other parts of India, where similar dry climates and soils exist. The average rates of sickness and mortality throughout all the military stations in the Bengal Presidency shown in a table prepared in the office of the Principal Inspector General, Medical Department, for the year 1872, when there was fair accommodation for the men, are 7·27 sick to strength per cent., and 20·97 deaths from all causes to strength per thousand, and it must be remembered that the troops, with but few exceptions, were housed in barracks, having ground floors only." You will not deny that I am right in saying that Colonel Crommelin was against and not in favour of double storied barracks, except in the damp climates of Bengal?—That opinion is perfectly correct, but I am unable to reconcile it with the fact that double storied barracks were erected in those dry climates.

1037. I think I will reconcile it in a moment; but now I want to know who is responsible for the double storied barracks; on the 18th March Sir John Lawrence made a Minute in these words, he being then the head of the Government of India: "I am of opinion that all barracks for unmarried European troops in the country ought to be constructed with an upper storey; the extra cost of housing a regiment of Infantry, by letting the upper storey be used only as a dormitory, and the ground floor for dining rooms, workshops and library, &c., may be reckoned at a lakh of rupees. The expense would, in my opinion, be well incurred even as a financial measure by the saving of life, lessening disease, and thereby reduction of expenditure incurred in hospital." From that it results that the Governor General was strongly in favour of the double storied barracks, and was to a certain extent responsible for them?—Yes.

1038. But on the 19th March 1864 one of his ablest and most influential colleagues wrote as follows: "I agree with the Governor General in preferring upper storied barracks and in attaching importance to the concentration of the buildings in our military stations; I am also entirely against the cottage system;" that influential Member of Council was yourself?—That certainly very far from expresses the opinion which I have since formed.

1039. That is entirely opposed to your present views, as I understand?—It is entirely opposed to my present views.

1040. But you were one of the members of the Government of India who was personally responsible for these double storied barracks?—Yes; I have no recollection of that, but I do not doubt it.

1041. The conclusions of the Government of India were as follows, were they not, "That the buildings should be of moderate size; that the double storied buildings, in which the upper floors only should be used as dormitories, and the lower ones as day rooms and for auxiliary purposes, should be adopted as a rule in all parts of India; these conclusions having been come to

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by you and your colleagues after very full consideration, were concurred in by the Royal Commission, and so far from its being true that the only question was where these barracks were to be erected, and for what force, you expressed your personal opinion on a great number of minute points, is not that so; I can read your Minute here if you wish?—Well, I must look over my Minute. I cannot recollect each particular Minute which I recorded. I know that I gave the best assistance I could, according to the views which I then entertained; and in order that justice may be done to the views which I then entertained, it must be understood what was meant by the "cottage system." I believe that I had in my mind the state of things which I described in the hills, where the troops died from being put into small low buildings imperfectly ventilated and drained.

1042. But, nevertheless, if anyone involved the people of India in an expenditure of 10 or 11 millions in new barracks, much the largest portion of which has been entirely thrown away, one of these persons was yourself?—Yes; I am quite ready to take my share of the responsibility.

1043. But now tell me did any persons involve the people of India in such an expenditure for new barracks; tell me if there is one penny that you can put down to the cost of the new barracks over 5¼ millions, and tell me how you arrive at your figures?—When I mentioned the figures quoted, my meaning was that up to the period of my holding the office of Financial Minister, the sum which the Government of India expected to provide for barracks, including, no doubt, military works (at Peshawur, for instance, the barracks were to be in a fortified *enciente*), but still military works connected with barracks, was 8,000,000 *l.* My successor, Mr. Massey, in his first Budget, stated it at 10 or 11 millions, certainly at 10, and I think at 11. When, therefore, I spoke of 8, 10, and 11 millions, I was speaking of the estimated sum that the Government of India expected to have to provide for barracks and military works connected with barracks, which appear never to have been carried out. The honourable Member is speaking of the sum which was actually expended. I am very glad to hear that it is comparatively small.

1044. Mr. *Fawcett.*] What you meant to say is that you cannot form an opinion as to what has been spent?—I take the 5¼ millions from the honourable Member's statement; I cannot speak to it myself.

1045. Mr. *Grant Duff.*] Then I want to understand how it is that the largest portion of what you call 10 or 11 millions, and what I call 5¼ millions, has been thrown away?—I altogether deny the assumption that the 5¼ millions which you are speaking of, and the 10 or 11 millions which I spoke of, refer to the same thing. They refer to totally different things. A very small sum had been provided in my time; it had hardly commenced.

1046. You certainly stated that the largest portion of the sum of 10 or 11 millions has been thrown away?—I meant to state that a large portion of the sum actually expended was thrown away.

1047. Now what does that mean?—First of all, that the barracks were constructed according to a wrong plan, with an extensive face to the sun both on sides and roof, and also that they were badly constructed accordi[illegible] plan, and in some cases either tumbled [illegible] were so unsafe that they could not be occ[illegible]

1048. Now I want to ask you abou[illegible] How much waste do you suppose has been [illegible] by the unquestionably very deplorable failu[illegible] the new barracks at Nusseerabad and Saugo[illegible] The admission of "very deplorable failures" [illegible] presents what I have to say; I am not speaking of a period when I was personally cognisant of the facts, but I am speaking from general observation; and the information which I have obtained in reference to the later proceedings on this subject is the same which is open to everybody, and it is accepted in English society as a fact that there were great failures in the mode in which the barracks were built, and great waste, and Lord Mayo took very serious proceedings in consequence.

1049. No doubt he did, but your statement was that the greater part of 10 or 11 millions has been thrown away. I want to understand how you make out that the greater part of 10 or 11 millions, which would be something over, say six millions, has been thrown away; how by any calculation you can bring out that the greater part of 10 or 11 millions has been thrown away?—I have already repudiated my having had before my mind at the time when I made that assertion the entire sum of 10 or 11 millions, because I had been speaking of that, not as the actual expenditure, but as the total estimated sum.

1050. What sum do you suppose has been thrown away; could you at all give any idea what sum has been thrown away from all causes whatever in the making of the new barracks?—That is for the persons now in official charge to say, not for me who am entirely outside the coach. And when I said "the greater part," of course I was speaking popularly; it would have been more correct to have said "a great part."

1051. Would it be true to say that a great part, or only that some part, had been thrown away?—No; a great part, I would say.

1052. Do you suppose that by these failures at Saugor and at Nusseerabad a greater expenditure would be entailed upon the Government than 50,000 *l.*?—Yes, I expect so, for I know what the work of the Department of Public Works was before these barracks were built, and when they had to build these grand barracks simultaneously at a variety of places, not through the agency of experienced architects and builders, but of officers who had been picked up from various quarters, and appointed to the Department of Works without any previous experience, it is not in the least a matter of surprise that they were not properly built.

1053. Now, to pass from the barracks to another subject: you said, in answer to Question 465, that the arrangements made about the Red Sea telegraph could not have been made under the East India Company; what does that mean. Why should not the East India Company have made a mistake as well as the British Government and the Indian Government; were all its railway contracts models of perfect sagacity?—I think it was the best thing that could have been done at the time, and it has been productive of very admirable results; as regards the Red Sea telegraph I explained what I meant, that the East India Company, proceeding from an independent basis, and vested with full power, and influenced

by

frugal habits, would have been ve prevented such an unfortunate

t the East India Company might e a mistake as well as the British nt?—No doubt it might.

With reference to your answer to Ques-, I want to ask you whether India does enjoy the general protection of the British y, just as much as Australia does?—Yes.

1056. Does she not pay her 70,000 *l.* a-year in urn for a special service done to her by the ritish Navy, quite unlike the services rendered Australia?—No; I do not see why the Persian Gulf should be eliminated from the whole of the services performed by the British Navy, and charged separately to India; I cannot admit that it is a special service; I do not see that it is different in principle from the services which the navy performs on the coast of Africa and in the Straits of Penang and China, and in various other parts of the world.

1057. Have we any interests worth speaking of in the Persian Gulf that are not connected with India?—The trade with the Persian Gulf, no doubt, is chiefly carried on with India; but if there was any excuse for a special subsidy to the navy from India, it would be, I should say, not with regard to the Persian Gulf, but China, because India has a very important interest in China.

1058. You know that in the earlier part of this century the Persian Gulf was infested by pirates, who gave us a great deal of trouble?—Yes.

1059. We could hardly, with any justice, ask the Admiralty to keep vessels perpetually on that station for the purpose of protecting our Indian trade without some return. If we had no navy of our own, and no assistance from the British Navy, we should be soon obliged to land a force on the Arabian coast, as we did in 1810, should we not?—Of course, if we had not the assistance of the British Navy to keep the police of the Indian seas, India would have to maintain a navy of its own; but the condition of the Persian Gulf now is totally different from what it was 40 or 50 years ago; those pirates have long since been extinguished; the habits of piracy have ceased; trade has been increased; and whereas formerly a vigilant outlook had to be maintained against pirates, now the matter is done with much slighter means.

1060. Do you really mean to say that if we did not keep the police of the Gulf, you would guarantee us against pirates rising to prey on our Indian trade?—Certainly not; anywhere on the coast of India itself pirates would spring up if the police of the seas maintained by the British Navy were withdrawn.

1061. With reference to your answer to Question 503, in which you stated that one of the resources for reduction, which you were told before you left England you might chiefly rely upon, was, the absorption of the Indian Navy, costing about a million a year; is it not the fact, that that sum included all Naval and Marine charges in India and England on account of India, the Bengal Pilot Establishment, Dock Yards, Lighthouses, Indus Flotilla, Pensions, and numerous other charges?—I may have been mistaken as to the figure; it may have been something less; it may have been only 800,000 *l.*; but by far the principal charge was the Indian Navy; and the absorption of the Indian Navy was regarded as a great financial resource of that day to which I was taught to look.

1062. You made some observations about the Government of Sir Bartle Frere. With reference to your reply to Question 507, in which you admitted that the real reason why the Government of Bombay disregarded the exhortations and reprimands of the Government of India, was the weakness of the Government at home in not properly checking and controlling the Government of Bombay; are you aware that in September 1864, the Secretary of State censured that Government for their disregard of the financial control of the Government of India, and earnestly enjoined their adhering strictly to the rules in future, and that the Government of Bombay in reply stated, that the proceedings in question had arisen from oversight; that such mistakes could not occur again, and that it was their desire, and it was their duty, to obey such rules implicitly as long as they remained in force?—I am very glad to hear that; but it was merely a censure, and it did not check the Government of Bombay, for they went on as bad as ever.

1063. But now, who was responsible for the sins, if such they are; the Government of Bombay?—I should say that the Secretary of State was officially responsible; the Government of India did its best to control the Government of Bombay, and failed; and therefore the burden of controlling them rested with the Secretary of State.

1064. But supposing that somebody else was responsible; is this the fact: in 1863 Sir Bartle Frere, being Governor of Bombay, had to propose the details of expenditure for the Public Works Department; he had allotted to him by the Government of India a certain sum for appropriation, of which he had to send up a detailed estimate; instead of confining himself to this sum, he sent up an estimate very greatly in excess of it, and Lord Elgin, then Governor General, declined to deal with it; thereon a discussion arose, which was not ended when Lord Elgin died; the matter was referred to the Government at Calcutta, where Sir Charles Trevelyan was, and he was mainly instrumental in getting Sir Bartle Frere's largely increased demand complied with, if not in its entirety, to a very great extent; and he did strictly in accordance with the views which he had expressed in favour of giving the local governments freer play and more authority as against the Government of India?—I imagine that this refers to the transaction in the first year of my Indian financial administration, which I have already described to the Committee. In my first Budget, I made an ample provision for public works in Bombay, and elsewhere, but I also stated, that although provision had been made for public works, both in the Presidency of Bombay and in all the other Indian administrations, yet, if, in the course of the year, any further sums were required for cotton roads, or irrigation works, or other good plans, money would be provided for them; upon which the Government of Bombay assembled at Poonah the congress of public works' officers and collectors, to which I alluded, and sent to the Government of India a supplementary estimate for public works of various kinds, amounting, in the whole, to upwards of half a million, and asked the sanction of the Government of India to them. The answer to which was, that they could not be sanctioned wholesale, and that further information

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must be furnished in regard to many of them; some were rejected at once, or were postponed altogether; in reference to others, further information was asked, the intention being that when that information was received, final orders would be given. We were told, in reply to that, that a large portion of these works had actually been ordered to be commenced; and that, I believe, is the transaction alluded to. Notwithstanding that great irregularity of the Government of Bombay, I recommended that a certain limited portion of the works should be proceeded with.

1065. Now, you said a few moments ago that the Secretary of State merely censured Sir Bartle Frere; do I rightly understand you to go the length of saying that you think it was the duty of the Secretary of State to have recalled Sir Bartle Frere?—I maintain that it was the duty of the Secretary of State to have brought back the Government of Bombay to financial regularity.

1066. But was there any middle course between censuring the Governor of Bombay and receiving an apology from him, and recalling him?—The object was to bring the Governor of Bombay under control. Whatever was necessary for that purpose ought to have been done, even to the extent of recalling him.

1067. Now I want to ask you one or two questions about the mètre guage. You have expressed, in answer to Question 812, a strong opinion against the adoption of the mètre guage for the Punjaub railways. You will admit, I presume, that, putting aside the policy or impolicy of making those railways on the mètre guage, some saving will result from it?—Some saving, in first construction, would result from it; that is the only certain saving.

1068. You are aware, of course, that the Secretary of State in Council could have overruled Lord Mayo, and said, "In spite of the ardent desire of yourself and the Government of India to save money by making these lines, you shall make them on the standard guage"?—No doubt he might have done so.

1069. And you would have liked the Secretary of State to take the responsibility of overruling the Government of India in a matter in which local circumstances and local requirements are of such vital importance to a right decision?—I think that railways are a matter in which the experience, not only of the whole empire, but of the whole world, should be brought to bear. The subject, in fact, is far better understood in England than it is in India. There is a much larger experience in England, and the conferences that have lately been held at the Institute of Civil Engineers show what a variety of information is available here; so that the cases in which a full guage, allowing of large waggons and the full application of the power of steam, and the cases in which a narrow guage and a more limited scale of operation, would be more suitable, would be likely to be better understood here than they are in India. In India it is at best a few officers of the Government; here it is the great civil engineering profession which has arrived at such a high standard of experience, ability, and eminence.

1070. But has not, in this instance at least, the Secretary of State in Council stood firm against an enormous pressure from English engineering railway and mercantile opinion. Are you sure that you yourself are not overborne by that very English influence which you think has acted so unfavourably for the last 15 ye[illegible] finances of India?—No reasonable [illegible] fesses infallibility; but yet, after we [illegible] the best judgment in our power, we [illegible] we are right. In this case I agree [illegible] body of the professional and mercantile e[illegible] of England.

1071. Just as the Council of the Secr[illegible] State has done in some cases in which you [illegible] not agreed with that mercantile opinion?—[illegible] that may be so.

1072. May I ask if you have been influenc[illegible] by authority in this matter, or whether yo[illegible] formed your own personal judgment from th[illegible] examination of narrow guage railways?—I have had the subject before me for more than 30 years. I have taken a great interest in railways, both the trunk lines and the branch lines; and all the time that I was in India I had the subject before me, because the plan of the light railways as they were then called, was strongly advocated even then, and one was actually made, the Nulhattee branch.

1073. Have you ever seen a mètre guage railway at work?—Yes.

1074. Where?—In Wales.

1075. *Chairman.*] When you say that it was the mètre guage, you do not mean the exact size of the Indian mètre guage?—No; I mean a very narrow guage.

1076. Mr. *Grant Duff.*] And have you formed your own opinion from the experience that you have had?—Well, I had formed my own opinion long before I saw that railway; one forms one's opinion from the whole of one's experience; and from the time I came home from India, as a young man, when railways had just come to the birth I have had the subject constantly before me, and have interested myself in it very much.

1077. You say, in answer to Question 619, that a certain policy must be adopted until we have finally remitted the income and expenditure into the hands of the people of India themselves. That time must be a longish way off, must it not, if you are right in asserting, in answer to Question 620, that the extortions of unprincipled native officers are worse than a 10 per cent. income tax?—No; I think the two things are quite distinguishable. By remitting the public income and expenditure into the hands of the natives of India, I had in view the higher, cultivated, experienced, class who are under the influence of a wholesome public opinion; and I am confident from what I have observed during my service in India, that there is such a class quite equal, and quite willing, to take an active part in administering the finances of India. But when you come to such taxes as the income tax and the license tax, it becomes indispensably necessary to let loose upon the country a very large number of ill-paid natives; such considerable numbers of persons are necessary in order to assess and collect those taxes, that you cannot pay them properly, and the amount of work is so vast, embracing, as it does, the whole of the upper and middle classes, down to the lower middle class, and the higher portion of the agricultural class, that you cannot provide a sufficient number of European public servants, or of native servants of the higher and more responsible class, to prevent the liability to extortion.

1078. I see, if I rightly understand you, that in answer to Question 850, you express yourself strongly in favour of employing natives at lower

salaries

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Europeans to do, I presume, the Have you considered to what bitter h a policy would give rise; is there of Indian agitator to whom it would atest of blessings, supplying him, as it ith a never-ending theme for decla—No. If the arrangement was, that two of salary should be attached to the same , one to be given if they were held by peans, and the other to be given if they re held by natives, the plan would be open to t objection; but that is what I by no means template. I consider that for a considerable time to come, the general principle that the administration of India should be conducted by natives under European superintendence must prevail, and what I look to is the extension from below of the classes of employments filled by natives; in fact, a development of the plan of Lord William Bentinck (he raised the appointments in the judicial department open to natives, from 100 *l.* to 500 *l.*); and then I would go upwards, developing and maturing a native civil service.

1079. Then your policy would not differ materially from what has been adopted, would it?—It has been acted upon, but in a desultory unsystematic manner; I think the time has come when we ought to apply ourselves vigorously to the development of this policy.

1080. You said, in answer to Question 682, that the perpetual discussion of new forms of taxation has had a very discomposing effect, and you say, in answer to Question 764, that before our time the question was not what was taxed, or what was not taxed, in fact everything was taxed. Now I want to ask you, has the British Government of India discussed one tax for 10 that the previous Governments levied. If it has not done so, surely there is some exaggeration in the talk we hear about the discomposing effect of our discussion of new taxes?—The two statements are perfectly consistent. The native system was, as I stated, a system of universal low taxation, petty taxation; I could mention many laughable and immoral instances of it. Everything whatever was taxed, but the rates were extremely moderate, and each particular exaction was only slightly felt. The natives had become thoroughly accustomed to it from long tradition; it had almost become part of their nature; it had become the dustoor, the common law of the country, and it did not in the least alarm them, because, although vexatious, yet they had no fear of any further inquisition or any further extortion; whereas, now, the income tax is a portentous instrument of inquisition and exaction; it is a machine by which you might dive into the purses of the natives to any extent, by giving a few turns to the screw.

1081. How many in a thousand does it affect it is levied now?—It depends upon the minimum income assessable, and we have rung all the anges upon it.

1082. As it is now, how many in a thousand does it affect?—I think one in a thousand now; but then the question occurs all over the country, in reference to everybody, whether he is that one or not; and that is the point of extortion, whether a particular individual should be included in the taxable number.

1083. Then, with regard to the phrase, "perpetual discussion of new taxes," by "perpetual," I suppose you mean occasional?—No, perpetual; the commencement was what I called, in the minute for publishing which I was recalled from the government of Madras, the three tremendous taxes proposed by Mr. Wilson, namely, the income tax, the license tax, and the tobacco tax, an universal income tax, an universal license tax, and an universal tobacco tax; I sacrificed all my prospects of official advancement to the duty of preventing that at all hazards.

1084. How many new taxes have thus been discussed?—Since that every possible tax has been discussed.

1085. Have there been a dozen discussed?—Yes; I could name a number.

1086. Do you think you could name a dozen?—I daresay I could; in fact, the income tax has been constantly under discussion in its various forms of income tax, license tax, and certificate tax; then there is the tobacco tax, the succession duty, and the tax upon betel grounds.

1087. Have there been a dozen?—I feel sure there have; the Government of India sent a circular to all the principal officers in India, asking them to suggest taxes, and asking their opinion upon different taxes, and I will answer for it that if those papers were consulted, it would be found that there were a great many more than a dozen.

1088. Were many of these taxes, or were any of them, taxes that had never been levied by Native Governments in India?—In some form or other they had all been levied by a native government; but it was under the circumstances I have described; it is a very old observation that the natives are extremely tolerant of established burdens; the meaning of that is, that they have been accustomed, time out of mind, to live in a despotic country, and they look at established custom as a sort of constitutional protection; the moment that is departed from they become alarmed.

1089. You said, in answer to Question 515, and, as I think, most wisely; that it would not be advantageous to keep a stock account; of course, however, if you did keep a stock account, it would be seen that the amount of the aggregate deficit since the conclusion of the Mutiny is trifling compared to the amount of property which has been added to the previous property of the Government; would not that be so?—It would have to be considered in detail; I do not know what you would rate the great canal and navigation works at, for instance; undoubtedly there has been a tremendous loss there.

1090. You mean to say that it would not be fair to take them at their original cost?—Quite so.

1091. But nevertheless you would, I suppose, say that, calculated in any way in which a merchant would calculate his assets, the amount of property which has been added to the soil of India since the time of the Mutiny is very much greater than the amount of the deficit?—The deficit also has been very considerable.

1092. Has it been so very considerable?—The whole of the deficits put together have.

1093. Since the conclusion of the Mutiny, what do you suppose that it has amounted to?—The borrowed money also must be included in such an account as that; in order to arrive at a just comparative statement of the expenditure on public works, and must be set against the out turn or stock of public works since the Queen's Government was inaugurated in India; the whole

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of the money expended, including what has been borrowed since my financial administration, and also the deficits, must be set on one side, and the actual value, the present value of the public works of all kinds, canal and navigation works, barracks, everything of all sorts, must be set upon the other, and I should be very sorry to hazard an opinion as to the balance. But I must beg not to be considered as intending to throw discredit on the efforts which have been made by the Queen's Government to promote the benefit of India by public works. Although, as I believe, it has been done too hurriedly, and too much has been attempted at once, and there has been more than a due proportion of failure, yet the mere fact of the Queen's Government having broken through that old tradition of no roads and the smallest possible modicum of public works, is a just, a blessed thing, and all that I am aiming at, according to my humble influence, is, not to prevent this grand development for the improvement of India, but to regulate it, and to get as much good, and as little evil, out of it, as possible.

1094. If it is right to regard the financial affairs of the Government of India exactly as you would regard the financial affairs of a mercantile concern (which I do not think is the proper way of looking at the matter), then it would be right to have a stock taking, and not otherwise?—Yes, I think that a stock taking would be unstatesmanlike and unnecessary.

1095. In short, the financial affairs of the Government of India are not to be treated precisely like the affairs of a company that is trading in the City of London?—No; this would be merely a curious, interesting inquiry, if it was thought worth while to make it. I am far from thinking that it ought to be made.

1096. Now you gave the authority of your name the other day to a statement that I think you will see was a mistake. You said, or at least you accepted the statement, that there had been six Under Secretaries of State who had represented India in the House of Commons in six years?—I took that on trust from the gentleman who asked me. If I had been responsible for the statement, I should have somewhat qualified it. I should have said that some of them, although they may never have been in India, had made India their particular study.

1097. But as a fact, there have only been two Under Secretaries of State who have ever represented India in the House of Commons; India has always been represented in the House of Commons by a Secretary of State, except during the four months and 23 days when Mr. Stansfeld represented it, and under the present Government when I have represented it?—Quite so; I must take that statement also on trust.

1098. Mr. *Fawcett*.] But if the Under Secretary of State is in the House of Commons, even if the Secretary of State is there at the same time, what does the Under Secretary of State represent there if he does not represent India?—He represents India subject to the superior authority of his principal, like the Under Secretary for War and for the Foreign Office.

1099. Mr. *Grant Duff*.] As a matter of fact in Parliament, we never understand the Under Secretary of State to represent the department if his superior is at the same time in the same House?—That is, he does not represent it as chief, he is not responsible.

1100. You say, in answer to Qu[illegible] the increase in the revenue of Ind[illegible] abolition of the East India Compan[illegible] as you believe, owing to the pure, hon[illegible] ment of the resources of the country t[illegible] general prosperity; but again you say, to Question 619, that since the mutiny [illegible] been doing nothing except inventing new [illegible] Now I am sure that latter statement is n[illegible] that you would wish to stand?—Indeed it is. [illegible] the phrase "inventing new taxes" I did [illegible] mean that they were carried into effect. On [illegible] contrary, I said that the principal evil was t[illegible] they were held up as bogies to frighten th[illegible] country. The change is very remarkable indeed Under the Company if a person proposed a ne[illegible] tax, I do not know what would have happene[illegible] to him, whereas, under the Queen's Government circulars were sent inviting opinions as to ne[illegible] taxes, and there was nothing but new taxation and when we come to the military expenditur[illegible] if I am cross-examined on the Madras militar[illegible] expenditure, I shall be able to indicate the exac[illegible] turn of the road where the old policy of reducin[illegible] expenditure ceased, and the new policy of invent[illegible] ing new taxes began.

1101. But do you still stand to your forme[illegible] statement that the increase of the revenue [illegible] India since the abolition of the East India Com[illegible] pany is mainly, as you believe, owing to the pur[illegible] honest development of the resources of th[illegible] country into a state of general prosperity?—Ye[illegible] entirely. Actually, except the income tax an[illegible] the license tax, although we have talked a grea[illegible] deal about new taxes, we have not imposed any[illegible] we have increased some of the old taxes, and [illegible] increase of revenue is partly owing to tho[illegible] additions which have been made to the salt ta[illegible] the excise upon spirits and drugs, and stamps.

1102. *Chairman*.] Perhaps you recollect tha[illegible] at the time of the Court of Directors there was on[illegible] attempt made to tax the Europeans in India, an[illegible] that they exerted so much influence with th[illegible] Court of Directors that that attempt was abrogate[illegible] by the Court of Directors?—Yes, that was th[illegible] case of the stamp duties; I remember that.

1103. Mr. *Grant Duff*.] Have you chanced [illegible] hear anything of the results of the recent in[illegible] quiries made from district officers with referenc[illegible] to their approval or their disapproval of the in[illegible] come tax?—Yes, I have seen something of them I have not read the whole, but I have seen tha[illegible] the balance of opinion is decidedly against th[illegible] income tax, and that very strong opinions hav[illegible] been given by experienced officers against it.

1104. Would you be surprised if I were to te[illegible] you that out of the 36 opinions that have com[illegible] in from Bengal 21 are not opposed to the incom[illegible] tax, and 15 are opposed to the income tax?—Well, it may be so, but we must look [illegible] weight as well as to quantity.

1105. And that in the North Western P[illegible] vinces 12 have come in for abolition against 8 [illegible] retention?—Very likely.

1106. These statements would go to show would they not, what I have always maintained that whether the income tax is right or wrong, a man who wanted to decide the questio[illegible] for himself purely on authority would find excessively difficult to make up his mind?—Well, I think not; I would refer to another ver[illegible] remarkable return of opinions about the incom[illegible] tax. Before it was adopted Lord Canning sen[illegible] a circular to the local governments all over Indi[illegible] requestin[illegible]

sting that they would consult their most d and experienced local officers as to the ty of levying an income tax. Now there more solid, mature, thoughtful class of fficers in India than the Madras collec- ey answer something to the French pre- centres of circles; and I think that with- ception the opinions given by them were e to the income tax, and some of the as were of a very remarkable and strong Those were all before me when I had to up my own mind.

7. And yet, although the controversy has now raging for so many years, you still find two of the great divisions of India such an raordinary difference of opinion as I have just nted out?—It would appear so from your ement.

108. You consider that the administration of a is at present too much centralised; and if ghtly apprehend your answer to Question your view is this: whereas the Government dia now puts the local governments, so to k, upon a fixed allowance, you would have Government of India put upon a fixed allow- by the local governments?—No, not by the governments, but by itself and by the Home ernment. I suppose I shall be examined re particularly as to the details of that pro- sal. I consider that it should be determined rst, as a preliminary measure, what services hould be appropriated to the Supreme Govern- nent.

1109. Do I rightly understand that you would make the budget of the Supreme Government fixed, and the budgets of the local governments elastic?—Yes, I would take out the debt, and home expenses, and army, and diplomacy, and treaty allowances and pensions to former native chiefs and sovereign families, the Post Office, Telegraphs, and Mints, and retain them under the Supreme Government.

1110. So that the Supreme Government would be put upon a fixed allowance, while the other Governments had elastic budgets?—Yes; the Supreme Government would make up a central budget for these special services, which are of a general kind, affecting the whole of India, and whatever from year to year might be necessary for carrying on those services should be taken out of the general revenue of India; the particular mode of taking that out I should like to explain, if not now, hereafter.

1111. I want to clear up a trifling matter; the other day you were under the impression that some Minutes of yours that ought to have been presented last year were not presented?—Yes, I was under that impression.

1112. The fact is, is it not (you may take it from me), there was no return last year alluding at all to Port Canning?—Then it was the year before.

1113. No; that it was in the year 1865?—I only saw it last year.

1114. I should like you to know why your Minutes were not presented; the official statement put into my hands is this:—"Sir Charles Trevelyan's Minute (the only one recorded by him), dated 20 June 1864, was recorded as an enclosure to a letter from India of 14th July 1864. It was not included in the Parliamentary Return, No. 200, of 1865 (not last year, as Sir C. Trevelyan thinks), because the terms of the reference did not include either correspondence between the Government of India and Secretary of State, or Minutes by the Government of India. The Address of the House of Commons was for the orders of the Bengal Government constituting municipal commissioners at Port Canning or Cannington, and also of all communications which have passed between them and the Government of India, and between parties in England and the Secretary of State for India, relative to the development of that port"?—I am quite ready to accept that explanation; the matter was all over, and I did not think it worth while to make any remarks upon it.

1115. Mr. *Eastwick.*] You have said that the East India Company's finance system was better in substance, and that the present system is better in form?—Yes.

1116. That being the case, I want to know whether you do not think that some features, at all events, of the old system, might have been advantageously retained in the present system, and especially the Capital Account, but also the very minute, or to some extent minute, account which was given under the East India Company of expenditure?—No, I had to consider that subject in detail, in a perfectly practical manner, and, on a full view of the whole subject, I came to the conclusion that that old mercantile plan of reporting the whole of the expenditure in full detail, item by item, was simply impossible under an Empire. It suited a factory but not an Empire; it could not be done. It was only attempted to be done, until by my recommendation it was brought to an end, for the consequence was that these immensely voluminous accounts were always several years in arrear, and were sent home to be used as waste paper, for nobody ever looked at them. Then as regards the Capital Account, you must have observed that it is not the custom of any Government whatever, either the English or any other European Government, to keep a stock account of all its fixed property. The analogous thing here would be that the present value, indeed worse, that the whole of the sum laid out upon the Houses of Parliament, the whole sum laid out on the public offices, the value of the buildings and stock in the dockyards, the value of all the barracks and the Arsenal at Woolwich, and all its contents, the whole of the landed estate of the Crown, should be annually shown in the accounts. Practically the thing is impossible; there must be some limit to human affairs; it is quite enough to look well after the current annual income and expenditure.

1117. I am quite ready to admit the immense difficulty of keeping this account, but I still must return to the question, because I must ask you whether, if it could be kept in any degree, it would not be an advantage. I wish to ask whether it would not be an advantage in this way; for example, supposing we had a capital account stating the quantities of military stores that there were in the country, would not that be a means of checking the expenditure of a Government which wished to make a show of economy, and which was perhaps using up the military stores instead of keeping the stores at the proper average amount, and purchasing in the expenditure of the year?—No doubt there ought to be a store account, but that is in the nature of current income and expenditure; although it is not money, yet it is value, which is a matter of constantly recurring interest, and store accounts are kept. When I was Governor of Madras I looked up,

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with General Balfour's help, the stock of old stores in the Arsenal, and a quantity of old material belonging to a bygone state of the military art was converted into money. Afterwards I took great pains with the store account of the East India Railway, and a great deal of dead stock, old sleepers which were rotting, and a whole fleet of river steamboats which were set up for conveyance during the mutiny, was turned into money. No doubt to that extent there ought to be a stock account; but that is quite different from the dead stock account to which I alluded as not having been kept, for it really was not kept, it was mere make believe. It was professed to be kept, but it was not even attempted to be carried beyond a few conventional items which were repeated from year to year. It was a discovery of mine; no member of the Government had ever heard of it. The thing became a laughing stock when I mentioned it in Council.

1118. I will go back immediately to what you call the dead stock, but with regard to the Capital Store Account, is there, I ask, in India anywhere such a return as would inform persons wishing to inquire how many guns, cannons for instance, we had in the country, and of what calibre, and what amount of stores there is in the different arsenals; without going to absurd minuteness, is there any such statement that if a great expedition was intended, the Governor General or the Commander in Chief could see at once what resources he had to fall back upon?—Unquestionably there is. I believe that the store accounts kept at the different magazines in India are very satisfactory. I never had occasion to find fault with them; at least I do not remember having found fault with them, although they were quite capable of improvement.

1119. No doubt at the great arsenals there is such an account, but is there a general account which might be looked at at once?—I doubt it as regards the Supreme Government. Of the government of Madras I think there was, that is for the ordnance stores there was. It was divided into heads, and there was one head of ordnance stores. My recollection is that there was a general store account at Madras.

1120. I should like to ask your very serious and well-considered opinion as to whether, supposing there was such an account in Madras, and therefore the possibility of such an account being kept for the whole of India was established by that fact, you do not think some attempt should be made to keep such an account, in order that it might be available for particular occasions; that for instance, when you yourself went to inquire into the stores you might have known at once the state of the case without the difficulty and mistakes that otherwise occur?—I think that in this, as in other matters, there is danger of attempting too much, too vast a concentration. I think the store accounts ought to be dealt with, as they are at present, departmentally. Unquestionably there ought to be a full account of ordnance stores of every kind, capable of being examined at one point of view. So there ought to be, and I believe is, a full account of all commissariat stores and of public works stores. I believe that is done; and I think that that is the best way of dealing with the subject.

1121. And would not you think it desirable that some such account should be transmitted annually to this country in order that the War Office might know, in the case of any great expenditure being required, or any other Department of the State might know they had to put their hand upon?—Yes, it would be very desirable as regards o stores; and I think it would be a good instructions were given to look up all the cannon balls, and chain shot, and obsolete gu sorts of stores lying in the arsenals of India to sell them for what they will fetch. attempted to do that at Madras, but the de for home freight was so heavy, and the co high, that we had great difficulties.

1122. *Chairman.*] Might you not have them as ballast?—If they had been in En land we might have sent them to India ballast, but the difficulty was how to get the home. We could not put them at the top of cargo of cotton.

1123. Mr. *Eastwick.*] I would ask whether selling old guns and muskets, we might perhaps be breeding a danger to ourselves?—T matter has been considered. The question raised in Council. It was said that the K of Burmah was buying our old stores; the question was raised in the Council of In whether it would not be politic to check it. argued in favour of selling them to the high bidder, whoever he might be. They were not fi rate; they were not the last pattern Enfields.

1124. Also, I would ask whether the very fact of this exactness in keeping these accounts would not have a beneficial effect generally. Perhaps you may be aware of circumstances which happened in our expedition to Afghanistan, and what a prodigious waste there was in stores, through nobody knowing what stores there were. Or again, I suppose you know such cases as what occurred to myself; that having a quantity of Treasury chests to be made for the expedition, I found quantities of valuable wood lying about belonging to the Government that nobody knew anything of; so that in that respect I suppose you would admit the advantage of having such accounts?—I think, in that point of view, that is in order to utilise stores of all kinds, and if they are not likely to be wanted for current use, to dispose of them at the earliest good opportunity, is one very important object of such an account; in fact, to keep the state of the stores constantly, before the responsible authorities; and a copy of the Anglo-Indian Store Account, that is of all the stores of a durable kind, ought to be sent home every year, no doubt.

1125. *Chairman.*] Have you known any case of administration of stores in any extensive field operations which has turned out satisfactorily?—The waste and confusion of war are very great. The question is merely who makes least blunders.

1126. Mr. *Eastwick.*] Then, with reference to the buildings, for instance, the barracks, would it not be a desirable thing to have a regular account of barracks, that there might be from time to time a statement of what they have cost, so that we should not in fact fall into these mistakes at the present moment as to the amount that has been expended, because we should have a regular yearly statement of the barrack accommodation and what it has cost, and what has been added during the year, kept before us?—No, I think not; I think that when public money has once been sunk in fixed immoveable capital it had better be left; and that it would be more expedient

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expedient for the Government to confine itself to what is currently necessary, to maintaining it in proper repair if it is wanted, or disposing of it if it is not wanted. The circumstances under which all these public buildings were erected, are so infinitely various, and a great part of them so entriely exceptional, that they would not furnish any useful experience, or at any rate, the volume of information of that sort would be so vast, and so detailed, that it could not practically be made use of. To take a strong instance, there is a building that you may remember at Patna, an enormous bell-shaped building, which was erected soon after the great famine in Bengal as [illegible]tore house for corn. It was never used at all. [illegible] the plan you suggest were adopted, that would [illegible]ve to be included with all the circumstances of [illegible] erection, and its never having been used, and [illegible]forth.

1127. Sir *G. Balfour.*] Are you aware that [illegible] the present moment we have got most de[illegible]iled returns laid before Parliament by the Admiralty, with the closest appropriation of every fraction expended upon the ships of the navy, so that the Admiralty can at any moment tell the whole cost of each ship, and the sum laid out in its repairs?—No doubt; and full and detailed accounts of all buildings and public works of all sorts ought to be kept, so that in case of need, in case of any circumstances requiring that special attention should be paid to any one of them, the information may be forthcoming. And more than that, I think it would be well if a sort of inquisition were made every few years, say, once in 10 years, of the whole of the fixed property belonging to the Government, and it were deliberately according to the altered circumstances of the time, considered what had best be done with it. I know that in my official tour over the Madras Presidency I found several ancient barracks of Coote's and Clive's time, which had continued to belong to the Government, but which, in fact, had been entirely lost sight of. They did not cost much, but still they cost something, even in keeping them in a bad state of repair, and they cost something more in establishments to look after them.

1128. But still they were well built?—Extremely well built, as was usual in that day.

1129. And required very few repairs?—[illegible]ey were built with first-rate Madras chu[illegible]m; but it would be well, I think, if instructions were sent to the Government of India to have what we call here a survey made of all Government real property, fixed property, with a careful consideration of what had best be done with it; either to keep it for the uses for [illegible]ich it was originally intended, or for any new [illegible] to which it may now be applicable; or if it [illegible] required for either of those purposes, then [illegible] the highest bidder. With regard to [illegible] ancient buildings, and esplanades, [illegible] former barracks, I remember more [illegible] magnificent piece of land, originally [illegible]th the mud-and-thatch bungalows of [illegible]d the huts of sepoys, and so on; they [illegible] appeared; but the land was there, and [illegible] bells of arms, which was the only pucka [illegible] Then, too, there [illegible] such stifling bomb [illegible] into them in our [illegible]ture upon such a [illegible] at once.

[illegible] regard to these old barracks that you found in your tours in Madras, would any of them be sanctioned or passed in the present day?—If you mean the ancient barracks, unquestionably not; they were a piece of antiquity altogether.

1131. And not suited to the health of soldiers?—Not in the least; even the 10 minutes I spent in the bomb proofs which I have in my mind, made me very uncomfortable. I can only hope that the troops were not permanently kept in them, that they were merely placed there in case of emergency; but yet I believe they did live in them.

1132. Would that remark apply to all the old barracks that you saw which belonged to the time of Coote and Clive?—There are but few remaining, because the barracks of those days were generally temporary buildings; it was only when it happened that pakka buildings were erected at such places as Trichinopoli and Drindigul, in defensible positions and forts, that they remained.

1133. Still our soldiers did occupy them in those days, and managed to conquer the country?—Yes.

1134. When you were at the Niljiris, did you visit the Wellington Barracks?—Yes, I changed the name; they were called Jackatalla; and the only time I ever changed the name of a place was by ordering that they should be called the Wellington Barracks instead of Jackatalla, and the name became at once popular.

1135. They are three storied barra[illegible] they not?—Yes; a lofty building seem[illegible] that climate. In fact the climate is [illegible] that, provided you have proper [illegible] proper drainage, any building [illegible]

1136. D[illegible] you think th[illegible] adapted for European t[illegible] only complaint I heard of them was [illegible] Irish couple, an Irish corporal and [illegible] whom I found in one of the married [illegible] I asked them how they liked their [illegible] upon which the man looked up (it wa[illegible] lofty), and said: "Rather wasty, sir", [illegible] clartier the cosier" I suppose was his maxim.

1137. They were intended for the quarters of European regiments, I presume?—Yes.

1138. They will hold 1,000 men?—I believe so.

1139. Are you aware that they are used simply for convalescents, soldiers who are invalids, and that they are never half full?—Yes, I am aware that they are used for convalescents, because that arrangement was made at my suggestion; it seemed to me that the best way of utilising those barracks in that beautiful climate, was not by giving the different European regiments a turn in the barracks for six months or a year, which involved a serious change of climate, both going up and coming down. And there are other objections also. Those barracks, beautiful as the climate is, are by no means popular with the troops: the troops prefer the full tide of human existence in the bazaars below; and their wives complain that they cannot get washing, and the men who follow trades complain that they can get no customers at Wellington; so, all these circumstances considered, it appeared to me that it would be better that this should be the Convalescent Military Depôt for the South of India, because just as the officers and civilians require to be set up by a change to a more bracing climate from time to time,

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so do the soldiers; the circumstances are precisely the same; therefore I proposed that this should be the Simla of the European Army of the South of India, that they should all have their turn. I am sorry to hear (in one sense I am glad to hear) that the barracks are not properly filled; of course it would be desirable to utilise them fully; if not in that way, in some other.

1140. That is the point I was coming to; do you not think that it is a great pity that when there is accommodation for 1,000 European soldiers in the Niljiri Hills, in that beautiful climate, where they would be almost as well as they would be in their own country, there should be only 400 soldiers there, and that therefore quarters for 600 men should be utterly thrown away and wasted?—No doubt it is to be regretted.

1141. I should like to ask whether when you were in India as Financial Minister, or when you were Governor of Madras, the subject of locating European soldiers in the hills was fully gone into, and examined and reported upon?—You mean, as I understand you, locating them as soldiers, as a military body. It has been a constant subject of discussion in every part of India, in every possible way, in official circles, in the newspapers, and in private society, for the last 40 years, and increasingly so; and I think that now we have arrived at a pretty fair average opinion, namely, that there are certain main points of political importance in the plains which [illegible] held by a sufficient force of Europeans; [illegible]es as Agra, and Delhi, and Madras and [illegible]nd so forth; but that, provided that [illegible]filled, the remainder of the troops [illegible] in the hills as a reserve. [illegible]ould say that supposing the [illegible]rent could be ensured [illegible]e desirable to put as many European [illegible]nto the hills as you could?—Certainly. [illegible]would encourage colonisation in every [illegible] form in the hill tracts. We must not [illegible] the Indian hills, as they are called, as [illegible] a range of mountains; it is a region, which is as large as Spain and Portugal put together; in fact much larger, if you take the whole together. The Niljiri plateau alone, and another beautiful plateau, which is less known to fame, the Pulni Hills, south of the Niljiris, might form the seat of a *quasi* English Christian population, which would strongly confirm our hold upon the south of India. I promoted that as far as I was able during the short time I held the Government of Madras. For instance, I laid the foundation for the transfer of the Military Orphan Schools from Madras to the hills. That was a great measure of colonisation.

1143. Would you be surprised if you found that out of an army of from 60,000 to 70,000 Europeans there are only about 4,000 soldiers, besides convalescents, after all these 40 years deliberations, in the hills?—I am sorry to hear it; I should have supposed that there were more.

1144. Let us take Peshawur, for instance; you are aware that Peshawur is one of the most unhealthy stations in India?—Yes.

1145. And you are probably also aware that in the hills in the neighbourhood, and on this side, the left side of the Indus, there are some of the most salubrious places in the world. I want to know if you are aware at all what are the reasons that have induced the Government to keep European soldiers in that most pestilential spot for so many years when they have got most salubrious spots close at hand?—I suppose it was considered to be an object of political importance to hold Peshawur itself, as the key to that part of India, by a force sufficiently large to be safe from any sudden assault. I think it is a subject fairly open to consideration whether a small European and native force properly entrenched at Peshawur, with a larger reserve in the neighbouring healthy country, would not be preferable.

1146. You spoke of an enceinte to the camp at Peshawur; are not you aware that there is no such enceinte?—I know it formed part of the general barrack plan, that there should be an ample and carefully fortified enceinte.

1147. You are not aware that it is one of the parts of the plan that has not been carried out?—That is my impression, and I think it would be well to review our proceedings, and to consider whether it would not suffice to have a small garrison at Peshawur sufficient to hold the place until support could arrive, and to put the main body of the force in the adjoining high and healthy country.

1148. Mr. *R. Fowler.*] Is Peshawur unhealthy to the natives?—Yes, but it is worse for Europeans; it is decidedly an unhealthy place.

1149. I suppose it might be made partly a native garrison?—Yes, only to make quite sure, there must be a sufficient proportion of Europeans.

1150. Mr. *Eastwick.*] But with regard to those stations that you have mentioned which you say must be maintained by European troops in the plains, I want to know why is there any necessity for such a maintenance; what danger is there to be apprehended in Madras, for instance?—The old doctrine was that you must exhibit your troops. It was supposed that the natives were only impressed by what they saw.

"*Segnius irritant animos demissa per aures*
Quam quæ sunt oculis subjecta fidelibus."

It was on that principle that our European troops were placed at the main points of political importance in the plains, and there was a great deal to be said for that view in former days; but the natives have advanced with the rest of the world; and now that a great peace has been established in India, and that they see railways capable of bringing our reinforcements at a very short notice, I think we might relax our adherence to that old doctrine. But still I would hold such places as Delhi and Agra by European garrisons sufficient to maintain the place against all comers, until supports could arrive; I think that the old doctrine still is good to that extent.

1151. You would probably think it immeasurably important to hold a place like Agra or Delhi; is there any necessity to keep European soldiers in the fort at Vellore or Trichinopoly?—C[illegible] I can speak from personal obs[illegible] inquiry as to both places. At Vell[illegible] absurdity. It is a beautiful place, bu[illegible] sity of garrisoning Vellore arises en[illegible] the fact of our maintaining the four w[illegible] place. In fact I found the most muti[illegible] posed sepoy reg[illegible] that fort, which [illegible] *ad absurdum*, and [illegible] of the wall should [illegible] interior of the fo[illegible] garden. The s[illegible]

was the most absurd case I ever remember in administration. There is a charming old fort at Masulipatam, which was a perfect model in its day, a square brick fort with a ditch round it, bricked on both sides, full of water, in which our official ancestors of the Masulipatam factory used to row the ladies; but, however, the point is that there was a great breach in the wall 50 yards wide, into which a whole regiment of troops might have entered; but with all that there were two sepoys standing guard at the adjoining gate of the fort. That is an instance in point. Trichinopoly is not as bad as that, still it is very bad; it is quite unnecessary to keep Europeans there.

1152. Then I would ask whether, with regard to Indian finance, there can be so important a subject, first, as regards the preservation of the lives of the European soldiers, and secondly, as regards the amount of force to be retained in India, as this, namely, the location of the European troops, because I would ask you what is the good of spreading these stations at Vellore, at Trichinopoly, even at Benares, at Cawnpore, and all over the country, when, if you would place European troops in the hills, they would be in thoroughly good health and fit for active service, and when there is really no danger of any enemy in the plains at all?—Well, I think the circumstances have changed so rapidly since the mutiny, that the time has come for a survey; I would rather enlarge my original suggestion; I would have a survey, not only financially, to make the most of all our property in forts and barracks, and everything else, but also to consider in a political and military point of view how far we may withdraw our troops from the plains and consolidate them as reserves in the hills.

1153. With regard to that other point, the minuteness of account in the old Company's accounts, I want to ask you whether to some extent that might not be at all events imitated by us; that is to say, that when the accounts are sent to this county a number of items should not be put under one heading, those items being utterly heterogeneous; to give an example, one that you mentioned yourself, the Muhtarifa tax, was going on in Madras when it was not shown in account; the consequence was that there was an income tax going on and a Muhtarifa tax, and consequently Madras was suffering more taxation than any other part of India?—Yes, I think that we may with advantage go somewhat afield from the strict limits of the accounts. For instance, the alienations of all sorts from public revenue ought to be taken into account. I do not mean that they should be made the subject of an annual account and appear in the Budget; but the case stands thus, that the native Governments which preceded us were in the habit of paying for the most ordinary services by assignments of land revenue, and we have continued them to a great extent from personal motives according to various tenures, sometimes life tenures, sometimes perpetual, and every gradation between those two limits. Now these alienations from the revenue never appear in the public accounts; they are lost sight of. The Government has, however, taken spasmodic action in reference to them from time to time when their attention has been drawn to the subject, and they have appointed Commissions and officers to investigate and resume improper alienations. I would not advise any more action of that sort; but when the finances have been decentralised and popularised, when the popular element has been largely introduced, then will be the time for looking up these alienations; then it will become an alternative, a choice, between resuming many of these alienations or adopting an oppressive, harassing tax.

1154. I think you said that there had only been one dissent a year by the Indian Council on the average?—Yes.

1155. Is it not the fact that when the amalgamation scheme first came up there were several, that is to say, five or six dissents by members of the Council?—Yes; I suppose that was previous to 1858. I do not see anything in the Return which was put into my hand to day, about the amalgamation. The proposal to amalgamate the Queen's and Company's European armies violently divided Anglo-Indian society, and if dissents had been taken upon it I should say that two-thirds or three-fourths of all Indian officers would have declared against the amalgamation.

1156. In spite of the enormously increased expense of the European army as it exists at present, are you of opinion that it is advantageous for India not to have a local European army?—Yes, entirely so. I think it would be totally unsafe; I consider that, in order to hold that extraordinary Empire under those anomalous conditions, we ought to have a perfectly homogeneous European force, recruited from England, disciplined from England, returnable to England, in fact, identified with England.

1157. I suppose you are of opinion that it is a m[redacted]tem?—It is more expe[redacted]

1158. [redacted]to the Council, I do not recollect whet[redacted]u gave a distinct opinion as to the debates of the Council being public, and being open to the press?—No, I was not asked that question.

1159. What is your opinion on that subject?—I have not turned my attention to the subject lately. So far as I have reviewed the past and reconsidered the subject, I must confess to being hopeless of the Council. I am not speaking of it personally, but as an institution: I think it has not answered its purpose of being a barrier between English and Indian interests; it has not given the protection to Indian interests that was expected, and no mode that I have heard of would suffice to place it on the footing that was intended when it was originally constituted.

1160. But I would ask, whether the publicity of the debates would not strengthen the hands of the Council, and enable them to represent more forcibly, and with greater weight, the interests of India?—I see a danger even in that. The Council are sitting in the midst of English interests. The councillors naturally care most for those with whom they are in daily communication, whose good opinion is the greatest object to them, and they are naturally influenced by the opinions which prevail around them; and I should fear that if the debates of the Council were thrown open, it would only strengthen those class interests which the Council was intended to guard against. I think that the interests of Manchester and the City, and the military officers, and such interests as those, would be strengthened by it, and that the case would be worse than ever.

1161. Do you think that those interests would overbear the weight of the comments of the Anglo-Indian press and the Indian associations of these

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these Indian Members of Council?—Indeed, I think so. I think that if the Council were held in India instead of England, it would be different, because there the surroundings and the prevailing influences would all be Indian; but held here in London, under the pressure of such tremendously powerful interests as Manchester and the City, and the clubs and Anglo-Indian society, would bring to bear upon it, I think we should probably go from bad to worse if we adopted such an expedient. I prefer the simple personal responsibility of the Secretary of State.

1162. Then your great financial safeguard is, I presume, these provincial councils which you have recommended in India, where every financial proposal would be discussed previously to its being carried out by the Government, or previously to its ever being discussed by the Government?—Yes; that is my opinion. I conceive that if the finances of India were decentralised, and reconstructed, with the infusion of a strong popular element, round the eight local centres (these would be nine in the whole, including the central government), then the finances would be placed on a solid basis; and although there would be a transition period, and the security would be by no means perfect at first, yet there would be a steady, wholesome growth in the right direction.

1163. The only difficulty that I see, and I want to ask your opinion about it, is this, that the Government might be very anxious to carry out a measure which might, in fact, be a judicious [illegible]re, but if it were strongly protested against [illegible] by the provinci[illegible]al councils, they could hardly [illegible] carry it out?—No [illegible] ob[illegible]jection, although, on [illegible] ill[illegible] considered Government [illegible] would be checked by native local e[illegible]nce and [illegible] strong sense of personal interest. But what benefi[illegible] scheme is there which has not its weak points? What we really have to look to is balance of good and evil. I am clear that the balance of advantage is on the side of the application of that principle. I consider that the natives have advanced much further in their education than is generally supposed. It would be a very narrow view to consider native education as confined to the "Spectator," Macaulay, and Colenso. They have become politically and socially educated by the Government, the press, intercourse with Europeans, the general impression produced by the teaching of the missionaries and of the Hindoo reformers, the railways, and political events. The Mutiny was a great educator. The Mutiny amounted to a thorough re-conquest of the country, and changed our position towards the natives. Up to that time we were on sufferance, so to speak, in India; since that time the whole of India sees that we are there by our own strength.

1164. In point of fact, education gives no advantage as respects the native opinion with reference to finance, because is it not the fact that some of the best native financiers existed at a period when there was nothing that we should call education; for instance, I suppose that Nana Fardnavis would have managed the finance of the Marahta country much better than we can now?—The natives are exceedingly sagacious and skilful, and they have a speciality for finance.

1165. With reference to direct and indirect taxation, your opinion is strongly opposed to direct taxation in India, as I understand you?—Yes, by the Supreme Government.

1166. You think that even the income tax might be carried out if it were done by the natives?—I think that the income tax might be, in fact it is, applied in principle, in a small manageable way, as a municipal tax. It is not so much an income tax; it is really a tax upon expenditure. The Punch sit down, the five or six head representative men of the place sit down together, and estimate what they call the Gunjaish of the different people, their capacity, their resources; and the way in which they estimate their Gunjaish is really by their expenditure.

1167. But do you see any objection to a [illegible] tax?—I consider that we have a very impo[illegible] poll tax in the salt tax.

1168. I mean a direct poll tax?—I certa[illegible] would not have a separate tax on that footing.

1169. It is the fact that the poll tax exists [illegible] British Burmah, is it not?—Yes, it is peculiar [illegible] that province, and I would not alter it rashly.

1170. And it is also the fact, is it not, that the Mahommedan rulers of India did impose a poll tax upon the Hindoos?—Yes, the Jazia, but they suffered for it. Akbar abolished it; Arungzebe revived it, and that marks the beginning of the decadence of the Mogul dynasty.

1171. Still it was imposed?—Yes.

1172. Are you aware that the Russians are imposing a poll tax in their new territories in Central Asia, and that it is paid most regularly?—I was not aware of it; there may be local circumstances that render it suitable. Those emphatically Mahommedan countries have been accustomed to a poll tax; the Jazia is a poll tax, although by good rights it ought to be levied [illegible] only on Infidels.

1173. I suppose if the limit of the income tax was placed very high, say 10,000 rupees a year income, you would not see any objection to it?—I should see very great objection, because, even so, you cannot get over the question who comes within the circle liable to the income tax. Of course, in proportion as you contract the circle, it becomes less objectionable; but if you confined it to people with incomes of 10,000 rupees a year, you would get nothing worth having; it would not be worth the trouble.

1174. With regard to the public works, I would ask, at the present moment would you not think that it was better to obtain a surplus and to bring our finances into a good state than to carry out any public works whatever except those that are absolutely necessary for the safety of the country?—Yes, I consider that to place the finances in a proper state, and to let India and all the world see that we are able to establish an annual surplus without having recourse to oppressive unpopular taxation, is a more important object than any public work whatever.

1175. *Chairman.*] Do you wish to add anything with reference to the course pursued by the Bombay Government?—As a great point has been made of that transaction with the Government of Bombay about the Congress of Poona and the results of it, I beg leave to put in a Minute which I recorded at the time entirely on that subject.

1176. Mr. *J. B. Smith.*] You have expressed a strong opinion that it is expedient to decentralise the Government of India, and to adopt local governments?—Yes.

1177. How

1177. How many local governments would you adopt?—The existing number of eight.

1178. What are they?—They are Bengal, Madras, Bombay, the Central Provinces, the North Western Provinces, the Punjaub, British Burmah, and Oude; but Oude, no doubt, will be absorbed into the North Western Provinces.

1179. Will you be so kind as to define the functions of your proposed Governments of these several provinces?—I can do it better by defining the functions of the Supreme Government, and then saying that everything else will belong to the local governments. The functions of the Supreme Government I conceive to be, first, the management of the public debt of India; next, to be the organ and manager, so far as the matter depends upon Indian management, of the Home expenditure, that is to say, that all communications in regard to the Home expenditure should be carried on by the Supreme Government, between the Governor General and the Secretary of State; then the diplomacy of India, the foreign relations. But I will mention the subjects in the order in which I find them in Sir Richard Temple's last financial statement: interest on funded and unfunded debt; interest on service funds, and other accounts, which is debt under another form (I am speaking of expenditure now); customs, salt, opium, mint, post office, telegraph, political agencies, allowances, and assignments under treaties and engagements, army, and railways, so far as it may be desirable that the central Government should influence the railways

1180. *Chairman.*] To produce harmony in relation to one another?—Yes, for the same reason for which it takes entire charge of the post office arrangements, I would have the Supreme Government take a limited qualified charge of the railways merely for the purpose of producing harmony throughout India, especially in reference to those railways which pass through more than one administration. As regards those that belong entirely to the same administration, the Supreme Government might leave them to be managed by the local administration. Then the next head is guaranteed interest on railway capital less traffic receipts; there are three heads of debt, and that is the third. Then it will be seen that there are several heads of expenditure which are connected with revenue, and so, perhaps, I had better proceed at once to the mode in which the expenditure of the Government of India, in the performance of these services, should be provided for.

1181. Do you include in "army" all military works?—Yes, all military works whatever. It would be public works as far as the army is concerned.

1182. Sir *G. Balfour.*] You are aware that there are no military public works charged in the army expenditure at present?—No; but I think that the administration which manages the personnel of the army ought also to manage the works of the army. I do not mean that they should have officers of their own to do it; probably it would be done through the public works establishments of the local governments; but still it should be done on the responsibility of the Supreme Government, which would be charged with the administration of the army; it should be for them to say what barracks should be built, and how they should be built, and fortifications and everything else. Then I was going on to speak in reference to the manner in which the services should be provided for. Now, no doubt if we went strictly according to principle, the supreme Government would confine itself to the administration of these services, and would draw upon the different local administrations *pro rata* for the whole of the expense; and the most so, because the whole of the revenue is actually managed by the local administrations, and must continue to be so managed; there cannot be any such thing as the Supreme Government having itself the direct detailed administration of any branch of revenue properly so called. There are incidental receipts connected with some of these services, rather large receipts, for instance, connected with the army, and the post office, and telegraph, which of course would be brought to account by the department which managed those administrations; but with that exception (which is not properly revenue, but merely an incidental receipt of a public service), the whole of the revenue proper always has been, and always must be, managed by the local governments, and therefore the right thing would be, if we proceeded in a perfectly symmetrical manner, that the Supreme Government should charge the cost of those services, minus the incidental receipts, to the different Governments *pro rata*. But there are objections to that principle being fully carried out, because there are some branches of revenue which cannot be entirely attributed to any one administration, but are more or less common to all. I will go through them. The first of these is the customs. Although the customs, both import and export, are collected by the maritime local governments of Bengal, Madras, and Bombay, and a small portion on the North Western Frontier, by the Government of Allahabad, yet the receipts really belong to the whole of India; and it would be impossible to say what portion of the customs duties received at Calcutta belonged to Bengal proper, or what portion came from the North Western Provinces, or other countries beyond; and the same with the Madras and Bombay receipts; and so there is that difficulty. The same in respect to salt; Madras levies salt duty to a great extent from the Central Provinces, Hyderabad and Mysore, and Bombay also from the Central Provinces and various native States. Then, since of late years the Liverpool salt has had such free course in the Gangetic valley, it has been continually encroaching on the Sambhur and other indigenous salts, and has been pushing its way up the Ganges and Jumna, ss that a great deal of the salt revenue, although collected at Calcutta, really belongs to the North Western Provinces. Then, opium is an anomaly altogether. Opium is managed entirely by the Government of Bengal; but the field of the monopoly, the district in which the opium is grown, is partly in Behar under the Government of Bengal, and partly in the North Western Provinces and Oudh, and there is a talk now of extending it to the Punjaub, which I hope will not be done. Then Mints, I think everybody will agree, are an Imperial central affair. The Mint at Calcutta is actually under the Government of India, and it would be well if the Mint at Bombay were so also.

1183. Mr. *Dickinson.*] Is the Mint at Bombay necessary at all?—Yes, I think so; I could give reasons for that. The Madras Mint, however, was abolished with great advantage. The paper currency,

rency, as being part of the monetary system, ld be under the Supreme Government. Then, ost-office, of course, is general; the tele- of course, is general. As regards the have already given my reasons for pro- that it should be under the Supreme ernment.

1184. What about marine?—That ought to be ocal entirely; in fact we ought to have no marine establishment at all. It is difficult to invent excuses for having any marine at all, because now, besides the abundance of freight ships, there are capital lines of passage and freight steamers round all the coasts of India and the adjoining countries. The way in which I would provide for the expenditure of the Government of India is, first, by appropriating to the Government of India the entire produce of the Customs. Of course the analogy of the United States will be remembered; it is through the Customs that the expenditure of the central Government of the United States is provided for. Then I would appropriate to the Supreme Government the entire produce of the salt duties, and the entire net produce of the opium monopoly, and the entire produce of the Bombay export duty upon opium, and the receipts from the Mints, Post-office, and Telegraphs; the incidental receipts of the army, and, of course, the railways.

1185. Mr. *J. B. Smith.*] Stamps?—No; stamps would be essentially local. I calculate roughly that the expenditure, according to the present scale of the Government of India, according to this scheme, would be something less than 30 millions a year, and that the ordinary available income would be something [illegible] 20 millions, so that the balance, whatever it might be, would have to be declared from year to year by the Supreme Government when it made up its Budget, and would have to be apportioned among the local governments; and I should hope that it might be done simply by a *pro rata* charge upon their respective revenues. There has been a great deal of loose partial discussion on this subject in former years, without our having had any clear idea of what we were aiming at, and it was always the army expenditure which put everything out of joint. There was always a question going on between the military and the civil expenditure in the Provinces, and local governments, which, excluding the army expenditure, would have a considerable surplus, the moment you include the army expenditure are thrown into deficit. That thorn would be extracted, according to my proposals, by eliminating the army expenditure in the first instance; for instance, take the Punjaub, which has a disproportionate amount of military force; the military force in the Punjaub would all be attributed to the Supreme Government, and, except so far as the Supreme Government would, from year to year, apportion upon the Punjaub its allotment of the balance of the expenditure of the Supreme Government after taking into account the branches of revenue specially attached to it, that Province would be left with a clear surplus over its ordinary current expenses. Then we come to the influential result of this. In the first place the Supreme Government would be put upon its good behaviour in regard to expenditure. It would not really have much to do with the income, because, as I said, that would continue to be managed by the local governments; but still it would have to look after customs, salt, and opium, and see that they were made the most of. But as regards expenditure the Supreme Government would come under a powerful motive to economise. My belief is that when the Supreme Government, instead of making up the Budget for the whole of India, which is an unmanageable confused thing, shall be limited to the expenditure for which it will be itself responsible, it will look to it in a way it never has before. The thing will be manageable, the Supreme Government will be able to do it, it will have it well in hand, and will have the strongest motive to do it well. My belief is that the army expenditure will go rapidly down when the whole 16 millions (including the Home expenditure, the estimated cost of the Indian army for 1872–73 is 15,862,000*l.*, besides a large charge, in the Public Works Department, for military buildings), which it has now grown to, a most preposterous sum, is charged to the Supreme Government, for then whatever savings the Supreme Government may able to make from year to year, will go to diminish the deficit on its annual Budget, and so far to diminish its claims upon the local governments. Then there would be an incidental advantage in opium being put into the Budget of the Supreme Government. We are never tired of remarking the confusion which the opium revenue introduces into the Indian accounts from its variableness; but if it were safely deposited under the Supreme Government, with the power of drawing upon the local governments for the difference I think we should hear much less of the variableness of the opium revenue. Then, to turn to the local governments, the motive to economy on their part would be more powerful still, because they would have the entire balance. After deducting their own necessary expenditure for establishments, and so forth, and the annual allotment in aid of the expenses of the Supreme Government, the entire balance would belong to them; and that brings us to the real motive for economy.

1186. How would you appropriate the land revenue?—Under the local governments entirely; that is essentially local; and more than that, the management of the land revenue is a great deal more than collecting so many rupees. The assessment of the land revenue is a point of the most vital concern. How the land revenue is assessed determines whether the great agricultural population of India lives in a state of comfort, or even affluence, or in a state of misery; I have seen both states of things, both extremes. I have seen by mismanagement of the assessment, by over assessment, whole districts depopulated, to our disgrace, and taking refuge in the adjoining native States; and I have also seen large wide districts living in a state of the greatest possible comfort and well-being, all owing to the good management of the land revenue.

1187. You would propose that the Councils should be composed of natives as well as of Europeans?—Yes; from the first I would have a scheme of representation. Take the Madras Presidency as an example; I would have a representative from every one of the 19 or 20 districts of the Madras Presidency, and others from the principal towns, to be selected by the Government in the first instance.

1188. Do you mean natives?—Yes; I would also have a senatorial element, composed of official people selected for the purpose.

1189. Do

1189. Do you propose that these representatives should be selected by the Government?—In the first instance by the Government; but although selected by the Government, if they were properly selected, and if real representative men were taken, they would be as really representative of the respective districts as if they had been elected by popular ballot.

1190. Now would you propose that there should be in each locality a separate Board of Works?—I propose that the administration of the public works should be entirely decentralised and placed under the respective local governments.

1191. But those would comprise only local works; works belonging to that province?—Only belonging to that province certainly.

1192. But how would you do in the case of these great irrigation works which have been paid for by the general Government?—I would localise them. If irrigation works are worth paying for, and likely to be profitable, the local governments would provide for them, and I consider that to relegate those great irrigation works to the respective local governments in whose provinces they are situated, will furnish the best security for their being dealt with in the best possible manner, either by discontinuing them altogether, or by limiting them, or by completing them. You will find sufficient evidence of that in the report of the Governor of Bengal, which has just come.

1193. The whole of the railways throughout India you would propose to place under the general Government?—As the railways are, like the post office and telegraph, a means of general communication, I think that the general Government must have the power of determining, subject to certain general conditions, how far it will administer the railways. As far as possible I would have the detailed arrangement of the railways left to the railway companies in communication with the local governments.

1194. You gave some evidence about export duties, and you appeared to think that in many cases they were justifiable?—Yes.

1195. Now I think that you instanced the case of jute, which is an article which is not grown by other countries?—So far as I can obtain information it is grown in no other country than India, and in India only in a particular district, Eastern Bengal.

1196. But now the Bengal settlement is such that it prohibits us from deriving any benefit from the increased value of the land in Bengal?—Yes.

1197. But millions of money have been expended by the general Government in that province which have probably doubled or trebled the value of the land?—Far more than that.

1198. Would it be unjust, therefore, in your opinion, in consideration of the advantages which these people have derived from this expenditure, to place an export duty on their produce?—No; on the contrary, it would be highly just. As regards opium, we do that with a vengeance; we take three-fourths of the net produce of the opium. As regards jute, I would only propose to take 3, or at the most 5 per cent.

1199. Is not India at large entitled to some compensation for the vast sums spent on the province of Bengal by the Government?—Yes, certainly the Government has made an enormous sacrifice in limiting its claim to land revenue in Bengal, and thereby has increased the burthen of taxation upon all the rest of India; therefore, so far as we can do so consistently with good faith, we ought to replace a portion of the burthen upon the province of Bengal.

1200. Can you suggest any means of doing so, except that of a duty on exports?—No. As the municipal taxation is common to the whole of India, that cannot be regarded as a means of making this readjustment of taxation of which you speak. Therefore the only mode of which I am aware, of doing this justice to the rest of India is by placing such a moderate export duty upon the products of Bengal as it can bear without injuring the trade.

1201. It would be no injustice to Bengal if we tax their produce without taxing the other provinces, would it, inasmuch as the land settlement in all the other provinces of India is a limited one, and the Government derives the advantage at the expiration of the settlement of obtaining a larger revenue from the land?—The circumstance of the limitation of the land revenue in Bengal, and the wonderful pecuniary advantages which have been obtained by the landowners of Bengal thereby, is a reason for imposing any just, and proper, and moderate tax which can be levied on the province of Bengal. But whatever tax is levied, I would make it common to the whole country. If jute is grown anywhere else than in East Bengal, I would take the same tax from it. There are other articles produced in other parts of India, upon which I consider that a moderate export duty should also be levied; for instance, hides, and one or two other things which I could name.

Friday, 7th March 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Grant Duff.
Sir George Balfour.	Mr. Eastwick.
Sir Thomas Bazley.	Mr. Fawcett.
Mr. Beach.	Mr. Robert Fowler.
Mr. Birley.	Mr. Hermon.
Mr. Bourke.	Mr. Lyttelton.
Mr. Baillie Cochrane.	Sir Stafford Northcote.
Mr. Cross.	Mr. John Benjamin Smith.
Mr. Beckett Denison.	Sir David Wedderburn.
Mr. Dickinson.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Sir CHARLES EDWARD TREVELYAN, K.C.B., called in; and further Examined.

Sir *C. E. Trevelyan*, K.C.B. 7 March 1873.

1202. *Chairman.*] Do you wish to make any further explanation with reference to the evidence which you gave about the supplementary estimates for public works in Bombay?—Yes. When I was last before the Committee I asked leave to put in a Minute which would fully explain the state of the case as regards the large number of public works which the Government of Bombay took upon itself to commence without the sanction of the supreme Government. That is dated the 11th January 1864. And I beg leave to add to that another Minute, dated the 1st of February, 1864, in fact, immediately following the other, relating to a precisely similar transaction, in which the Bombay Government took upon itself to order the payment of additional money allowances to civil establishments to the extent of five or six lacs of rupees. I will read a short extract from each, to show the point of the case, but the Minutes themselves will probably go into the Appendix, if the Committee so determine. This is from the first Minute about public works:—"But the Government of Bombay took the further step of ordering the immediate execution of a large portion of the works without waiting for the sanction of the Government of India. Nothing short of an urgent exigency of the public service, involving consequences of serious loss or disaster if immediate action be not taken, can justify the exercise of such a discretion; and the existence of such an exigency is not even alleged. Such a practice is entirely subsersive of financial control. Every Government in India might, with equal propriety, exercise a similar discretion, and the State would then become insolvent, and all sorts of projects would be commenced according to the views of the different Governments, without a possibility of revision." Then from the other Minute about the Civil Establishments, I will read this:—"In August last, the Bombay Government, acting without the knowledge or sanction of the Government of India, ordered the immediate commencement of numerous public works, included in a supplementary estimate for 56 lacs of rupees; and now it has in like manner committed us to what must be considered a permanent annual charge ... amount mentioned in the preceding paragraph,' namely, "from five to six lacs of rupees a year." "The financial administration of India will b impossible if each local government exercise the discretion of incurring such liabilities as this Example is contagious, and advantages secured by one Province cannot easily be withheld from the rest. By this assumption of power the regulation of the finances has been virtually transferred to the Government of Bombay; and it only remains for the Supreme Government to provide funds to meet any expenditure which the local government may think proper to incur. If the Government of India is to be responsible for the finances of the whole of India, its control over the income and expenditure must be of a real and substantive character; and it is one of the greatest merits of the budget system that, by means of it, this control may be maintained without interfering with the necessary freedom of action of the local governments."

1203. Do you wish now to add anything to the evidence that you gave with regard to the aggregate estimate for the barrack expenditure?—Yes; a confusion was made in some of the questions put to me on my last day's examination between the aggregate estimate for the new barracks and the actual expenditure on them, the fact being that I had only alluded to the aggregate estimate. In order to make this point quite plain, and also to show what a very serious stumbling-block this great expenditure, spread over such a very short period, was to the finances of India, I beg leave to read two extracts; one from my last financial statement, and the other from Mr. Massey's second financial statement. This is from mine: "The paramount necessity of providing the barracks required for the health of the European troops, and the works of defence upon which the public security depends, has long been admitted, but the preliminary arrangements have only lately been completed. The total outlay will, probably, not be much less than 10,000,000*l.*, including the cost of establishments; and the work is obviously one which ought to be carried

carried on as fast as the requisite preparations can be made. The expenditure on this account for 1865–6 is estimated at 1,000,000 *l.*, after which it will proceed at an increased rate until the object has been accomplished. Whatever may be the general objections to providing for any portion of the public expenditure by means of loans, it is evident that the large sums which will be required for some years to come for military works cannot be furnished from the revenue of the year, in addition to all the other demands upon it, without an increase of taxation which would interfere with the prosperity of the country, and that it would not, therefore, be right to impose on the existing generations the entire charge for works which are intended for the public service for all time to come. This principle has been acted upon in the parallel case of the dockyard fortifications in England. The argument applies with increased force to new works for irrigation, which, properly managed, include their own sinking fund; and, in reference to these, it has been determined by Her Majesty's Government that 'when the surplus revenues and available balances prove insufficient to supply the requirements of the country, funds, by means of loan, shall be raised.' It will be proposed to the Secretary of State that relief shall be afforded to the revenue of 1865-66 to the extent of 1,200,000 *l.*, which will be raised by loan in England, and the drafts upon India will be *pro tanto* diminished." Mr. Massey, in his financial statement, says, on the same subject, "In the estimate for public works there is one conspicuous item which covers one-third of the whole grant. I refer to the head of military works, consisting chiefly of the new barracks which are to be constructed at almost every military station in India, at a cost, on the whole, of nearly eleven and a-half millions, to be spread over five years;" so the estimate had gone up a million and a-half since my time. "These extraordinary works commenced in 1865, and at the close of the present financial year upwards of 1,800,000 *l.*, on account of these works will have been defrayed out of ordinary revenue. The estimate for 1867-68, after making all proper abatements, is nearly two millions. In the following year we shall have to provide 2,800,000 *l.*, and in 1869-70 2,700,000 *l.* will be required to complete these great works. We might, of course, have lessened the annual expenditure by spreading it over a wider space of time, but looking at the question on the mere ground of economy, without any regard to higher considerations, there can be no doubt that economy can be best consulted by making the earliest possible provision for the health and effectiveness of the army quartered in this country. I should have preferred to go on as hitherto, defraying this charge, special and temporary as it is, out of the revenues of India. If a financier were to lay down any precise rule of separation between ordinary and extraordinary charge, there is scarcely a year in which he might not have a plausible pretence for transferring charge from revenue to capital account. I do not know how long such a process might go on; but sure I am that it would end, sooner or later, in a collapse of public credit. Questions of this sort are practically to be determined, not so much by rule as by circumstances. I must remind you that we have to propose new taxation this year. Are we still further to increase that taxation on account of new barracks? In other words, is all the cost to fall on the taxpayers of the day, and all the benefit to be derived, without any other cost than the annual repairs, by the taxpayers of 1870 and future years? We think we are not warranted in extending taxation for such a purpose, and that we shall fulfil our duty if we provide all that we can out of revenue, and throw a part of the burden on our successors. We shall borrow a million towards the construction of barracks in the ensuing year, and even after this million has been borrowed, the remaining million will be charged to the revenues of the year." Although the loan which I had recommended for the same purpose was disallowed by the Secretary of State, when it was brought forward again by Mr. Massey, it was sanctioned. But what is more remarkable still, this process of borrowing for barracks was a second time disallowed by the Home Government, who finally determined that borrowing should be confined to what were called reproductive works. It was this immense expense forced upon the Government of India within such a short period (I use the word forced deliberately), which rendered it absolutely necessary to borrow, to enter upon a system of loans, for although the loans were finally raised under the name of reproductive works, the necessity which caused them really was connected with the barracks.

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1204. You wish, I think, to add some observations to the evidence you gave us with reference to the metre or narrow gauge railway system that has been recently introduced?—Yes; in some questions that were put to me on this subject it seemed to be doubted whether I was a competent witness upon it, which makes it proper for me to mention that on my return to England, after 12 years' service in India, owing to my connection with the Cropper family at Liverpool, I found myself in the thick of the railway question, in its early stage of development, when the question of the gauges especially was stoutly contended. After that, during my 19 years' service at the Treasury, I cannot remember on how many occasions the question of narrow gauge, and light railways, and tramways, and so forth, came before me as head permanent officer of the Treasury, especially in reference to the proceedings of the Exchequer Loan Commissioners, as they were at first called, afterwards Public Works Loan Commissioners; and I also had to consider the subject in connection with affairs in which my own family were interested in Somersetshire, Devonshire, and Northumberland. With that state of preparation, I went as Financial Minister to India, and I found myself at once plumped into the midst of a controversy on the subject. There was a company called the Indian Light Railway Company, of which a Mr. Wilson was the managing man in India, and he was looked upon with favour by the head of the Department of Public Works. A short line of light railway had been established connecting Moorshedabad with the Hooghly, called the Nulhattee Railway. That was afterwards completed soon after I arrived, and it was pressed upon the Government to establish a system of light railways over the whole of Oude and Rohilcund; that is, leaving the East India Railway at Buxar, it was to cross the Ghazepore and Azimgurh districts into Oude, including the very important piece of railway between Cawnpore and Lucknow, and, so on through Rohilcund, until it

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rejoined the East Indian Railway near Seharunpoor. It was pressed upon the Government to include all this in a system of light, narrow-gauge, railways. Applying all my previous experience to this question, and also applying to it the Indian experience which I had acquired during my former service in Bengal and at Madras, I soon came to a decided opinion against the narrow gauge, and I expressed that opinion, with my reasons for it, in a series of Minutes, from which I have extracted the parts which immediately relate to this subject; and as the matter is of the utmost public importance, and is at present of urgent interest, inasmuch as if the narrow gauge system is not stopped now, we must reconstruct all the railways of India on the narrow gauge, I beg to be allowed to make these extracts part of my evidence. There is also an important letter from Major De Bourbel, of the Royal Engineers, old Indian branch, to me; he is a remarkably intelligent officer, and I requested him, on his way up country, to look in upon the Nulhattee Railway, and to write me about it.

1205. Sir *C. Wingfield.*] Was this the narrow gauge metre; it was not as small as that?—That I cannot say.

1206. Not so narrow as the metre which they now adopt?—I think not; but the question of principle is between the standard Indian gauge and any narrow gauge. I am speaking of what ought to be considered trunk lines; of course, where you come to a mere branch railway it is another thing.

1207. Sir *Stafford Northcote.*] What was the ultimate result of that?—The intention then was to make the Oude and Rohilcund system of railways according to the subsidy system advocated by Lord Elgin, that is, that the Government should give a lump sum per mile, and leave the profit and loss entirely to the company; but the funds could not be raised by this Light Railway Company, and so it fell to the ground; and the Oude and Rohilcund system has since been taken in hand by a solid company on the guarantee system, and the railway is in process of construction on the standard gauge.

1208. Mr. *J. B. Smith.*] You stated that, in your opinion, with regard to Bengal, in consideration of the large expenditure by the general Government in that province, and the increase in the value of land which had resulted from it, we might justly impose an export duty on its produce; but you stated that you would also levy a like export duty on the other provinces; do you see no distinction between the two cases?—No distinction in principle at all. I consider that all taxes ought, as far as possible, to be equal; and a moderate export duty on an article of Indian produce, which has a decided superiority in the markets of the world, is an equally good subject of taxation, whether it is produced in Bengal, or Madras, or Bombay, or any other part of India. I, however, think that the circumstance of the landowners of Bengal, who would be the class principally affected, having been so highly favoured by the limitation of the demand of the Government upon them, makes it specially appropriate as regards them, and it would take away from them all ground of complaint.

1209. Is there not this distinction, that in all improvements and outlay by the Government upon the provinces in general, they return an equivalent in a constantly increased rent of their land, whilst Bengal gives no equivalent whatever, and does not allow of any increase in the rent of her land; so that the outlay upon Bengal is made at the expense of all the other provinces?—Bengal gives no equivalent in the shape of an increased land revenue; but she gives a magnificent equivalent in the shape of indirect taxation. Bengal is still the treasury of British India, our great financial reserve. The net annual surplus, everything included, is about 12 millions sterling.

1210. What articles do you refer to?—Salt, stamps and taxes, excise, opium, of course, and so forth. The surplus revenue of the other provinces is not to be compared with that of Bengal. Madras comes next, but still Bengal is greatly in excess.

1211. But does not that arise from the position of Bengal?—It arises partly from its position, but also to a great extent from the fact of the land revenue having been fixed 80 years ago. That has led to an increase of cultivation, and a great development of wealth which could not otherwise have taken place.

1212. But you cannot call customs revenue belonging to Bengal?—Well, there are 67,000,000 of inhabitants in Bengal, that is a large proportion of the population of the Gangetic Valley; in fact, it is the great bulk of the population of the Gangetic Valley.

1213. Mr. Campbell, the Governor of Bengal, in his recent report, states that the rental of permanently settled estates in Bengal is now 10, 15, 16, and even 120 times the Government revenue at the time of the permanent settlement, although the officers who made the settlement in 1793 intended at that time to reserve for Government 10-11ths, and to leave to the zemindars 1-11th of the rental of the country?—It must be remembered that in the majority of cases in which the present rent of the land in Bengal so vastly exceeds the Government jumma, it is owing to new cultivation. A large proportion of Bengal was in a state of jungle at the time of the permanent settlement, and it was the confidence that the undertakers would receive the full benefit of their outlay and pains, which induced the breaking up of this large proportion of waste land. This brings us to the general question of the permanent settlement.

1214. Has not the land risen very much in value; have not rents very largely increased since the opening out of the railways and the canals in Bengal?—Yes, but that applies to the whole of India; rents have very much increased all over India. In the last 15 years especially; owing to the great rise of prices, the agricultural population have been placed in a state of abundance which is unprecedented.

1215. But with regard to the increase in the rents of the other provinces, the Government share in them, and so get compensation for their outlay on public works, but they get no share in the increase of the rents in Bengal?—They get no share in the shape of increase of rent, but, as I mentioned, they get a full share in the shape of the increase of other sources of taxation, and also in the shape of diminished expenditure arising from the contentment of the people. Bengal is not only a treasury, it is also a citadel.

1216. But if the owners and the cultivators of land, in consequence of the great expenditure by the Government on railways and other modes of conveyance, are able to bring their produce to market at a much cheaper rate, ought they not to pay something for this disadvantage?—Certainly, but they

hey do pay something, and a great deal. Mr. Campbell gives the surplus revenue of Bengal at 12 millions sterling. It is enormous; it is our great stand by, our great reserve.

1217. Then you are still of opinion that if any export duty be levied, it ought not to be confined to the produce of Bengal?—No, I think that, as regards each article upon which export duty is levied, the export duty ought to be made general to the whole of India.

1218. You stated that you would have each province govern itself, and that the revenue should be applied to the expenditure of the province. Would you give any control to the general Government over the expenditure of the province?—In the first place, I would have the general Government deduct, according to a well-considered plan, the proportion which each province should contribute towards the deficiency of the branches of revenue immediately assigned to the Supreme Government; and then I would give the Supreme Government an absolute control over the finances of the local governments as regards new taxation, and as regards the incurring of debt; and, beyond that, as the Central Government is the Supreme Government of India, and there must be a Supreme Government, the functions of which in case of emergency cannot be limited by any strict rules, they would have the power of commenting upon, and issuing orders on, any subject whatever; but the ordinary distribution of functions and responsibilities would be what I have recommended.

1219. You have complained of the extravagant expenditure in Bombay, and you said that the general government disapproved of this expenditure, but that they could not control it. In what way would they be able to control it under your plan of separate provincial governments?—In the first place, I think that the people of Bombay would look after it, because, at present, the people of Bombay, that is the influential people, the European and native merchants and bankers, and the classes of people who directly influence the local government, know that it is not really their own money which they are spending, but the money of the other provinces of India; and, therefore, under present circumstances, excessive and profuse expenditure is highly popular in Bombay; but if the finances were localised, and these classes of people in Bombay knew that they were spending their own money, and that if there was a deficiency, they would have to make it good themselves, they would be careful how they exceeded; and then there would be the control exercised by the Supreme Government over new taxation and borrowing. As deficiencies can only be made good from one of those two sources, it seems to me that the control of the Supreme Government would be complete.

1220. Did the merchants of Bombay make any complaints of the extravagant expenditure by the Governor of that province?—No; the course of profusion followed by the Bombay Government was highly popular with the merchants of Bombay.

1221. And might it not be so again under your plan?—No, for the reason which I mentioned; because they would be spending their own money.

1222. Then do I rightly understand you to propose that the general Government should have a veto on any expenditure which they think improper by the separate governments?—No, I think not; they should have a veto upon taxation, and a veto upon borrowing; but the ordinary expenditure should be left to the local governments, with a power on the part of the Supreme Government to interfere when any changes proposed in the local expenditure have a bearing upon the general administration of India. For instance, if the Government of Bombay were to propose to give much higher salaries to its civil or military officers than are given in other parts of India, that would be a case for the Supreme Government to interfere. In fact, that is the function of the Supreme Government, to look to the general interest, and to maintain a harmony throughout the empire.

1223. Now take the case of Madras, where there are ancient watercourses and irrigation works; would you allow the Government of Madras to repair these works, and to erect such other works as they may think necessary for the benefit of the public?—Certainly, I would not interfere with their doing so.

1224. Supposing that additional means were required to effect these objects, would you allow the provincial government to borrow the money for that purpose?—It would be a fair subject for consideration; but my belief is, that if the finances of India were localised in the way proposed, there would be ample for everything, including public works, and the supposed necessity for new provincial taxation would cease; I wish provincial taxation to be distinguished from the purely municipal taxation of towns and villages; that must always go on, and also of districts, for roads and so on; but the necessity for new provincial taxation, such as has lately been imposed by the Government of Bombay, would cease to exist altogether.

1225. Then you would not authorise the separate governments to raise loans for any objects that might be required?—Not without the sanction of the Supreme Government; and the general objections to the loan system are so strong that a very decided case ought to be made out in order to justify a loan.

1226. You are, no doubt, alive to the importance of cheap carriage for the conveyance of the produce of India?—Yes.

1227. The produce of India being itself of little value, it is of the greater importance that it should be carried at a cheap rate?—Yes.

1228. I believe when you were Governor of Madras you took great interest in that question?—Yes, I did. I went into the whole question of railways, and exerted myself very much; and I well remember that I came to a very decided conviction that the principal change that was wanted to make the Indian railways productive, was to lower the rates both upon passengers and upon goods, because India, although it produces exceedingly rich commodities, nevertheless is itself a poor country; that is to say, the people are poor.

1229. According to the Report of the Indian Railways, it appears that the average charge for merchandise throughout all India is 2·18 *d.* per ton per mile. Now, that is only half the cost; the railways in India only yield a return of one-half their cost, and therefore the Government, in effect, add another 2 *d.* to the 2 *d.* which is charged by the railway companies; they make a present of 2 *d.* per ton per mile on all the goods carried. Now,

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do you think that at that extravagant rate it is possible to carry the chief produce of India with advantage?—My belief is that, if the rate was lowered both upon goods and passengers, the railway traffic would rapidly come up to its maximum, I mean come up to the full existing powers of the railway, and that we should get a great deal more than we get at present, and that the incidental advantages of the railways, which, after all, are the great advantages, would be wonderfully increased; I mean their incidental benefits in stimulating and promoting the whole machine of society, and traffic, and business of every sort. In regard to passengers it amounts to demonstration, because the bulk of the people, 99 out of 100, are what we should call poor men; they can only afford very small payments; so that if we wish to fill our third-class carriages, we must make the rates very low.

1230. Do you think that when railways are made in India, they should be made for the accommodation of the towns of India?—Both town and country. At Madras they were so arranged that it seemed as if the towns were intended to be expressly excluded, a theoretical straight line was taken without any reference at all to the towns.

1231. Were you Governor of Madras at that time?—No, that was all done before my time; I commented upon it.

1232. It appears that for 400 miles of the Madras Railway it has not a single town, whilst on the line there are two towns of 15,000, one of 10,000, one of 11,000, two of 100,000, two of 40,000, and two of 30,000 to 40,000 inhabitants?—It was a most unfortunate arrangement, but we must not be too hard upon the Indian administrators of that day, because our own enlightened towns, such as Oxford, Worcester, and Northampton, determined for themselves the same arrangement, and forced the main lines of railway to pass them at a considerable distance.

1233. But was there any opposition to the railway being brought to the towns in this case?—Not at Madras; it was our own enlightened administrators that did it.

1234. In India what was it?—The Department of Public Works.

1235. Not the inhabitants themselves?—No.

1236. I believe you took considerable interest as Governor of Madras in the opening up of the Godavery River?—Yes; I spent some time on the Godavery, and went up it a good way, and went fully into the subject.

1237. The object being to bring the produce of Central India to the port of shipment at a cheap rate?—Yes, a most attractive project; there being no cheaper conveyance in the world for bulky raw produce than the downward stream of a river.

1238. For instance, the article of cotton, of which Berar grows the finest quality, had no means of exit at that time when you were Governor of Madras, except by carrying it on the backs of bullocks 500 miles to Bombay?—That is the case.

1239. But the River Godavery runs through this cotton district for more than 100 miles?—Yes; and its affluent, the Wurdah.

1240. Now, if that river had been opened out, which might have been done at a much less expense than a railway, the consequence would have been that that produce would have been brought to market at a very low rate; cotton, timber, and other produce on the borders of the Godavery?—Yes; if the river had been opened out it would have been so.

1241. You are aware that coal has been found in the Godavery since that time?—Yes; in my time there was a strange discovery of a lump of coal in the Godavery, and nobody could tell whence it came.

1242. Mr. *Eastwick.*] What size was it?—Not very big, but still evidently a product of the country washed down.

1243. Mr. *J. B. Smith.*] Now it appears that it is some 70 miles from the place where the coal has been discovered to the railway; are you aware that instead of opening out the river for that distance, they propose to make a railway?—I have not entered into that question. My impression is that it is quite right that the coal mines should be connected with a railway, and if the navigation of the Godavery is completed, of course they will be connected with the Godavery also. There is quite enough demand for coal on both sides to justify both works.

1244. But your opinion is unchanged as to the desirability of opening out the rivers where practicable, to enable the conveyance of the produce to be effected at a cheap rate?—Yes, quite unchanged. I may say in my own justification that when I took this interest in the Godavery works, no complete estimate of the works had been formed; the whole transaction was in its germ. Very early in my Indian service, when I was political agent at Kotah in Central India, I was very much struck by the beautiful deep still water of the Chumbul in that neighbourhood, and I sent one of my native officers to make a survey of the river all the way to Jumna.

1245. You are so well acquainted with the financial state of India, that I should like to put this question to you. According to the last Budget, as far as I remember, there is a surplus of 250,000 *l.*, but that surplus arises from the opium revenue unexpectedly exceeding the estimate by upwards of 2,000,000 *l.*; if the opium revenue had not produced that sum, there would have been a large deficiency. Now, it is proposed to spend, I think, about 30,000,000 *l.* on narrow gauge railways, chiefly for political objects. Do you think that it is wise, in the present state of the finances of India, to go into the market to borrow money for such objects?—Yes; I have long been of opinion that it is essential, not only for the opening of the trade of the North West, but still more for our political safety, that we should complete the railway communication from Lahore to Peshawur, and also with a view to dispose the warlike population of that region to peaceful pursuits; for, although very warlike, they also have a strong mercantile genius, and nothing would pacify that frontier more than opening a railway to Peshawur; I think that it ought to be done as a military and political measure for the benefit of the whole empire; even the commercial returns will not be despicable at all; the railway, for instance, will strike the great salt range.

1246. The estimated outlay of a railway from Lahore to Peshawur is only 3,000,000 *l.*, which is 10 per cent. only upon the proposed outlay in India; the remainder is for other lines?—Then I had better express the whole of my opinion. I am also of opinion that the railway should be completed between Moultan and Kotri.

1247. Sir

1247. Sir *G. Balfour.*] But not of the narrow gauge?—No, full gauge.

1248. Mr. *J. B. Smith.*] You perhaps have not paid much attention to the returns that are likely to be produced; it is not calculated that there will be any returns on this railway; but it is expected that there will be a deficiency, and perhaps you may form some idea of that from the fact that the Scinde, Punjaub, and Delhi Railway, which cost 15,000,000 *l.*, made in 1870 a return of 11 *s.* 6 *d.* per cent. only, and that since that time the returns have been even more unfavourable and against it than that?—Well, in the first place, I would not do it all at once, according to the favourite modern plan. I consider much the most important of those two lines politically is the Peshawur line; I think that that ought to be gone on with throughout. The other would keep; and in the meantime the country would be becoming more flourishing, and trade increasing. And I also think that if the rates upon passengers and goods were reduced to a level with the capacity of the people of India, the profits of all the railways would very much increase, especially in those high and dry regions where the produce is of a bulky kind, chiefly grain. The great staple of the Punjaub is dry grain; and my belief is, that if the communication by rail were completed with Kurrachee, we should get a great deal of wheat to reinforce our English market.

1249. Then under any circumstances you would complete the railway from Lahore to Peshawur?—To Peshawur, certainly, without unnecessary delay. The other, I think, will keep, and will be the better for keeping; but still, it will have to be done sooner or later.

1250. You would lay it down as a general principle, would you not, that it is not wise in the present state of our finances to incur further debts for objects which are not likely to pay?—Not for speculative objects; for instance, such objects as the Saone Irrigation Works. I consider that a very doubtful speculative object, a gigantic irrigation work on that scale; I think that very likely to turn out like the Ganges Canal, or, worse than that, more like the Orissa Irrigation Works; because the climate of the Saone country is quite different from that of Madras or Northern India; it is closely connected with the great mountainous and woody districts in the interior, and in ordinary seasons they have plenty of rain; it is not water that they want.

1251. Mr. *Lyttelton.*] Is it your opinion that one of the very great advantages of the system of the permanent settlement, consists in the sense of security given to the cultivator?—Yes; I conceive that the institution of property in land cannot be properly said to exist unless the demand of the Government is limited; that is to say, unless the demand of the Government upon the income of the landowners is equalised with that upon the income of all other owners. Even in the case of a long lease, a 30 years' lease, which is the existing practice, I consider that the motives and encouragements implied by the institution of property exist in a very imperfect degree; because, although it is a 30 years' lease in the first year, it is only a 29 years' lease in the second, and a 28 in the third, and so on, till at last it dwindles to a narrow margin, and they actually begin to deteriorate their lands. I remember when, as the leases approached their expiration, instead of thinking how they should increase their cultivation, they used to arrange to diminish it; they used to fill up wells, and obliterate them so that one could not see where they were, and so on. Then I think the question may be tested on a large scale by comparing the results. However elaborate the investigations may be in what are called the revenue settlements, that is, in assessing the land revenue or the proportion of the rent to be taken by the Government, it really after all entirely depends upon the opinion of the settlement officer: no doubt about it. I have made settlements myself, and so I know; it was a terrible responsibility, that is to say under the old state of things, when the object was to get as much as you could for the Government; the responsibility was awful, and I was very glad to have done with it and go into another line; but even at present when we are exceedingly indulgent, and only take half what we suppose to be the net produce, it depends upon the accuracy of the information, the accuracy of the calculations, the individual judgment of the settlement officer, whether it should be for the next 30 years a happy, wealthy, well-to-do village community, or one which would have a prolonged struggle. Now compare with that, Bengal. Bengal is the garden of India; it is a wonderful country; notwithstanding all the mistakes which were made, and the deteriorating, disqualifying circumstances, especially the fact that the persons with whom the settlement was made were not really the owners; notwithstanding all that, Bengal has flourished wonderfully under the permanent settlement. Two great mistakes were made in making the permanent settlement of Bengal; one, that the settlement was made in reference to all land, whether cultivated or uncultivated, and consequently, as about a third of Bengal was then waste, the Government, that is, the taxpayers of India, lost the benefit of the land tax upon that third; the other mistake was the one which I have mentioned, that instead of making the settlement with the real proprietors, the old peasant proprietors belonging to the village communities, we set up an ideal proprietary class of our own, taking the collectors under the former Governments and others. Of course, in extending the permanent settlement we should avoid these errors. In fact, the matter was discussed and fully gone into for the fiftieth time a few years ago, when Lord Halifax was Secretary of State; it was very fully considered, and a very wise decision was come to, namely, that, so far as any district might be considered to be fully cultivated, the advantages of a permanent settlement should be conceded, but that they should be withheld from districts that were only partially cultivated. Now, that seems to me exactly to hit the point. If a permanent settlement is made on those conditions we can lose nothing; that is, the public can lose nothing under the head of new cultivation, because the cultivation is complete. The only loss to which it can be subjected would arise from the increase of prices, the depreciation in the value of money, say, and the increase of prices, either from that cause or any other. No doubt the Government would lose the opportunity of increasing the assessment at a future time, but I consider that any possible loss from that cause would be far more than compensated by the general well-being and development which would arise

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from the fact of the demand of the Government upon the land being limited. I consider that those instructions ought at once to be applied, that is, with all proper consideration and care, to such districts as Tanjore, to the great bulk of the North West Provinces, and so forth.

1252. You are aware that this Committee have recommended the suspension of the operation of that system?—Yes; but I must express my independent opinion, it is the opinion of a whole life; my Indian service commenced in the year 1826, and I have had the subject constantly before me, discussing it with all sorts of people; I have been three times to India, and I have seen the land system of India under all its phases; I have seen it under the permanent settlement of Bengal, under the ryotwar settlement of Madras, and under the village settlement of Western India.

1253. You consider, in fact, that the Government will be recouped by the increased prosperity arising from a system of permanent settlement?—Far more than recouped, in my opinion, and then there is the stake it gives to the agricultural population, who are the bulk of the population of India, in our Government. I well remember the time when even a 10 years' settlement was considered what they called an istimrar; it is an Arabic word, meaning permanence; and the highest form of grant ever made by the Delhi family of jaghirs was in the form of istimrar, that is perpetual. One of the first public services I performed was recovering a tract of country about 40 miles long by 20 miles broad from the Rajah of Bickaneez, who had improperly taken possession of it; and after we had recovered this tract I was sent to it a second time to make a revenue settlement of it, and I recommended (and it was done) that the first settlement should be purely temporary for a single year, perhaps two years, or it may be three years, in some of the better cultivated villages, in order that we might not do anything hastily; and I remember the disappointment of the poor ryots; they said, "We thought when we came under the British Government our lands would be like an istimrar, that we should have at least a 10 years' lease." Now the extension of the permanent settlement to the bulk of the population of India would be so regarded, it would be considered the greatest possible boon, and it would give them all a stake in the permanence of our power, and would attach them to us more than any other measure that could be adopted; and that being so, we should feel the indirect benefit of it in a reduction of expenditure on all points, military expenditure, police expenditure, and even judicial expenditure; the expense of re-settling the revenue, which is very heavy, would be entirely saved, and the expense of collecting it would be much diminished; and observe the bearing of what we are now coming to upon it, I mean the new plan of governing India through the Indians on a system of local municipal government; we are going to throw the greater part of the expense of Indian administration upon the people themselves, the bulk of whom are agriculturists; now so long as the land revenue settlements are temporary, that cannot be done with any effect, and the two things will be constantly mixed up together, and cause discontent; the manner in which additional cesses, under the name of local cesses for roads and education, and so forth, are added to the Government jumma in Madras, the North Western Provinces and the Punjaub, is very questionable; the natives do not really distinguish between them; they are both temporary; they are both substantially of the same character; but if the Government jumma was fixed, then they would have a fresh starting point, as it is in Bengal; so far from the provinces of Bengal proper being less suitable for municipal taxation than the other provinces of India, it is far more suitable, owing to that very circumstance that the Government demand for land revenue is limited.

1254. Is not the uncertainty arising from the liability to be taxed every year, under the permanent settlement, greater than the uncertainty arising from a re-settlement every 30 years?—No; because they will have it in their own hands to tax themselves; if they do not choose to do it, it will be their concern; they will have to choose between good and bad roads, or between a full and an insufficient supply of water.

1255. But you say, do you not, that the zemindars of Bengal should be taxed all the more, because they are under a permanent settlement?—I do not say that they should be taxed by us any more, but that, being under the permanent settlement, they are in a better position to tax themselves through the municipal system. No doubt in Bengal we made an unfortunate arrangement; instead of settling direct with the actual proprietors, we settled with middle men; but we shall not make that mistake now. During the 80 years which have passed since the permanent settlement, since Lord Cornwallis's time, especially within the last 40 years, since Lord William Bentinck's time, and since Munro's and Elphinstone's time, we have acquired an amount of detailed information in regard to the tenures by which land is held, which will effectually prevent us from repeating the mistake. Now we shall give the benefit of the permanent settlement to the actual proprietors.

1256. Then you would take nothing from the landowners except for purely and strictly local purposes over and above the land revenue?—Just so.

1257. In the system which you have sketched out of a subdivided Government of India?—That is to say, nothing under the head of land revenue. Of course, in regard to other taxes, salt, for instance, the case would be different.

1258. Does not that come very much to giving with one hand and taking away with another?—No. They are liable now to all the other taxes, salt, and excise, and stamps, and so on, so that would be no new liability; and now we are going to make them liable, if they choose to incur the liability, to municipal taxation, even without the advantage of a permanent settlement of the land revenue; so if we begin by giving them that benefit, they will be in a much better position to pay taxes in other ways.

1259. Is there no force of native public opinion sufficient to counterbalance in any degree the monied interest of Bombay and Calcutta?—There is a great force of native public opinion in matters which they understand, and which immediately affect themselves. I spoke of the great objection that they have to new taxation. The Chairman illustrated that by the resistance that was made to the introduction of the stamp tax at Calcutta. There are two other very remarkable instances.

instances. The entire population of Benares turned out within the memory of men still living, made a wulsah, as they call it, went out into the fields, men, women, and children, to avoid a house tax. Then, at Bareilly, there was an insurrection to resist a similar tax.

1260. Does not the expenditure of Bombay affect very nearly the population of Bombay itself; is not a great proportion of the taxes in that presidency raised from the town?—The municipal expenditure does affect them very nearly, but then they have provided for that chiefly by borrowing; they have borrowed money to a great extent, so that the pressure of that will only come gradually and indirectly. They have also, most improperly, levied duties for local purposes on the general trade.

1261. What proportion of the native element would you give to the chief local councils in your scheme?—I would have every district of the country represented by its best man, the man best fitted for that purpose.

1262. And what proportion should they bear?—Take Madras as an example; each collectorate would be represented; that is the best established territorial division; there is in each of these districts a collector and magistrate, with deputy collectors and joint magistrates under him; every such district should return one representative, who, in the majority of cases, would be a native, but I would not confine it to natives. Two or three districts, such as Wynaad and the Nilgiri plateau, and possibly one or two more, would be represented by Europeans. That would make 20 or 21 representative members, who would, with [illegible] options, be natives. Then [illegible] entatives for Madras and [illegible] ge towns, who might be [illegible] East Indians, or Natives. [illegible] a strong senatorial element, [illegible] the official class, but also [illegible] efs and persons selected from [illegible] antile class.

[illegible] emplate, in fact, the possibility [illegible] ity on such councils?—Yes.

[illegible] ould have no fear of such a thing?

1265. Do you think that anything short of a native majority would much influence the financial policy of these councils?—No. I think when it is made quite plain to them that they are spending their own money, whether they are Europeans or natives, we may trust them.

1266. What are the functions and the position of the Zillah Councils that you spoke of?—That would be for roads and the lines of avenues which are such a blessing in India; then the rural police and the higher branches of education; of course they would aim at having a college in each district, and high schools in the principal places; the popular education would be strictly municipal.

1267. Would the council be entirely native?—No; the European planters, indigo planters, merchants, and others in the plains, and the tea and coffee planters in the hills in the Madras Presidency, have always been on excellent terms with the natives.

1268. What hold would you have over such councils?—Well, the main safeguard would be that they would be spending their own money.

1269. But supposing that they refused to spend any money on education or roads?—Then we must wait. Of course, no system that can be adopted can work quite smoothly; there is nothing perfect in human affairs; and it is only through actual experience, that is, at the expense of a certain proportion of blunders, that people can arrive at a satisfactory result.

1270. You would not require the supreme local government to set them to work, if necessary?—Well, there may be points on which obligatory injunctions might be given. I will not take upon myself to say, but generally speaking, I would leave the management of their own local affairs to themselves.

1271. *Chairman.*] Can you refer the Committee to any State Paper of recent date that contains any summary or statement of the increase that has occurred, either in the increase of rent or in the increase of cultivation, or both, in any considerable number of villages under the permanent settlement since the time of the settlement; do you recollect whether any such inquiry has taken place in India, and whether there is any report on that subject of recent date?—By searching the records it may be found; it can only be obtained in a very rough way.

1272. I mean do you recollect any existing report of that nature?—I will not take upon myself to say that there is not one, but of this I am confident, that fair estimates were made of the extent of wild land, uncultivated land at the time of the permanent settlement, and we know the existing state of the country; every part of Bengal, and some parts more than others, is full of instances of extraordi[illegible]xtension of cultivation.

1273. [illegible] say that the permanent [illegible] great confidence on the part of the population of Bengal. Would not there be equal confidence in a 30 years' settlement if they knew that they could not be disturbed for that time?—Certainly not. When I say the population of Bengal, I mean that part of the population which is affected by the permanent settlement; I will answer for it that the Rajah of Burdwan would not feel the same confidence in a 30 years' settlement of his estates which he does in the permanent settlement of them.

1274. But would not the leaseholders in the North Western Provinces feel as great confidence in their rentals not being raised as the ryots in Bengal?—By no means. As I mentioned, it is a fallacy to call it a 30 years' settlement; it is only a 30 years' settlement in the first year, and it gradually dwindles till it becomes no settlement at all, and, as time goes on, the security diminishes, and the feeling of insecurity increases, till at last they are left to all the chances of the knowledge and discretion of the person who has to make the settlement.

1275. You are perhaps aware that we have it in evidence that the 30 years' settlement in the North Western Provinces has given the greatest satisfaction to the people, and that there is perhaps no part of India where the people are more prosperous?—It has given great satisfaction by comparison with the previous state of things; I can remember a very different state of things. I can remember when the population of whole districts were forced to emigrate in order to escape the over assessment of our officers.

1276. But that was not a 30 years' settlement, that was an annual settlement?—It was not a 30 years' settlement, certainly; but it was more than annual, it was five years at least, and I think 10 years.

1277. I sat

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1277. I sat on the Cotton Committee, and I know that at that time all that part of the country was under an annual settlement, and no wonder there was discontent; but a 30 years' settlement is like a lease in this country, is it not?—Thirty years is better than 10 years, and 10 years is better than an annual settlement; but a permanent settlement is best of all.

1278. Sir *G. Balfour.*] Has not the permanent settlement left the cultivator of the soil at the mercy mainly of the zemindars with whom the permanent settlement was made?—It was not owing to the permanency of the settlement, but to the mistake that was made in making the permanent settlement, not with the actual peasant proprietors, but with certain middle-men whom we chose to call zemindars, and to make the settlement with them.

1279. But still the fact is that the cultivators of the soil have complained very grievously of the exactions of these middle-men?—Certainly, they have in Bengal. We attempted the same thing at Madras. We tried to set up a set of so-called zemindars there, middle-men, but the people would not stand it; it was so abhorrent to the habits of the people that they were got rid of; it all broke down.

1280. In Madras nearly all the zemindaries have been bought in by the Government?—Yes.

1281. You have expressed a very decided opinion against the new taxes which have been levied in India in the last 12 years. I wish to bring out clearly fr[illegible] as to whether you entertained those s[illegible] when the great financial c[illegible] was necessary to take decided [illegible] financial equilibrium?—In proof that it was so, I may mention that, finding on my arrival at Madras that the Government of India had called for the opinion of the Madras Government upon the imposition of a tax on native-grown tobacco throughout India, and that this tax was strongly condemned by the Board of Revenue and the other members of the Government of Madras, who suggested, as a preferable alternative, an increase of the salt tax, I recorded my opinion in a Minute, dated the 10th of June 1859, which contains the key to all that subsequently took place. I began by saying, "The objections to the scheme for a tax upon tobacco are so grave and decisive that it would be a waste of time to discuss them;" and I said no more about that. And then about the Madras proposals to increase the salt tax, I said, "There is, however, another class of measure to which I shall give my attention as soon as the pressure of other business permits, which is to increase the productiveness of the salt tax at the existing rates, partly by facilitating the circulation of salt in the interior by the establishment of depôts in connection with the railway, and in other ways, and partly by a more rigid enforcement of fidelity and exactness in the collection of the tax. This important branch of revenue has not received the attention which it deserves, and I am convinced that it might be largely increased, without any increase in the existing rates, if two or three of the ablest and most experienced European and native officers of this Government were directed to give their minds to it;" that I did. At that time the coast districts of the Madras Presidency, I mean the collectorates which line the coast from Ganjam on one side to Malabar on the other, ate their salt tax-free, by a wholesale system of smuggling; but by the arrangements which I made with the Board of Revenue, and more especially with Mr. Robinson, the very able officer, who formed, under my direction, the new police, we put an end to all that, and greatly increased the salt revenue. But the passage to which I wish particularly to call attention, is this: it is not long, and I will read it because it will save time in future. "I am convinced, from a long and large experience of Indian affairs, including a close observation of what has taken place since the commencement of the great catastrophe in Upper India, that the present financial exigency might be overcome in two or three years, by reduction of expenditure combined with various measures of good administration. Instead, therefore, of exhausting our ingenuity in devising new taxes, and raising new loans, I recommend that we apply ourselves in serious sober earnest to reducing expenditure, many large items of which are capable of being immediately acted upon, and to rendering the large balances in the treasuries more available. My Minute of the 28th ultimo shows what important financial results may be obtained even from an ordinary attention to the military expenditure of this Presidency, in which the extra establishments consequent upon the war have not been carried to any great extent; and it may hence be inferred what may be accomplished by a detailed manipulation of the whole expenditure of India, including the vast provisional establishments in the north. We ought not to increase the burdens of our Indian fellow subjects until it has been clearly ascertained that t[illegible] cannot be effected by the primary [illegible] mode of reduction of expe[illegible] cially due to the people o[illegible] who, so far from having adde[illegible] ments and losses by rising ag[illegible] us noble support, and have co[illegible] out an increasing amount of [illegible] crease in the collections in th[illegible] the first 10 months of the curre[illegible] on a total revenue of only 4,86,[illegible] has been 54,65,705 rupees, of wh[illegible] rupees is from the land tax, and 3,11,399 rupee[illegible] from salt. The gulf of northern expenditure ought to be speedily fathomed in justice to the rest of India, else our taxation will be indefinitely increased, and our most indispensable public works, military as well as civil, will continue to be postponed or rejected. The inhabitants of this Presidency have already been hardly dealt with by the retention to this day of that most objectionable system of native taxation known by the name of muhtarafa, although it was to have been abolished a quarter of a century ago, with the transit and town duties of Upper India, and it is believed in England that it was abolished long ago, and credit has been repeatedly taken by members of the Home Government for its abolition. With the exception of a small portion, which consists of a house tax, and might be retained for municipal purposes in towns which undertake to tax themselves for objects of health and recreation, this tax takes such a disproportionate sum from the people compared with the amount paid to the Government, and presses so heavily on the springs of industry by mulcting the poorest of the people, and exercising an inquisitorial interference with business of every kind, that its abolition combined with the full collection

First expression of opinion in favour of the policy of reduction of expenditure as against that of new taxation.

collection of the salt tax and the equalisation and fixation of the land tax" (that had begun to be considered then), "would soon be felt in a much larger increase in the other sources of taxation."

1282. Your policy was then, not increased taxation, but reduction of expenditure; will you be good enough to state what measures you were taking then to effect that?—From that time two conflicting policies prevailed in India; one the policy advocated by me of reduction of expenditure; the other, which was the favourite at Calcutta and in England, increase of taxation.

Second expression of opinion.

On receipt of that Minute, the Governor General in Council requested a fuller explanation of the views of the Madras Government in respect to those other measures, he adoption of which, as suggested by me, ight render a resort to further increased axation unnecessary; upon which I recorded nother Minute of the 11th July 1859. And would ask to be allowed to put in an xtract from it, as containing a more full development of the principles laid down in my [illegible]e. "In the letter from the Secre- [illegible]vernment of India, dated the 20th [illegible] asked for a fuller expression of [illegible]e Madras Government in reference [illegible]ion of expenditure combined with [illegible]res of good administration,' which, [illegible]ed in my Minute dated the 10th [illegible] reader a resort to further increased [illegible]cessary. Experience warrants the [illegible]h proper management, the finances [illegible]be rapidly restored to a satisfactory [illegible] been done twice in my own time. [illegible] embarrassment consequent upon the [illegible] Nepaul wars, was so completely [illegible]ing the early part of Lord Amhurst's [illegible], that it was seriously proposed to [illegible]portion of the surplus in paying the [illegible]ts of the civil servants. This plethora [illegible]d by another depletion, caused by the [illegible]ese war; and this was relieved by the [illegible]orous administration of Lord William [illegible]ancial prosperity in the latter [illegible]n Bentinck's and the first part [illegible]s administration, was brought [illegible] Affghan and Sikh wars. It is [illegible] finances of India are, on the [illegible] The revenue is no doubt so, in [illegible]ew, because the people are poor, [illegible]t being represented in the Govern- [illegible]aving any effectual confidence in it, [illegible]ually take refuge in passive resistance [illegible]ly protection against new and indefinite [illegible] It was by acting upon the expenditure [illegible]nances were restored in Lord Amhurst's [illegible] William Bentinck's time. There was [illegible]remission of impolitic taxation by the abo[illegible] of the transit and town duties; but I do not recollect a single new tax having been imposed. Circumstances are now more favourable for the restoration of our finance than they were on the two occasions above adverted to. Large independent native armies were then maintained at Gwalior, in Oude, and in the Punjaub, and we had to keep up a large Sepoy army to counterbalance them. Those independent armies no longer exist, and most of the revenues which supported them, besides other large annexations, have been added to our exchequer. Formerly, with the revenue of rather more than half of India, we had to provide for the military protection of the whole of India under conditions which, for the reason above stated, were peculiarly burdensome; now, with two-thirds of the revenue of India, we are left to choose our own method of military administration. The Sepoy army of Upper India, which continued the old scale of expenditure after the occasion for it had ceased, has dissolved itself. Both in our foreign and domestic relations we are now our own masters. India is at our disposal as it never was before, and we ought to do our utmost to profit by it before the opportunity has passed. In the present crisis of our affairs, the full value of this advantage cannot be too clearly understood. One of the earliest observations made of the people of India was, that the fighting was done by a separate caste, and that everybody else followed his ordinary occupation. This holds good to this day. The people of India are, in general, extremely docile and easily governed. There are particular castes or classes among them, who, although they usually follow agriculture and other peaceable pursuits, are soldiers by hereditary profession. The Rajputs and Brahmins who composed the late Bengal army gave us no molestation while they were cultivating there ancestral acres in Oude or Behar. After the fierce struggle which ended in the subjugation of the Punjaub, the Sikh soldiery were rapidly absorbed into the body of the people, and it was only after we had called them out, and given them a new military organisation, that they again [illegible]use of anxiety to us. The p[illegible] [illegible]o evoke spirits [illegible] lay. Our chief danger is from our nativ[illegible] army itself. Our Mahommedan predecessors acted upon this principle; they maintained a moderate force composed chiefly of Mahommedans, and the result was that there was always a surplus in the Treasury. Every Hindu State acts upon it. The head of the state is surrounded by a few hundred or a few thousand, as the case may be, of his own tribe, while the rest of the people quietly do their own business in their respective municipalities. Hence the normal condition of native Indian states has been that they have had a surplus revenue, which has been systematically laid up against the time of need. The true remedy, therefore, in every point of view, political as well as financial, is to reduce the auxiliary native force which has been raised as a set-off against our late Sepoy army. It was hastily called forth from the body of the people, in numerous cases by local officers acting upon their own discretion, and it can as easily be returned to it. This has been done on every former occasion. The large levies raised by Lord Lake in Upper India in the first Mahratta war were disbanded by Lord Cornwallis. The same thing took place in Lord Hastings' and Lord Amhurst's time, after the second Mahratta war. As Indian financial difficulties are caused by the enormous levies which the nature of Indian warfare demands, so those difficulties are relieved by their disbandment. By adopting this course, important immediate results are obtained. There is no danger to be apprehended; for irregular troops raised to meet a sudden emergency do not expect to be permanently maintained, and can easily resume occupations which they have only recently laid down. The greater number gladly return to their families, with the donation of so many

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months' pay which it is customary to give. The only danger is in keeping them embodied when there is no longer active employment for them. The prevailing high prices of agricultural produce, of which the withdrawal of so large a portion of the youth of the country from productive labour is one of the chief causes, makes the present time particularly favourable for such an operation. In Madras the ancient military organisation, the parent stem from which the withered Bengal branch sprang, still occupies the ground. Yet I showed in my Minute of the 28th of May, that large savings of military expenditure were in progress in the south of India; and that in two or three years it might be reduced below the ante-mutiny standard. In Northern India there are much greater advantages for dealing with the subject. What we have there is a *rudis indigestaque moles*, which, by proper manipulation, can be speedily contracted to a vessel of rare excellence. These results can, however, be obtained only by good administration. The first, and main point of all, is to have a clear plan blocked out for the re-organisation of our military system in Upper India. I long ago expressed my opinion on this subject in a series of letters, which I wrote at great personal sacrifice, and published in England; and I have since adverted to different parts of the subject in my evidence before the Indian Army Commission, and in some of the Minutes which I have recorded since I returned to India. The Commander in Chief of this Presidency has worked out, in a series of minutes and [illegible] the practical application of a [illegible] measures, is similar to [illegible] nisation of our Indian military system is the reformation of the existing police on the English and Irish constabulary principle. Until this is done, the army cannot be concentrated, and reduced to the proportions really required as a reserve in support of the civil power, neither can trustworthy, vigilant aid be obtained for the full collection of the salt tax, and the sayer, or excise upon spirituous liquors; above all, until this is done, we cannot give our Indian fellow-subjects that protection of personal property, without which it is impossible they can pursue their avocations with confidence and spirit, to the augmentation of the wealth of the community, and with it, through the medium of all the taxes, of the public revenue. A complete, and, in my opinion, a very satisfactory, plan for the re-organisation of the police of the Madras Presidency, has been before the Legislative Council since February last, and I will not attempt to estimate the pecuniary loss to the State from the opposition it has met with there. It was not "Police corps" which it was proposed to establish. These are neither police nor regular army; and while they cause a heavy expenditure, they are a source of disquietude both to the Government and people. It was a *bonâ fide* re-cast of the actually existing police, on the English and Irish principle, superintended in all its details by European officers, but placed entirely at the disposal of the magistrates."

On the evils of over-centralisation.

I also recorded another Minute, dated the 13th July, two days after, in which I described the great evils arising from over-centralisation; the correction of those evils being an indispensable part of the course of restoration I proposed. I propose to put in also: "Another point of vital importance is the relation of the local and Supreme Government; when I was in the secretariat at Calcutta I assisted Lord William Bentinck in taking the first timid, tentative steps towards the establishment of the control of the Supreme Government after the Charter Act of 1833 had been passed; I also assisted in re-moulding the constitution of the Indian Governments in 1853; it was not intended that the Supreme Government should occupy the place which had previously been held by the local governments; it is physically impossible that the real Government of the whole of India can be carried on by one set of men from one place, and the result of the attempt has been to paralyse the local governments without providing any effectual substitute for them. The south of India differs from the north as much as France does from Germany or England, and if it had been intended that the detailed administration of the south of India should be conducted at Calcutta, provision would have been made for assisting the Governor General in his Secretariat and Executive Council with officers trained in the peculiar system of the south; the terms in common use, of 'subordinate' and 'minor' presidencies, show [illegible] the mistaken notion arising from the [illegible] cillors, and the secretaries of the [illegible] neral, being taken exclusively fr[illegible] Presidency has taken root; accord[illegible] stitution of British India, there is [illegible] general government without an[illegible] and several co-ordinate local gove[illegible] practice ha[illegible] been very different. [illegible] in Council of this Presidency is th[illegible] sentative of the authority of Gover[illegible] to 22 millions of Her Majesty's [illegible] functionaries in this position have a[illegible] feeling that it is better that they sh[illegible] thing, than do that which would [illegible] authority into contempt. As the lo[illegible] ment cannot be superseded, it ought [illegible] tained in all authority and honou[illegible] infinite waste of invaluable time and s[illegible] been caused by the following assumpt[illegible] which the Supreme Government h[illegible] acted of late years: Firstly, th[illegible] should be made in reference t[illegible] which is not applicable to all[illegible] condly, that *primâ facie* groun[illegible] ever is applicable to Norther[illegible] applicable to the Madras and [illegible] cies. Progress is impossible if, [illegible] that a measure is required for the [illegible] Malayalam, and Canarese people, or [illegible] we have also to show that it is not t[illegible] the Bengalees, and the countless millio[illegible] ing the great plains which extend from [illegible] Hindustan. The consequence of the [illegible] position is even more injurious to the [illegible] terest. In government, as in other t[illegible] true process of reasoning is the Baco[illegible] one. We ought to build upon the foundation of actual induction; making only such amendments, whether suggested from within or without, as experience may show to be required. When, therefore, we are asked to conform our system to that of Bengal, we are called upon to forego the ripe fruits of experience round which the public feeling, and the *esprit de corps* of this presidency, have gathered through many official generations, and to enter upon the discussion of what to us are entirely abstract propositions. Can we be surprised that, under these circumstances, a feeling of general discouragement

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[illegible] l, [illegible] to [illegible] nc- [illegible] late [illegible] such [illegible] uper- [illegible] ments, [illegible] n form, [illegible] al prin- [illegible] tantially [illegible] whole of [illegible] we have [illegible] overnment [illegible] roper limits [illegible] ernment for [illegible] ral position, [illegible] y, and by its [illegible] as well as [illegible] councils, of [illegible] of India; but [illegible] y to be shaped [illegible] which is finance, [illegible] e sought in that [illegible] nd expression of [illegible] the 7th of Sep- [illegible] General in Council [illegible] e Government of Ma- [illegible] llowing effect: "His [illegible] Council will be glad [illegible] elected officers in the [illegible] Presidency, in whose [illegible] and knowledge of the native [illegible] Honourable the Governor in [illegible] dence, should be invited to [illegible] opinions," on the first License and [illegible] Tax Bill, "fully and freely." That was previous to Mr. Wilson's more complete and symmetrical measure; it included both; it was both a license and an income tax. Seven days after, the Madras Government received from the Government of India a very remarkable letter, showing two things: first, that alarming results were anticipated from the new taxation which they had themselves entered upon, and the other, that the fact of their entering upon this system of new taxation was certain to obstruct the reduction of military and other expenditure which was so desirable. I must be allowed to read two short passages from it. It is "From William Gray, Esq., Secretary to the Government of India, to T. Pycroft, Esq., Chief Secretary to the Government, Fort St. George, dated Fort William, 14th September 1859, No. 1845." It commences: "With reference to my letter of the 7th instant, No. 1780, regarding the Bill for licensing trades and professions, I am directed to request that his Excellency in Council will take into his consideration the steps which, as a matter of precaution, it may be expedient to adopt with the view of preventing any opposition to the law, if, in the opinion of his Excellency in Council, there should be reason to apprehend such in any parts of the Madras Presidency." "There is one point in particular of great importance to which [illegible] Governor General in Council is anxious to [illegible] attention of the local governments, [illegible] the necessity for placing the best and [illegible] iable civil officers at those points where [illegible] y be most reason to apprehend opposition [illegible] ew law." "The Governor General in [illegible] is of opinion that in giving practical [illegible] he provisions of a new and an unpalatable law such as that under consideration, the Government should take care to have all the more important posts filled by the best executive officers at his command, and should also avail itself of the services of any other officers who, though not holding executive posts, may be distinguished for the possession of those qualities which control and influence the native mind. No officer in whose ability and discretion full confidence is not felt, should be retained in any position which, from special circumstances, may be likely to demand on such an occasion the exercise of those qualities in a high degree. His Excellency in Council is desirous that during the interval which will elapse before the Licensing Bill becomes law, each local government should take the question of its practical enforcement into serious consideration, and make such a disposition of the means at the disposal of Government" (meaning the military force), "and otherwise adopt such measures as may seem most likely to ensure its peaceable reception by the native subjects of Her Majesty, more especially by those inhabiting the principal cities and towns of the empire." The opinions of all the ablest and most experienced officers of the Madras Presidency were accordingly taken, and I forwarded them to Calcutta with another Minute of my own, dated the 1st December 1859. I will read a short extract from it: "Exhausted by the efforts and excitement of the last three years, this country is more at our disposal than it ever was; but we have not yet seriously begun to reduce the enormous additional establishments accumulated at the discretion of almost every district officer during the late crisis in Northern and Western India. As regards the Bombay Presidency, this assertion is fully borne out by the reports of the Military Finance Commissioners, dated the 21st of September and the 29th of October last. It will there be seen that the two great heads of extra expenditure, new levies and transport, have hardly been touched. In Northern India there is a threefold establishment where there was only one: first of all, there is the old police; then there are numerous native levies, and Sikh regiments under the Commander in Chief; and, lastly, there is a separate civil army under the local governments known as "Military Police" and "Police Corps." This anomalous force is police only in name. It is neither disciplined nor disposable like the regular army, nor is it brought into contact with the people for their protection like a properly organised police. The levies of this description, which have been formed since the mutiny in Bengal Proper, are singularly out of place. The Bengalees are the most unwarlike people in the world. They gave us no trouble during the mutiny. Our difficulties were entirely with the mercenary troops stationed among them" (actually at Dacca and other places these new levies had begun to be almost as great a source of anxiety as the old Sepoys); "and this new mercenary force is at once a cause of alarm to the inhabitants, and of embarrassment and anxiety to the Government." "If the reductions are properly handled and are properly combined with measures of civil amelioration, I am persuaded that they will not be attended with danger; but if some risk must be incurred, it would be over as soon as the new levies had been

Precautions directed to be taken against expected discontent.

Third expression of opinion in favour of the policy of reduction.

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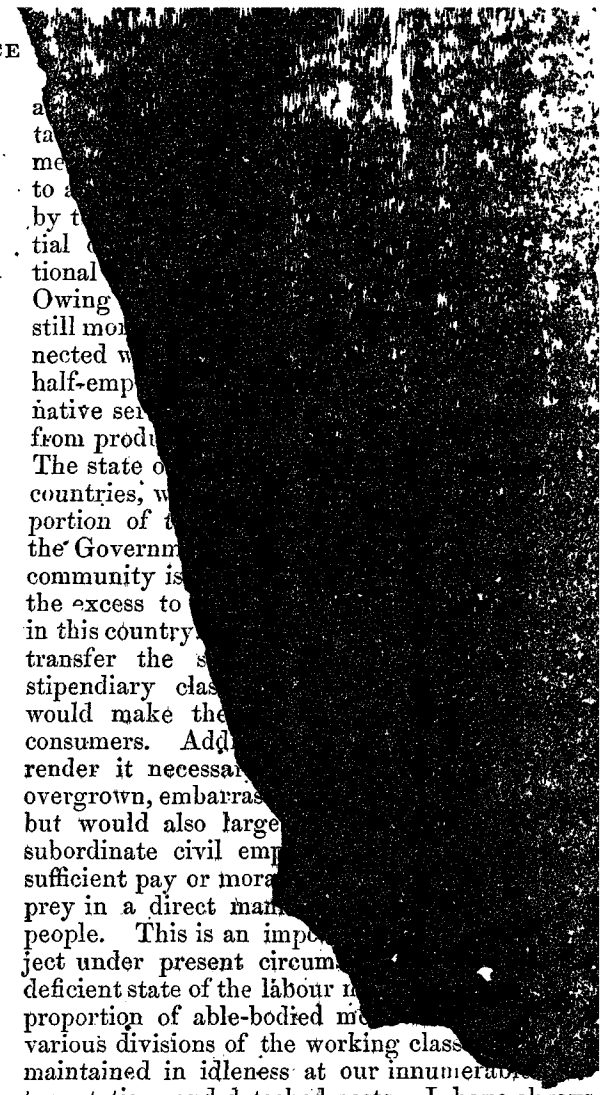
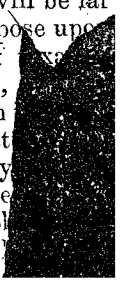
been returned into the mass of the population, and would result in a state of the finances which would inaugurate a new era in India. If we choose the other policy the danger will be cumulative; more troops must be employed to meet a general state of discontent, and the employment of new troops would add to our financial embarrassment, and increase the probability of another explosion. On the late occasion it was only the Bengal Army; now the whole people of British India would have a common cause. No course we can adopt is free from risk; what we have to do is to weigh opposite considerations, and to determine in what direction the risk is least, and may be incurred with the greatest prospect of an early and unsatisfactory settlement." That was a third expression of opinion in favour of the policy of reduction. The fourth was in my Minute upon Mr. Wilson's Budget, for publishing which I was recalled; it was dated the 20th of March 1860. I would especially call attention to that part of it in which I compare the two modes of readjusting the national balance sheet, namely, by diminution of expenditure or increase of income:—"There are two modes of readjusting the national balance sheet, diminution of expenditure and increase of income; but these by no means stand on the same footing. Taxes are a portion of the property of the community taken by the Government to defray necessary public expenditure. The Government, therefore, has no right to demand additional taxes, unless it can be shown that the subject cannot be attained by a reduction of unnecessary expenditure. In other words, reduction of expenditure is the primary mode for making good deficiency. In framing our English Budgets, we never think of proposing additional taxation if the balance can be restored by reducing establishments. The transfer to this country of the forms of English finance is of much less consequence than the naturalisation of the principles which are the basis of our national prosperity. We ought not to have one rule when we govern ourselves, and another when we govern our Indian fellow subjects. Another important difference is, that reduction of expenditure is pure gain. Nay, the advantage is even greater, for, by reducing expenditure, the machinery of various kinds required for carrying it on is rendered unnecessary, and thus a further saving follows. In military affairs the second economy is greater than the first; for the expenditure in subsidiary departments, pensions, &c., is notoriously larger than the payment of the officers and men. In taxation the case is reversed. What is obtained by taxation is gained at the expense of a heavy charge for collection; and this is especially the case in reference to new taxes. In another way, heavy deductions would have to be made from what would be gained by these taxes. Our immense native civil establishments have always been underpaid, and, owing to the general increase of the prices of the necessaries of life, the pressure upon them is now more severe than ever. For the same reason, our European officers of the junior ranks, and our European non-commissioned officers, and native commissioned and non-commissioned officers, find it difficult to live upon their pay. We should, therefore, have to increase the remuneration of arge classes of public servants. The effect produced would be like that of the superannuation

Fourth expression of opinion.





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maintained in idleness at our innumerab
tary stations and detached posts. I have always been of opinion that this financial crisis might be satisfactorily met by reduction of expenditure only, combined with some obvious administrative improvements, whereby both our civil and military establishments would be rendered more effective, and the existing taxes would be more fully collected. Nobody who knows anything of India supposes that any important financial result can be obtained by a reduction of civil salaries. Some reductions may be made, but these will be balanced by necessary increases in other quarters. The cause of the present financial difficulty is the increase of the military expenditure, and the remedy is to be found in the removal of that cause, namely, in a corresponding diminution of military expenditure." And then I said, "Here, therefore, we stand in a position of great advantage at the turning point of two policies. If we determine upon reducing a large portion of our native army and improving the condition of the remainder, the financial difficulty will be overcome; we shall have a feeling of security which we have not enjoyed for many years, and we shall be free to work out those improvements in the different branches of Indian Administration upon which the prosperity of the country depends. The result of this policy may be as clearly foreseen as anything in human affairs can be. But it will be far otherwise if we use our strength to impose up
the people of India a new system of
which is extremely distasteful to them,
not justified by any necessity, and which
unsuited to the present state of societ
country. The arguments used by my
my colleagues, and by many of the able
officers serving under us, against the to
licensing taxes are equally applicab

taxes now proposed. To those papers I refer in justification of my strong expression of condemnation of these taxes." Then I showed in very pointed manner that the two policies [illegible]w taxation and reduction of military [illegible]diture were incompatible: "If we use [illegible]trength which our present advantages give [illegible]force obnoxious taxes upon the people, we shall [illegible]lace ourselves in a position towards them which will be totally incompatible with a simultaneous reduction of the native army. We cannot afford to have a discontented people and a discontented army upon our hands at the same time. The Secretary of State, in his recent positive orders for the reduction of the army, properly pointed out that if recent levies are to be reduced, it ought to be done at once, else they acquire claims and habits which might make their subsequent reduction hazardous and expensive. Frankenstein might re-appear in another shape." Then I pointed out an extensive and comprehensive course of improvement which was in progress in the Madras Presidency; but I will not trouble the Committee with that. That was the fourth strong expression of opinion in favour of the policy of reduction.

1283. It was the publication of these strong opinions on the policy then pursued, which led to your recall?—Yes. My reasons for publishing that Minute are contained in my subsequent Minutes of the 4th of April and the 1st of May 1860, from which Minutes I should like to put in two extracts. The first is this: "In his financial statement, Mr. Wil[illegible] invited, in the most emphatic manner, the fullest and freest public discussion of his plan. But when this Government only asked for time to consider it, we were rebuked for sending the message by open telegram; in other words, Mr. Wilson claimed to have the exclusive use of publicity, which is the privilege of absolute despotism. All the three taxes, tobacco, license, and income, proposed by Mr. Wilson had previously formed the subject of correspondence with the Supreme Government, and we had made earnest representations against them. These papers were treated as confidential so far as was required to suppress the representations made by this Government and some of its principal officers, on behalf of the interests entrusted to them; but the most public [illegible]e was made of the papers when they were [illegible]d to furnish grounds for a condemnation [illegible]o be borne as I have shown it to be un[illegible]Well, but Sir' (observes Mr. Wilson), 'I [illegible] to notice one further claim which has [illegible]de for exemption, so utterly untenable, [illegible]hould not have even alluded to it, unless [illegible]een it cropping out in official documents [illegible]g encouraged by gentlemen of influence; [illegible]efer to this with the deepest regret; but it [illegible]luty to do so. Sir, our fellow subjects [illegible]ras and Bombay claim exemption from [illegible]ed taxation; and on what grounds? [illegible]ms incredible,' &c. But the President [illegible]uncil did not leave us in doubt as to [illegible]ntentions; they informed me in a con[illegible]al letter, that they had finally determined [illegible]ose the three taxes on their own re[illegible]ility, and that what they expected of [illegible]vernment was merely to give effect to [illegible]cision, and to put down any opposition [illegible]ght be offered. The circumstances were [illegible]at it would have been clearly contrary to our duty to have accepted this position. We knew that the proposed new taxation would have been totally incompatible with the reduction of the native army, which had been recently and imperatively enjoined by Her Majesty's Government, and which had not only been already arranged by us, but, owing to the extensive substitution of the new police for military detachments, had become necessary to avoid serious administrative and financial embarrassment. We were persuaded the adoption of this Budget would be productive of great public calamity. We also knew from the report of a speech of the Secretary of State for India, in a recent debate on Indian Finance, that Her Majesty's Government were prepared to allow of different financial arrangements in reference to the great territorial divisions of the Anglo-Indian Empire, according to their respective circumstances; and this Government was ready to provide its quota by reduction of expenditure only, without any increased taxation. Knowing all this, we should have been faithless to our public trust if we had accepted the position assigned to us by the President in Council, and had become passive as public men influencing the course of events, and active only as exactors of unpopular taxes, and suppressors of popular resistance. The keystone of the Budget was English public opinion in India and England. Owing to the causes alluded to in my Minute, if the President in Council had succeeded in silencing this Government, Mr. Wilson would have had his own way until we were actually at issue with the natives, and then it would have been too late. In England the popular view is, that, as the people of India have got us into financial difficulties by rising against us, they must get us out of them by bearing new taxation. But it was not the people, but the army, which troubled us, and the remedy is to reduce the army, and to put it upon a proper footing. This mistaken state of public opinion had to be corrected in order to influence the Budget, and I therefore accepted Mr. Wilson's challenge to public discussion, and disregarded his subsequent injunctions to secrecy. Knowing the responsibility of this extraordinary crisis, I should have been deserving of contempt if I had allowed any regard for my own interests to weigh a feather in the balance of such portentous results. A public servant should bear obloquy in silence and patience when the public service requires it; but in this case submission would have been active participation in a course of policy leading to destruction." The other extract is from my Minute, dated 1st May 1860, and is as follows:—"Mr. Wilson charges me with wanton indiscretion for having published the Minutes of the members of this Government in which we criticised his financial statement. However much he may have disapproved of this act, he ought not to have called it "wanton." In my Minute of the 4th April I showed that the step was deliberately taken, for reasons of the most grave and weighty description. What has since occurred completes my justification. Our representative was sent for to a meeting of the Executive Council at Mr. Wilson's house, and was commanded not to obey the instructions he had received from his own Government, to present our Minutes, together with the previous important correspondence on Mr. Harrington's Bills, and to advocate our course in the Legislative Council; and Mr. Wilson has now announced in reference to the

Reasons for publishing the preceding Minute.

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Minutes, 'but for their publication I should not have referred to their existence." He also says, that the only opposition to this scheme is from Madras; but, if I am not mistaken, the existence of important representations from Bombay has also not been referred to. The abolition of the transit and town duties, to which the remarkable subsequent increase of the trade of India is chiefly attributable, was effected by my exertions, and I was at least entitled to courtesy when I put in my protest, after an interval of more than a quarter of a century, against another system of taxation which, in the present state of society in this country, would be productive of far worse consequences than the transit and town duties. In complaining of the opposition of this Government, Mr. Wilson entirely mistakes the relations of the local and central governments in matters of legislation. In respect to the passing of a particular measure, we owe to the Government of India, not support, but sound and faithful advice. The Legislative Council of India is a free deliberative Assembly. Its constitution and forms have been carefully arranged on that principle. It stands in the place of the local Legislature which this Presidency formerly had; the difference being that, instead of taking a direct part in legislation, as this Government formerly did, we act through a representative. The Executive Council has silenced that representative; and it has therefore become necessary for us to speak on our own behalf. This answer ought to be made as public as Mr. Wilson's speech. The pretension that any one should monopolise free speaking and discussion has never before been heard of in the British Empire in the memory of the present generation. Lastly, I suggest, for the consideration of the Council of India, whether it is right, whether it is even decent, in the present expiring state of the Legislative Council, and with the Governor General and two other members of the Council absent, and another member silenced and deprived of his independence, to push forward, with breathless haste, a system of taxation which is entirely new to India, and is certain to be attended with momentous consequences. Her Majesty's Government and Parliament, and the British nation generally, who have, since the Mutiny, made great progress in acquiring sound information about India, and take a warm interest in the welfare of their Indian Empire, may also think that they are entitled to a voice in the decision. There is no necessity for refusing the usual and legal period of three months for the consideration of the subject, and a safer and more mature result would be so arrived at."

1284. Have you reason to believe that the policy of reduction of expenditure which you advocated would have proved sufficient to restore the equilibrium of the finances?—I feel quite confident that it would; I consider that the experience we had of the effects of that policy in the Presidency of Madras proves that it would have been so.

1285. Was the reduction of expenditure carried out in other presidencies subsequently to that?—No; no other effort was made to reduce the military expenditure until Mr. Laing was appointed Financial Member of Council; and he, with the assistance of Sir George Balfour and Sir George Jameson, the members of the Military Commission of Inquiry, made a reduction of military expenditure, which righted the ship at once, and produced a surplus.

1286. You have been pleased to mention Mr. Laing in connection with that; I hope I may be allowed also to bring in another name, of whom special reference has been made, and is Sir Bartle Frere; I hope also that you bear testimony to the great services that rendered in supporting that reduction of expenditure which was effected?—Sir Bartle Frere co-operated with all the measures of Lord Canning's Government, to the best of his ability; he was a very important member of Lord Canning's Government, and I feel sure that he gave very effective assistance in this, as well as in the other measures.

1287. I merely wish to mention to you, that without his cordial assistance, and that of Lord Canning (and Mr. Laing would corroborate this), the great changes in the expenditure could not have been effected?—I do not doubt it; any assistance given in support of that movement for the reduction of expenditure was a great public service. He strongly supported the policy of new taxation; and when reduction at last came, he supported that also.

1288. *Chairman.*] Do you recollect whether the movement of which you have spoken for reduction of expenditure originated in a very peremptory Despatch that was written out by the present Lord Derby, then the Secretary of State for India, to the Government of India, amounting almost to an intimation that if the Governor General did not carry it out he would probably have to be recalled?—I was not aware that any instructions of that extremely strin character had been sent, but I know that from the first moment of the suppression of the Mutiny repeated injunctions were sent by the Home Government to the Government of India to reduce expenditure. Why they delayed so long I could not imagine. They got upon a wrong track. It was a fancy, a delusion, that the thing was to be done, not by reduction of expenditure, according to all former Indian precedent, but by increased taxation; and then there was an English feeling that the rich natives of India did not pay their fair share of taxation; that had a great deal to do with it; and then there was the Manchester feeling that taxation ought to be, to a greater extent, direct from the wealthy classes, and that the imports and exports of Ind should go free.

1289. Sir *G. Balfour.*] Is it not however, that Lord Canning had himsel the arrival of that Despatch from Lord adopted measures for the purpose of in an inquiry into military expenditure?—Y much earlier period; for while I was G of Madras he telegraphed to me, informi that he had appointed a Commission to into the military expenditure, and asked nominate a member from the Madras service, upon which I nominated Colonel B

1290. Has the military expenditure bee down to the standard to which it was reduc Lord Canning's Government, or has it inc since then?—It has been very much incr The full effect of the reductions made Mr. Laing's financial administration were r during the two first years of my financ ministration, namely, the years 1862- 1863-4. After that a new scene was o Lord Lawrence very properly pressed u

ecessity of increasing the allowances ve troops in some proportion to the d prices of provisions; and simultaneously hat orders came from home, giving increased ages to the European troops. My last ial statement for 1865-6 contains a sum- of the new expenditure under this : "For increased price of Europeans' ns, compensation to native troops for dear- of provisions, and increased cost of feeding es and keeping and hiring transport animals, 500 *l.* Substitution of full for half batta, eased pay to medical officers, and compensa- for extra clothing to European troops, 000 *l.* Purchase and repair of barrack fur- e; gas ings for extra lighting, and in- d bedding, 57,500 *l.* Additional oney to men re-engaging, com- of property, appointments, Increased consumption of diminution of the ration strongly urged upon the meet the exigencies of e met, we must not be from taking down the ed the purpose of the the new charges upon ly become insolvent; o bear the burdens which did not relieve ourselves of eight which was already press- he manner in which I proposed to cy is described in this Minute, 7th of December 1863, on the ncreased subsistence allowances ative Army. "We must face question as a general question for the whole dia, and we ought, therefore, to deal with it rding to general principles. The case of the dras Native Army has to be dealt with first, e most pressing; but it ought to be settled eneral principles which will be equally appli- e to the rest of India. If we merely increased ay of the existing establishments in propor- the increase in the expense of living, the uer would soon be bankrupt. The true e is that increase of pay should be coin- with reduction of numbers. This would, lf, be a great administrative improvement. tate of most of our subordinate native estab- s, civil as well as military, is that we e servants than are wanted for the work; re ill paid; do their work badly; and r the deficiency of their pay by ob- stance in an indirect, and often very manner, either from the Government eople. Our maxim ought to be, 'Few, l worked, and well paid.' Pains would n be taken to simplify the work, and get unnecessary processes. One of the bad ences of having had an unlimited com- f labour has been a general indifference to ption of methods of abbreviating and ex- the work, to which so much attention n paid of late years in England." And after a great deal about what took place at as, the proposed reduction of the army and tution to a great extent of civil police, I The proper way of dealing with the sub- my opinion, will be to reduce four more nts" (that is, Madras Native Infantry nts), "and to increase the pay of the rest;" ould like to take this opportunity of sub- to the Committee as part of the Appendix two other Minutes; one upon Punjaub frontier policy, in a financial point of view, the difference to the finances of a sound, sensible, pacific policy on that frontier, and the opposite policy; and the other a very important Minute, dated Simla, 22nd of July 1864, on military expenditure generally. (Vide *Appendix.*) But I was overruled; no reduction of the Madras and Bombay native force was made.

1291. And since that date the expenditure has increased to which you have already referred?—Yes.

1292. Amongst the various items of that increase of military expenditure, you would have seen in the Blue Book which I have before me one item, that of the staff corps, which has been a great corps of increase of military expenditure?—Yes.

1293. You are aware that that cause is a novel feature in the military administration not only of India, but in the military system of all countries?—Yes.

1294. And that it was introduced subsequently to the Mutiny?—Yes.

1295. You have already mentioned how that staff corps was formed. Will you tell the Committee whether you see any dissents against that staff corps amongst the dissents which have been made by the members of the Council of the Secretary of State?—There were very weighty dissents by Lord Sandhurst and Sir Henry Durand, and the very important, though less authoritative, dissents of the military financial officers, General Hannyngton and Colonel Broome, the Controller of Military Finance.

1296. Do you find any Minutes of dissent recorded prior to the formation of this staff corps; I will hand you in the list of dissents (*handing the same to the Witness*)?—There were none on the part of the Council of India. The dissents that I am speaking of were in India itself.

1297. After the evil had been experienced?—Yes; none before.

1298. As you have looked over that Blue Book of the 17th of August 1871, connected with military expenditure, will you be good enough to explain to the Committee your views with regard to the discussions therein?—I have read this Blue Book with extraordinary interest, because the correspondence in it is a continuation of that which took place while I was at Madras as Governor, and while I was at Calcutta, as Financial Member. It begins with a remarkable letter from the Secretary of State, dated the 29th of January 1869 calling the attention of the Government of India to the necessity of a large reduction of military expenditure, and ending with the statement that the military expenditure "might be reduced, at least, to the scale of 1863-64, or it might even be possible to bring the whole military charge in India (including stores) a million and a half below the present amount." Upon that the Government of India went into the subject in great detail, and reported their opinion in a letter, dated the 4th of October 1869, the substance of which is contained in this paragraph—"In the whole native army, our proposals, it will be seen, involve an entire reduction of one regiment of native cavalry, and 12 regiments of native infantry"; then follow some consolidations of native cavalry and reductions of native artillery. "The savings eventually arising from these reductions of

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native troops would amount, in round figures, to 300,000 *l.*"; that is exclusive of the artillery. Of the 12 regiments of native infantry to be reduced, eight were to have been from the Madras Native Army. To that the Secretary of State replied in a long letter, dated the 27th of January 1870, giving a number of reasons against the proposals of the Indian Government, but the whole of those resolved themselves into an objection to the reduction of European officers. The 42nd and 43rd paragraphs contain the substance of the Despatch:—"Considering the present condition of the several staff corps, the probability that the services of many officers now serving in the police will be dispensed with, the extreme importance of avoiding by all possible means an augmentation of the present unemployed list, and the fact that in breaking up regiments you can only save the officers' staff salary, not dispose of the officers themselves, or relieve the state of their military pay, it is very desirable that the reduction should be effected as much as possible by the gradual absorption in each regiment of a certain number of native non-commissioned officers and rank and file, and that only such number of native regiments should be broken up, as will entail little difficulty in regard to the early employment of the British officers, and may be accepted as a reduction both practicable and sufficient. On these considerations Her Majesty's Government would much prefer that the requisite reduction in numerical strength should be effected wholly through the regimental establishment; but should this be found impossible, then four regiments of native cavalry might be broken up, two in Bengal, and one in each of the other Presidencies, and six regiments of native infantry, two in each Presidency." The alternative proposal made by the Secretary of State, therefore, was that there should be a gradual absorption in each regiment of a certain number of native non-commissioned officers and rank and file, and, instead of reducing a large portion of the Madras army (which the Government of India had reported to be far more in excess than any other portion of the military force of India, and which, taken regiment by regiment, costs one-third more than the Bengal army), the Secretary of State ordered that, if any entire regiments were reduced, the reduction should be made in equal proportions from the three armies, two regiments from each. The next proceeding was a compromise, which the Government of India proposed, that instead of eight Madras regiments to be reduced, there should be only four regiments, and so on. That is contained in a letter, dated the 3rd of October 1870. The Secretary of State's ultimatum is contained in a letter, dated the 2nd of March 1871, the substance of which is contained in the 26th paragraph: "As, however, I entirely agree with your Lordship, that a reduction of military expenditure, in so far as it can be effected with perfect safety, is much required by the financial condition of the country; as, moreover, the progress of the railway system in India, and especially the recent completion of the line which connects Bombay, through the Central Provinces, with the valley of the Ganges, affords new and most important facilities for military communication, I am prepared to hope, and expect, that a sensible reduction can be safely made in the strength of the native army. As regards the method of making this reduction, by diminishing the rank and file in certain regiments, I authorise you t[o] reduction as it may seem to you most e[x]pedient within the maximum limit of 9,000 men. I also authorise you to effect a portion of the reduction, if you desire it, by breaking up [t]he cadres in the Bengal army, to which your Excellency refers in your Minute of 3rd Octo[b]er 1870." The tenor of that letter was, that the Secretary of State held to his plan of leaving the European officers alone, and reducing native officers and men, and he said that if the Gover[n]ment of India pleased, they might break up certain cadres in the Bengal native army. That army the Government of India had repeatedly urged was by no means in excess; in fact, they [h]ad stated that it was no more than was wanted, and that it was very hard we [s]hould, in protect the entire frontier fr[om] Cachar, up to Peshawur. The[y] that the several corps were [a]t minimum, and that they [c]ould not bear further reduction of rank. [T]he Secretary of State. [T]he correspondence ended in a [l]etter from the Government of India, [d]ated the paragraph of their letter, dated [t]he 6th of "We believe that a very [l]arge number of regiments will [h]ereafter is inevitable. On this very [i]mportant point, Mr. Ellis, dissented from the [o]pinion, in so far as it did not reduce the [a]rmy sufficiently. It will be impossible [t]o maintain for any lengthened period to [d]raw from India for the support of a force [w]hich is declared by the highest authority [i]n the Presidency" (that is Madras) "to be [m]ore than the wants of the province, and which, from its [e]xpense, and from the nature of the races of [w]hom it is recruited, is known to this Government to be unsuitable for a reserve for the [A]rmy army of India." That is as regards the Native infantry and cavalry. Then, as regards the artillery, the Government of India replied separately, in a letter dated the 18th of October [1]870, in which they say, "We are convinced that we have an excess of batteries of horse artillery; and we have the testimony of every officer of experience that the batteries themselves are inefficiently manned. On a full review we desire, therefore, to submit to your Grace that 14 batteries of horse and field artillery may be reduced; and we desire to recommend to your Grace the adoption of Statement No. [2], showing a reduction of two brigades of horse artillery and six batteries of that arm, and of two brigades of field artillery with eight batteries." That is, it was four brigades, consisting of 14 batteries, which they proposed to reduce. "The savings are estimated at about 23 lacs of rupees per annum, but this does not include cost of [r]emounts or first purchase of stores, &c., which his Excellency the Commander in Chief estimates at [a]bout four lacs per annum additional."

1299. *Chairman.*] What is the Parliamentary reference to the Paper from which you are reading?—No. 467, of 1871. Then, in another letter, dated the 6th of April 1870, a Minute by [t]he General the Honourable Sir Henry Durand was sent home with this remark: "In Sir H. Durand's Minute, allusion is made to the excessive proportion of field officers attached to a given brigade of Royal Artillery which last year [c]ame from England; and on the 1st of April there appear to have been three field officers of

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ery at Barrackpore with only two field ies; three field officers at Allahabad with ield and one garrison battery; four field s at Lucknow with three batteries; three officers at Meerut with four batteries; two officers at Umballa with two batteries; three officers at Mecan Meer with two batteries; four field officers at Peshawur with four ries. A very similar state of affairs prevails here in India." I wish to point out one of onsequences of the brigade system, as it is l. In the real organisation of the artillery nit is the battery, of course; but of late s it has been customary to combine a certain ber of batteries in what is called a brigade. s very little real existence, because, after he distribution is, not by brigades, but by ries; still one effect of this new plan of des is to bring about an excessive numof field officers, because there must be a de staff, and so on. The next thing that place about the excessive force of artilin India was that the Duke of Argyle sent e Government of India a long letter from Horse Guards, dated the 9th of February , signed by the Military Secretary, General er, in which, besides various military reasons aintaining the artillery at its existing force, Royal Highness called attention to several sman-like considerations of Indian policy h induced him to think that it was advisable tain the existing force of artillery in India. letter was forwarded by the Secretary of for War to the Secretary of State for India ut any comment; and it was forwarded by ecretary of State for India to the Governof India, with this comment: "It is imble not to attach much weight to this opinion, he subject being one of such grave import- I consider it desirable, before taking any er steps in the matter, to place your Goment in possession of his Royal Highness's s." Then the Government of India sent ng rejoinder in a letter dated the 14th ecember 1870, from which I will read only short extract. "It seems to us perfectly rrantable that we should retain a system of nisation in a regiment by which we keep at us stations two or three field officers with lutely no duty for them to perform, save of most nominal kind, and yet, if one of these officers is taken for employment" (that is, any other employment in arsenals or gunder manufactories, or anything else), "or if aptain detached is promoted to lieutenant nel, another lieutenant colonel is created to the place with the regiment of the officer , when with the regiment, was not wanted. ppears that ten colonels and nine lieutenant nels are now seconded, and though we do not ose that they should all be removed at once the seconded list, we do trust that measures be taken to absorb all these seconded officers he course of the next few years, by which ving of some two lacs per annum will be ted." I have a right to give an opinion what is called the seconding arrangement, se it is one of the first things I had to do I was appointed to the Treasury in January . It was settled between the Treasury the Marquess of Anglesea, who was then ter General of the Ordnance; and it arose the necessity of employing officers belonging he scientific corps as inspectors of railways r the Board of Trade, and for other civil duties of that sort; but it never was intended to be applied in this wholesale way to the ordinary service of the army. I have observed for several years past that this seconding arrangement has had an extensive application given to it, which was never contemplated when it was originally formed; and it is one source of unnecessary expenditure, not only in India, but, as I believe, elsewhere.

1300. Sir *G. Balfour.*] Before you leave this question I wish to call your attention to this very important fact, that Papers have been laid before Parliament in which General Adye, an artillery officer, has strongly advocated the abrogation of the brigade system, which has been resisted by other parties. I mention this, because on a former occasion you referred to the artillery officers not being anxious to be economical?—I talked about the present race of Engineer officers not being economical.

1301. Amongst these papers you will observe some which show that the Government at home did effect reduction of two regiments of European infantry, and two regiments of European cavalry have been withdrawn from India in consequence of this correspondence?—I have only followed the main stream of the correspondence in the papers I have referred to. The recommendation of the Government of India was to reduce four regiments of European cavalry and seven regiments of European infantry, and to strengthen the remainder, which would have been a further saving of 300,000 *l.* a year, without taking into account non-effective charges.

1302. I draw your attention merely to the fact that reductions have been effected, and more can be effected?—There is no question about it. Then the Secretary of State's ultimatum about the Artillery is contained in his letter to the Government of India, of the 9th of March 1871, in which he authorises that "one Horse Artillery and one garrison brigade should be broken up; that the force in India should be reduced by five batteries of Horse Artillery, and three of garrison Artillery, certain additions being made to the strength of the remaining batteries of those two descriptions;" so that, instead of four brigades, consisting of 12 batteries, being withdrawn, as recommended by the Government of India, the correspondence ended by two brigades, consisting of eight batteries, being withdrawn.

1303. All these reductions had reference to the reduction of what I would call the Imperial portion of the army in India?—The Artillery belongs entirely to the Imperial portion. The 12 regiments which the Government of India proposed to reduce were all native regiments.

1304. This correspondence of the War Office had reference to the Imperial army?—The correspondence, so far as it related to artillery, had entire reference to the European army.

1305. I will now call your attention to a statement made with reference to a portion of Indian expenditure, purely Indian, which is contained at page 59 of the same Blue Book. "I must reiterate that as the staff-corps system was imposed upon the Government of India contrary to the late Lord Canning's views, the Government of India, which will have to contend against this source of military financial embarrassment, is in no degree responsible for its creation. As an incubus calculated to be an effective conterpoise to military economy, it is a difficulty which, though it will weigh heavily upon, did certainly not originate with, the Government or its advisers,

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visers, but was forced upon them by the Home authorities." That is dated the 7th of September 1869, and is signed by Sir Henry Durand. You have read that statement?—Yes.

1306. Then I would call your attention again to a fact that is stated at page 171 of the same Blue Book (476 of 1871), in a Minute of Sir H. Durand, dated Simla, 16th October 1869, as follows: "The result is, that the 3,312 officers at present cost above seven lacs more than the 4,513 did formerly, and actually cost 60,60,960 rupees, or 606,096 *l.* more than the same number would have cost in 1856. We have therefore the singular result, as regards the officers of the Indian Army, that though they have been reduced in the interval between 1856 and 1869 by 25 per cent., their average cost has increased more than 1,800 rupees each, or a total of above 60 lacs;" have you read that?—Yes.

1307. You are aware, therefore, that one of the great causes of the increase of the military expenditure in India has been the formation of the staff corps, which has resulted in an increase of military expenditure approximating to nearly the extent of 606,096 *l.* according to the above statement of Sir H. Durand?—I would not say that it is solely owing to the formation of the staff corps, although I think that the staff corps was formed prematurely, and that it would have been more economical, and generally more advisable, to have accepted the whole mass of unemployed officers as a temporary burden, and to have let them go on according to their existing scale of promotion according to the existing cadres, employing them as far as possible, and making the most of them until they had been to a great extent used up, and then the time would have come for a comprehensive new arrangement on the principle of the staff corps.

1308. *Chairman.*] You do not object to the staff corps, but to the conditions under which it was formed?—Yes; that is to say, something analogous to the staff corps must have been formed sooner or later.

1309. Sir *G. Balfour.*] Then the fact of having formed a body of officers rising to rank without any fixed establishment as to numbers, has ended in a most serious drain upon the Indian finances?—Very serious indeed; a drain arising, not from the formation of the body of officers, but from their having been formed without the usual limitations as to promotion.

1310. *Chairman.*] Without the usual limitation that there were services for them to perform?—Without the usual limitation of a fixed establishment, with promotion only to vacancies in that establishment. That is a principle of the public service; you form the best judgment you can what the work to be done is, and then you form an establishment of officers, civil or military, suited to the work, with promotion only as vacancies occur.

1311. Do you know whether this arrangement, which resulted so disastrously, arose from the Civil Administration of India allowing these matters to be arranged by military advice, placing the matter in the hands of military officers to settle?—I think so; I am sure that if they had referred the matter to the British Treasury, the fallacy would have been pointed out at once.

1312. Do you think that any three competent civilians examining this question, could have recommended what the military officers recommended?—I am confident that no three civilians trained to administration could have recommended such an arrangement.

1313. Sir *G. Balfour.*] Are you not that both General Jameson and myself s and earnestly advised the Government o in May 1860, not to enter upon this da course of establishing a staff corps. I w read the advice submitted to the Governn India, in our Report, No. 6, of 6th Ma (*vide* Parliamentary Paper, 240, of 5t 1863), as follows:—"Para. 4. Careful o tion and inquiry have led us to the conc that the formation of a separate corps of for the staff, necessarily requiring li promotion distinct from the other branc the army, and probably entailing special sion for increased pay, rewards for service retiring pensions, would at present involv complications, arising from various cause most undoubtedly lead to a great incr military expenditure. Owing to the non ence of a separate staff corps in the Royal s no rules for guidance in the formation of corps for the Indian service could be draw thence; neither do the regulations in re the staff corps of the French army, in wh system of advancement from the ranks prevails, appear to us capable of adaptio Indian army without considerable chang constitution?"—Yes, I am quite aware o those experienced officers strongly advis Government not to enter at all upon the tion of a staff corps, at any rate at that tin

1314. And have not these words almost prophetic of the results which have take consequent upon the Government having f its own course?—No doubt, the result pr has taken place, I should say, in a larg more decisive manner than even the themselves anticipated.

1315. Is it not the fact that the staff co mainly formed on a correspondence bet military officer and Sir Charles Wood; tha by private communcations between them th idea of a staff corps was first created?—Y first trace of it on any official records tha been published is a letter from an Indian n officer, who was on leave in England, ad to the Secretary of State. Very soon a Committee was appointed, consisting of Indi English officers, and they seemed, judgin their Report, to accept this extraordinar principle as a matter of course; it is just alluded to in a single line:—"Promotion staff corps is to be governed by length of s only."

1316. As a matter of fact, did you no that Sir George Jameson was equally as a to effect reductions of military expendit any civilian could possibly be?—Indeed he he was a true public servant; and I very desire to be allowed to qualify the opinion I gave about military officers. I have acte numerous military officers, at the time of the measures for the relief of the Irish Famine on many other occasions, both in England a India; and, when properly employed and l after, I have always found them very econo the regimental officers especially, in ma detail, are habitually economical; but it is a thing to set down military officers to determ future prospects of themselves, their con and their entire profession.

1317. Is it not just to say that the two military economists of the day, the Duke of lington and Lord William Bentinck, wer

t should not be carried?—But it does w the money for railways and canals, there is a difficulty in providing the out of current revenue, but owing to a distinction between the beneficial cha- of different classes of public works. The liture of late years in India, which has more than any other for a loan, was the sum to be expended upon the barracks; r that the Government of India deter- not to borrow; whereas they go on bor- from year to year much smaller sums for on public works, to the entire derange- the finances, and the entire relaxation of es to economy.

I do not see how you can say that the and canals have not been made out of money, because they could not have been ut of revenue; but if they had been so or it is quite clear that there would have thing for anything else?—It would not een possible to provide both for the barracks r the canals out of borrowed capital; but millions had been borrowed for barracks, atever might have been necessary, and economy had been observed, the whole of igation works might have been paid for out rent revenue. The railways I take to be a art; the most ordinary railway, any a very short railway, necessarily comes the head of borrowed money and drawing ital.

It seems to me that if you dispense with erion of direct remunerative returns, you guide whatever to regulate your borrow- r; you differ from that?—I differ from nd I totally distrust the criterion. In fact, st beneficial and most wasteful works which een undertaken of late years, in reference h there has been the greatest waste of all, ne of these so-called reproductive works, the Navigation, the Saone Works, and so

. All that that points to is the necessity cising far greater discrimination and caution adoption of the works, is it not?—I think ts to far greater discrimination and caution rmining what the cases are in which we draw upon our capital at all. Whatever ject may be, it ought to be a large, distinct, efined object, which is not capable of being up with the ordinary expenditure of the ment, and it ought to be so large that it be provided for out of current income.

. *Chairman.*] But I think you added the on, to which I presume you still adhere, ought to be earmarked and kept out of the y current revenue and expenditure?—Yes, y so; that is what I meant to indicate, that ld be something which can be clearly dis- hable from the current administration, the income and expenditure. I think that tances in which the Government of Eng- as borrowed money in the last 30 years found all of them to answer to that de- n.

. Sir *C. Wingfield.*] Now, with regard r plan of decentralisation, I gather that ould let the Government of India, the e Government, take certain sources of e, such as customs, salt, opium, post office, egraphs, which are paid by the empire at and out of these the Supreme Government is the Army, debt, diplomacy, home charges, opium, salt, telegraphs, post office charges, military works, and the deficit on railway interest?—Yes.

1412. And if these sources of revenue do not suffice to meet the charges, it is to draw for the balance rateably upon the local governments?—Yes; I meant, as a rule, rateably on their revenues.

1413. The local Governments then, out of what is left to them, are to defray the expenses of their civil establishments?—Yes.

1414. And the balance, whatever remains, they may spend in works of utility in their provinces?—Yes.

1415. I want first to know about the cost of civil administration. You would not, I apprehend, leave the local governments the power to fix at their discretion the cost of the local administration; you would leave it to the Supreme Government to determine what the rate of salaries should be, and the total amount, otherwise great inequality might arise?—I have already expressed my opinion that that power ought to be reserved to the Supreme Government, because, as was instanced in the case of the Government of Bombay, any one of the eight local administrations of India, by raising the standard of remuneration for its civil or military officers above the average of the other Governments, might disorganise the whole.

1416. Then with regard to expenditure on works of utility, would you allow the local Governments the fullest discretion to determine on what works they pleased, and to spend money at their discretion upon them?—I would, so long as they kept within their current income. I consider that they understand the wants of their respective provinces far better than the Supreme Government or the Department of Public Works.

1417. You do not think, then, that the present system, which requires the previous sanction of the Supreme Government for the execution of any work exceeding a certain sum, is a good one?—It forms part of the present arrangements; you cannot detach it from the present arrangements; so long as the finances of India are centralised at Calcutta, the Supreme Government must retain the power of checking the expenditure upon works.

1418. But I will explain my meaning simply by putting it in this way; you do not think it is necessary that they should obtain previously the sanction of the Supreme Government to their selection of works?—I think not; of course in making such a great change as this, everything would have to be considered: and it is possible that some harbours, for instance, might be reserved as being of Imperial importance, and beyond the power of any local government, though I do not think even that would occur. My belief is, that Bengal, Madras, and Bombay, which are the three maritime Governments, would be able out of their revenue, or if not from their revenue, from their credit, to do all that is necessary in the way of harbour works.

1419. Do you think a local government is as sure to exercise a sound judgment in the selection of works as the Supreme Government; are not local governments more apt to be swayed by their subordinates, and more likely to be carried away by particular fancies, without regard to the wants of the Empire at large; do you think that they have the same wide interests in view that

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the Supreme Government would have?—As between the two, I prefer the judgment of the local governments; I think it is more to be trusted. In the Madras Presidency, for instance, the local government, the governor and his councillors and secretaries knew perfectly well what the works were that were required for Madras purposes; and so in Bengal; whereas the Central Government, acting through the great centralised department of Public Works, makes tremendous mistakes. For instance, the local Government of Bengal never would have undertaken the Saone Works nor would it have undertaken the Orissa Works on anything like the scale on which they have been commenced; and I am quite sure that the Madras Government would not have undertaken that long canal.

1420. On the other hand, we may say, may we not, that the Supreme Government would probably never have, of its own initiative, bought the Elphinstone Land Company?—Nor would the Bombay Government, if they had had to buy it out of their own revenue. And I must remark, in reference to the discussion about the gauges, that these speculative items of the Saone speculation, the Orissa speculation, the Canning Town and South Eastern Railway speculation, the Elphinstone Land speculation, which have involved great waste, and need not have been undertaken at all, would not only have paid for the extra expenditure of the standard gauge on these two railways, the Peshawur, and the Moultan and Kotri Railways, but would have defrayed the entire cost of both railways.

1421. I will not go into that; but what I am afraid of is, that if the control of the Supreme Government were removed, there would be no coherence or uniformity in the plans of the different governments; one government would be all for metalled roads, another for tramways, and a third for railways or canals; one government would pursue a system entirely opposed to that of the governor of the neighbouring province; in fact, I fear it would be on a great scale, what one used to see on a small scale, when the expenditure of the local road funds was entirely at the discretion of the collector of each district; one collector of an engineering turn spent everything in making a bridge on to a great river; one spent it in making a road up to a neighbouring district, which the collector of that neighbouring district would not carry out; and so great was this evil felt to be, that the powers of the collectors were curtailed, and the Commissioner of the division was placed at the head of the Public Works, to ensure uniformity. On a greater scale that seems likely to be the result of leaving the local governments to their discretion as to the selection of public works?—I do not entertain that apprehension. In the cases to which you have referred there was an individual officer, the local administrative officer; and when the expenditure of a sum of money, probably out of local funds, locally applicable, depends upon a single individual, it is subject to all the chances and risks of the ignorance, and error, and fancy, of that individual. But the case here is quite different. This is the case of a government; the governor is sometimes the least influential element; he has his executive councillors, who are the most experienced, and altogether, generally, the ablest public officers in the province. Then, under the system supposed, he would have his provincial council; and he would be held in check by all those fur and by the local press, and the local co in a way far beyond any check that applied to the Supreme Government, through the Department of Public Then I hold that these local governor far better what they want than the S Government does; and if they are spendin own money, that will make them careful. even if the work is done in a different one province from what it is in another, sider that, on the whole, that is an adv I have already said that it is a decided tage that experiments in administratio be tried in different ways.

1422. *Chairman.*] Have you observe travels through India, that the authori lectors, in reference to making roads, considerable extent resulted in the very good roads round European statio the Europeans drive in their carriages, all the rest of the roads entirely neglec Whether the rest of the roads are negle not, there are certain to be good roads rou station; no doubt about that.

1423. Did you observe a great distinctio reference to the roads where the Europea munity drives and all other roads?—Ye roads where the European community t morning and evening drive are sure to be as for the others, it is as it happens. I co that this is the result of personal gove every collector is a little despot. O mankind think first of number one; wh they had representative district councils, would be different altogether; the whol would then be represented.

1424. Sir *C. Wingfield.*] The Governm the North Western Provinces, the Punjau Oude, have no representative councils, th entirely in the hands of a single man, ar not?—But they ought to have represe councils, in my opinion.

1425. You were just talking about gaug all events you would not allow the differen governments, would you, to adopt what they liked for their railways?—No; I already suggested that the general super of the railway system in India should remai the Supreme Government.

1426. You may have seen another rul was laid down with regard to the expendit the Government of India; and that is, t the amount borrowed annually for railway canals by the sum that can be spared an out of the revenues to meet the charg interest; and as the receipts from existing increase, and the aggregate charge for i diminishes, to bring forward new loans, s keep the annual charge for interest wi certain amount; do you consider that a principle?—I consider that is a totally fall test. Who can say what the future po India to meet charges of interest will be that the whole matter must depend up uncertain estimate; and sanguine persons are interested in particular works, wou likely to form a more liberal estimate power of the Exchequer to provide for t ture payment of interest than others would

1427. But that is evidently not what is me that passage, because they go on to say, "B to enter into schemes of railway extension w considering the financial results, but trust

th of the Indian revenue to meet the for interest, is a course which cannot be y discussed by those responsible for the of the country;" surely that lays down d principle?—Of course the exercise of ing powers must always be limited by the f paying interest; but to be of any use ng more must be intended than merely t any given time, could be paid.

. That means that you are to regulate rrowing each year by the amount which n spare for interest on the aggregate of loans on which you have to pay ?—It is a false standard; it tends to un- borrowing. The amount borrowed, not ar to year, but on grand, urgent occasions, be limited entirely by the urgency of sion, whereas this rule supposes a con- bit of borrowing; it implies that it would ifiable to borrow to any extent, provided fficient revenue was forthcoming to pay rest.

But perhaps I did not sufficiently ex- at the borrowing here spoken of is simply ways or canals, not for anything else. principle that is to regulate the ex- e from borrowed money on railways, appears to me that if the Govern- ep within that they will avoid incurring which they cannot pay out of revenue, ch, if they could not pay it out of revenue, uld have to raise loans to pay?—I do not the applicability of the rule properly un- l and within proper limits. To justify ng, two things are necessary; first, that k should be an urgent one; next, that the should exist of paying the interest. those conditions meet then borrowing is le.

Now it has often been said that India heap capital; that has been a sort of that has been put forth; but if we look rates at which other nations borrow, it o me that India gets cheaper capital than er country?—Yes; that is owing to the ce placed in the Anglo-Indian adminis- but the rate at which individuals borrow that is, the ordinary market rate of where the same confidence is not placed, y different.

. But have you not often heard the remark 'Why do people go and lend their money or that bankrupt Government in Egypt key or South America, and they will not to India?" But it seems to me that they it in preference to India, because when o lend it to those countries they lend it to the Government, or for the construction ays, on which interest is guaranteed, or h valuable concessions are given?—Yes; such is the confidence felt in the English stration of India that the Government has iculty in obtaining capital on moderate whether for railways or for other purposes. is wanted is, that the surplus capital of d, the great annual increment of the of England, should flow in due proportion a for carrying on private undertakings, of its all going to the United States and countries.

2. Probably if India possessed mineral , you would find as much money go to nes there as does now to America?—Well, one of the few points on which India is deficient. She has plenty of iron of first-rate quality, and coal, but nothing else.

1433. Now, I want to ask some questions with reference to your plan of local councils. I think you proposed a local council for each Government, and also a subordinate local council for each district?—Yes.

1434. I will deal now merely with the councils for each Government; you would have a certain number of members Europeans, would you not?—Well, that as it may be.

1435. When I say Europeans, I mean either persons settled in commerce or officers; you would allow a certain official element, would you not?—What is new in my proposals is that the councils of the different provinces should be re-constituted on a representative principle by selection. In many cases the representatives selected for particular districts would be Europeans; in the Madras Presidency I am sure they would.

1436. Would you have a certain portion nominative, or would you have the whole representative?—I would have the whole of the districts of the province represented by persons selected by the Government for the purpose. I would not restrict the representatives to Europeans, or natives, or East Indians; but simply just as it may be, whoever happens to be the best informed and most mature person in each district, and who possesses in the highest degree the confidence of the people of the district. There are two or three districts in the Madras Presidency, which I have in my mind, where Europeans would certainly be selected. Then I would add to the council, so constituted, a strong official element. There would would be the Governor's Executive Councillors, and a certain number of others selected, as at present, from the most distinguished servants of the Government, and from independent persons of eminence, whether European or native.

1437. Will you just give me an idea of what proportion you think the nominative members should bear to the representative members?—Perhaps a third.

1438. You have heard it, I daresay, contended for by some persons who have given attention to this subject, that these councils should be purely native, because, if the official European element is at all in the council, the freedom of discussion will be checked; do you agree with that?—I do not agree with it at all. The natives in every part of India, and especially in the three old Presidencies, speak their minds with great freedom.

1439. But then you will admit, that on that point there is a great difference between the freedom and independence of feeling on the part of the inhabitants of the three old Presidency towns, and the upper part of India?—No doubt there is; but in every case the out-turn will be suitable to the circumstances. In the three old Presidencies the natives are more advanced in modern ideas, and they will co-operate with us more fully in our plans, and will understand them better. In the Upper Provinces, where the natives are less advanced, they will be more dependent upon us, which is as it should be.

1440. Would you give these councils an entire discretion in the matter of local taxation; that is to say, would you leave to them entirely the decision as to what taxes should be levied?—

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Yes, subject to the veto of the Provincial Governor and the Governor General.

1441. But suppose they decide not to levy a tax, that in fact they refused to provide funds which the Government thinks are required, would you recognise their right to do that?—The eight Provinces of the Empire would have duties to perform as well as privileges to enjoy, and one of their most important duties would be to provide their quota towards the general expenditure of the Empire.

1442. But I did not understand that you meant to give it any voice in Imperial expenditure; I thought it was in reference to local taxation only?—But you are asking now, as I understand, whether they might, if they pleased, drop the land revenue, for instance.

1443. No; I started on the assumption that their powers are only powers of taxing for local purposes? — Subject to the veto of their own Governor and of the Governor General, I would give them full power of taxation, always taking care that, in their dealing with the taxes, they do not break down the general revenue and disintegrate the Empire.

1444. For instance, it might certainly be assumed that, if there were a local council of the composition that you describe, such taxes as were passed by the Bombay Legislature, namely, a tax on the non agricultural rural population, or such a tax as the one on feasts or on marriages, would not be passed by any freely chosen representative body?—They certainly would not have been passed; and that is a striking example of the advantage of calling the natives to our councils.

1445. And very possibly, if the Government should recommend them an unobjectionable tax in itself, they may say, "We will not burden the people of this province; this sum of money must be provided for by a reduction of expenditure in some other item;" you would not interfere with their decision in that matter?—No.

1446. You would give them independence, subject to veto on any measure they may pass?—Yes, it would be their own affair.

1447. On the last occasion you seemed to think that I was not quite accurate in the position which I took up, when I said that in a permanently settled province, or in a temporarily settled province, the position towards the proprietors of those agriculturalists who are not proprietors of land, but are simply tenants, is precisely the same; that precisely the same law prevails with regard to the powers of a landlord to raise rent in Bengal and in the North Western Provinces; and, therefore, my argument was that whereas the cultivators of the soil are in precisely the same position in the North Western Provinces as they are in Bengal, the permanent settlement or limitation of the demand on the proprietors is in no way a benefit to the cultivators of the soil. You seemed to doubt that, and I have referred to papers, and I find that what I stated is perfectly correct?—I assume that the existing law, however general it may be, does not nullify the rights of underholders who are entitled to pay a fixed rent, or a fixed proportion of the rent; and that being so, those underholders would be in the same relative position under a permanent settlement as under a temporary settlement, and they would share in full proportion in the benefit of a permanent settlement, *i.e.*, in the limitation of the demand of the Govern the land.

1448. *Chairman.*] I wish to point ou the answer you have given you have d may be called begging the question, bec use the expression that they are "enti hold against the superior landlord?—T be no question about it.

1449. The only question really is their right to hold against the landlord has not been diminished by positive law case or the other. If they are entitled, in the same position, of course?—The question that there are very large nu underholders who are entitled to hold rents or fixed proportions of the gene and extraordinary pains have been tak years to protect them. A permanent s should provide for the security of ever persons who can be properly called pro whether over-proprietors or under-pro Tenants-at-will, of course, hold by a p tenure.

1450. Mr. *Dickinson.*] With referen question of the permanent settlement, stand you to advocate a permanent se that is to say, a permanent fixture of revenue?—Yes.

1451. Also to advocate a permanent tion of the land revenue?—No, that is a question. I never advocated that. was in favour of it. I think it was a except within narrow limits, for house and gardens, and so forth.

1452. But now, in regard to the sale or uncultivated lands, do not you advoc complete sale of those without any reserv revenue to Government?—By waste la generally meant the mountainous forest which are applicable to the cultivation or coffee, because a rich piece of uncu land in the plains adjoining the cultiva belongs to another category. Now, eve gards these waste lands, I think that th which was adopted at Madras is pre namely, to sell them to the highest subject to a fixed annual quit rent. I very undesirable to anticipate our in break down the resources of the future.

1453. Now, to meet the case of the de tion of money, could you suggest any m which, although the land revenue is fixed might be an accretion to it in future years, value of money is diminished?—No do might be done on the principle of our Tithe Act by a corn rent, but I wou advise that. I think it would detract fr chief virtue of a permanent settlement, n the feeling of security which it would through the country, and I rely upon the g improvement of the country arising fro arrangement to compensate any possibl from a further depreciation of the currenc

1454. You could only compensate for th by further taxation in some form or oth Yes, in some form or other, either by an in of the existing taxes, or by new taxes. A ciation of the currency and the rise of which is coincident with it (in fact, it i form which it takes), however, always leads existing taxes being more productive. our expenditure has increased of late ye India on the one hand, on the other the have become much more productive.

1455.

…t, according to your arrangement, …ity of the land revenue would be …there would be no increase of land …No, except so far as the lands are …ultivated. I would confine the limi… the land revenue to those districts …e been fully cultivated, so that we …ll have what has been the principal … increase, in fact, the only source of … of the land revenue, the increase of …n. The reason why the land revenue …ased so much of late years in the Madras …y and elsewhere, has been entirely … the increase of cultivation, because, in …ave lowered our rates.

…You have alluded to the surpluses of …rent local governments. Is there any …t all of ascertaining even approximately … the surplus of any of the local govern… …nder the present system?—Yes, it may …rtained. I ascertained it for the Madras …ency when I was at Madras.

…7. The army, for instance, in the accounts …ided into four different charges; I think, …ainst the Government of India, one against …vernment of Madras, one against the Bom… …overnment, and the fourth against the … Government?—Yes. The truth is that …reponderating item of army expenditure … dislocates and confuses the accounts of the …nt provinces; it exists in such unequal …ions in the different provinces.

…. Bengal shows a surplus revenue of about …,000 *l.*, does it not?—£. 12,000,000.

…But then Bengal pays nothing to the … gets the credit of the whole six … opium?—Yes.

…engal gets the credit of the whole …nty of Calcutta under the present sys… … does as a matter of account.

…And the whole opium revenue?—Only …ter of account; for the revenue is not …engal.

…It is by that system of account that … makes itself the producer of 10,000,000 *l.* …s revenue?—To a considerable extent; …ter making every allowance, Bengal would …ve a considerable surplus.

…. If you took the 6,000,000 *l.* of opium …would that be the case?—She must have …are of the opium. The greater part of it, …st of it, is produced within the limits of …ngal.

…464. Then, to come back to my original ques…n, is it possible, by examination of the accounts …ow framed, to form anything like an approxi…te idea of what is or is not the financial con…ion of each of the eight Governments?—It …ght be done, but it would be necessary to take … pieces the existing accounts and put them …ether again on this new principle.

…1465. Then you would still have a necessarily …itrary division of the army charges, and of …se sources of revenue derived from customs, …d opium, and salt, and so on?—No; the divi…n of those branches of income and expenditure …uld not be really arbitrary, because they con…n the whole Empire. The customs, salt, and …ium revenue, on the one hand, and the army, … the other, concern the whole Empire; all the …ovinces contribute towards those three branches … income in proportions which it is difficult to …certain, and they all equally profit by the …penditure on the army.

1466. But the point I want to ascertain is, whether I or any other person, looking over the financial accounts as they are now furnished, can form the slightest idea of what is the financial condition as regards revenue or expenditure of any of the eight provinces taken separately?—You might take an example; you might take the Punjaub as the simplest case. The Punjaub at present is in large deficit, because it is charged with an undue proportion of the army expenditure.

1467. It is not chaged with the army at all?—It ought to be. Take Madras, then.

1468. Madras, Bombay, and the Government of India supply the army between them. The Government of India is thrown into a large deficit by reason of taking the whole charge of the Indian army; at least of the Bengal part of the Indian army?—I could work it out without much difficulty in regard to Madras; in fact, I did it; it is at the end of one of these Minutes. What would have to be done would be, to separate customs and salt (there is no opium at Madras), taking the rest of the revenue as properly applicable to the Madras Presidency; then to set against the remainder of the revenue the whole of the local expenditure; and then the balance would be surplus, subject only to the Madras allotment of the general expenditure for the army and the other services administered by the Central Government. That might be done without much difficulty.

1469. But then the accounts, as at present furnished, of 10,000,000 *l.* in round numbers, which is shown to be the surplus of the Bengal income, are absolutely fallacious?—Yes, they are fallacious, because a considerable part of that belongs to the North West Provinces. Some of the salt, and a large share of the opium and of the customs, belong to the North West Provinces and the countries beyond; the Punjaub, for instance.

1470. And, beyond that, there is no charge in the Bengal accounts at all for army expenditure?—No, not at present.

1471. I will take Madras, for instance; the Madras accounts show a surplus of 2,054,000 *l.*, but Madras is charged nearly 3,000,000 *l.* for the army, so that does not show a fair statement of Madras for its surplus; I am taking the account for 1870-71?—Exactly so. If that account were properly made out, it would show a much larger surplus for Madras, because Madras, out of her own revenue, provides for the military expenditure of the Burmese Provinces and the Central Provinces.

1472. Bombay, again, shows a surplus of 1,831,000 *l.*, and is charged 3,132,000 *l.* for the army; that again shows a false surplus?—I do not understand that, for Bombay has been sucking all the rest of India for years; it always has.

1473. Is not Bombay charged with spending more than its income, and yet these accounts show that it has produced a surplus of 1,831,000 *l.*?—I suppose it is the Malwa opium.

1474. The Malwa opium comes to two-and-a-half millions, but then the army is 3,132,000 *l.*; that is more than its share of the army?—Yes, it provides a contingent towards the general army of India; as long as I remember India, Bombay was always our financial difficulty. Even in Mr. Elphinstone's time, with all his admirable qualities, the Supreme Government constantly complained of the heavy drafts from Bombay, and of late years the evil has been revived in an intensified form.

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1475. *Chairman.*] Does Bombay pay more than the expense of the army occupying the Bombay Presidency?—Yes; there are Bombay troops occupying Rajpootanah and Malwa, Mhow and Nusseerabad.

1476. But those are military stations under the Bombay Presidency?—They have nothing to do with the Bombay Presidency; they belong to the Bengal Presidency.

1477. Are they not military stations under the Bombay Presidency?—Yes, they are military stations under the Bombay Presidency; that is to say, the Bombay Presidency provides a military force for doing the service of Rajpootanah and Malwa.

1478. The Bombay army does not extend beyond the southern part of Rajpootanah, does it?—It extends to the military stations of Nusseerabad, Ajmere, Neemuch, and Mhow or Indore.

1479. Mr. *Dickinson.*] While the fact is, as you say, the accounts as furnished to Parliament show that Bombay contributes a very large surplus to the general revenues of the country?—Well, I can only speak as to that after an examination of the accounts. I see that Bombay is credited with the Malwa opium revenue, which no more belongs to Bombay than it does to Madras.

1480. Who does the Malwa revenue belong to?—It belongs to India in general.

1481. Why?—Because it is not raised in the Government of Bombay.

1482. Nor is it in India?—It is raised in India as a general revenue for the service of the whole of Anglo-India.

1483. The Malwa opium is not raised in any part of Anglo-India?—No; but it is a mere accident that it pays the export duty at Bombay.

1484. By that accident it comes into Bombay's pocket?—No doubt it does, just as the large customs of the North West Provinces and the Punjaub come into the pocket of the Bengal Government.

1485. That is owing to local situation. It seems to me that if your proposition is right, the Malwa opium revenue does not belong to us at all, but it belongs to the Malwa people?—No; it must pass through our territory; and Malwa is under great obligations to us, and when we have taken the whole of the Malwa opium revenue, that is, the export duty upon the Malwa opium, in addition to the very small tributes which some of those Central India States pay, the balance of the account is still greatly in their favour.

1486. You object to the transit duties throughout India?—Yes.

1487. Through the Native States as well as the English States?—Yes. When I was a young man in India, the first notice I received from England of my transit duty report, was a letter to myself from Lord Ellenborough, who was then President of the Board of Control, asking my opinion, whether the arrangement for the abolition of the transit duties might not be extended to the Native States, and from that day to this it has been an object we have had in view.

1488. And has it been carried out?—No, only very partially.

1489. In the Native States the transit duty is more in the form, as far as we are concerned, of a custom duty than a transit duty, is it not?—It really is a transit duty. If [illegible] States levied the duty entirely accord[ing] own practice, they would take duty o[n] of the trade through their territories at [each] almost at every village.

1490. What I mean is this, that [when] goods are entering into a Native Sta[te] that State a right to put an import duty [on] and an export duty upon their own produ[ce] out?—No doubt they have a right.

1491. And is that the state of things [which] do we, in fact, allow them to exercise th[is] —Yes, we do. They have a full right [to] is part of the necessary resources [of] local governments. They are charged [with] entire expenses of administration, excep[t] as we protect their external frontiers, a[nd] are entirely at liberty to raise the ne[cessary] revenue either from land revenue, or cu[stoms] or excise, or in any other way they [think] proper.

1492. Is that in your opinion a desirable [state] of things to continue?—I think so. I a[ttach] great value to the element in the British I[ndian] Empire which the Native States afford, and i[f they] are to be maintained in their qualified ind[epen]dence, they must have the unrestricted pow[er] levying revenue; but these charges upo[n] general trade, the transit trade, are very [much] tionable, and it is extremely desirable to indu[ce] Native States to commute them, and effort[s have] been made for that purpose with more or le[ss] cess. As central independent India become[s] meated with railways it will become abs[olutely] necessary to see to this, and the rail[way] the practical solution.

1493. The point to which my ob[servations] were tending was this: ought there not to [be] as you have Native States in India someth[ing] the Zollverein in Germany, so that good[s] be able to pass through any of those [States] without paying?—Something of that sort [is] desirable, and will become absolutely ne[cessary] now that railways are introduced. A pr[inciple] the principle of the Zollverein, by which [duties] might be taken, once for all, on the frontier [of] Native State, and the produce divided a[mong] them in proportion to their general revenu[e] population, would be very desirable.

1494. You say, "on the frontier of the N[ative] States;" should it not be on the frontier of In[dia] —No, because there is a well defined custom[s] limit on the frontier of the Native States.

1495. But surely if you do deal with India [as] a whole frontier, goods coming in from the se[a] ought, on paying customs duty, to pass throug[h] the whole country without restriction?—No; we already have too small a proportion of the revenue of India; we are governing the whole of India, on the main point of military protection with the revenue of only about two-thirds of India. Therefore we cannot afford to give up any that we have got. But now that we are going to operate upon the large mass of Native States in the interior of the Continent, through our railways, it becomes absolutely necessary to make an arrangement on the principle of the Zollverein, that is, that instead of the train being pulled up at every village or small town, and a general search and a general collection taking place, the goods should pay once for all, and that the produce should be divided among the Native States interested.

1496. The[n]

n the same principle would apply to opium, would it not; the Malwa might levy his own tax?—Yes, he berty to do so, and I have no doubt xactly how he stands; happily the m is not produced only in his terri- took more than his customary dues ots, the cultivation would increase in uring States. Besides, as we hold oast, we can collect any export duty oper.

ould it not follow, in that state of the customs which we now receive ght to be the subject of division be- selves and the other Central States of o, I deny that.

am not now going to the question of s that we may have upon them, but hat particular claim goes, would not e result?—No, I deny that; I consider re in an Imperial position in India; we general guardians of India; we are with the principal expense of providing protection for the whole of India, in- that great mass of Native States; they ct in the same position as Bengal would were allowed to spend her large nominal without any charge for the army; and re I would not on any account disturb the g arrangement by which we collect the e custom duties for the whole of India, ep them ourselves. But when we come Native States, taken separately from our es, there I allow that something on the e of the Zollverein is necessary.

Now you have talked about our ruling with a view to self-government; what is t, in your idea, that the Native States should n in such a system; would they have any- y; would they form part of the general India?—The Native States would fol- wake in that as in other things.

That is if we drove them, I suppose?— hould not drive them; I will take the Jeypore as an example; he has already d a rudimentary parliament; in fact, onal ideas, in a rough sort of way, have in those States to a much greater ex- n is generally supposed. Lord Metcalfe y time, took the votes of the whole of the ocracy of Jeypore as to the appointment of egent; and as self-government is satisfac- y worked out in our provinces, the Native tes will, as a matter of course, follow their er.

501. In your decentralising system, ow somewhat the existing system in hat your idea; if England, for ing, after deducting the interes 50,000,000*l.* by Imperial taxa f of that by local taxation, t perial Government and th inistration, is that the uld regulate your dec ; our English syst nish a model f regards nt a rese glis ir

1502. You would give each province almost autonomy?—Almost autonomy; autonomy in every respect which was not inconsistent with the general interest. The local governments would represent local self-government, while the Supreme Government would represent the general interests.

1503. But surely by that plan you might have different laws of succession, for instance, in different parts of the Empire?—It would be for the Governor General to see that there was a general harmony between the laws of the Empire. In fact, he does so at this moment. The Madras and Bombay Councils have the power of passing laws quite inconsistent with each other, and the Government of Bengal also; but the Governor General sees that they are not unduly inconsistent; a liberal scope, however, is allowed.

1504. That is not the model of the United States, at all events; I rather want to get from you whether the model which you go upon is rather one of administration than one of actual government?—The truth is that I have not taken any one model as my rule, but I have worked this out on Indian and English principles. I have taken the principles of self-government and self-taxation and representation which prevail in England, and have applied them *mutatis mutandis* to India.

1505. Now take the Civil Service, for instance; would you have one service throughout India?—That I would have as at present, separate services for Bengal, Madras, and Bombay; and as the European Civil Service gradually contracts with the development of the native administrative element, it would become more and more manageable.

1506. In regard to the Customs Department, it would be entirely under the Supreme Government?—It would be supervised in a general way by the Supreme Government, but it would be entirely under the administration of the three maritime Governments.

1507. Would your Custom of the local government Government?—Of the

1508. And the *Pos* under the Supreme

1509. The pos appointed by t he is now.

1510. they h loc

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Europe; and the different provinces in India differ quite as much from each other in language and habit, and general circumstances, as the different nations of Europe do.

1515. Now I will take the Courts. Are not the High Courts of Bombay, Madras, and Calcutta, in your opinion, unnecessarily expensive?—I can answer for the High Court at Calcutta being unnecessarily expensive. There are far too many judges.

1516. And Madras too?—Yes, Madras too. I cannot speak so certainly about Bombay.

1517. As Bombay has the knack of doing things expensively, it probably is the same there?—I have no doubt it is; I should be surprised if it were not.

1518. Mr. *Beach.*] With reference to the reduction of the Madras army, is there not a strong impression that, considering their loyalty during the time of the Mutiny, they were hardly treated?—No; it was no loss to them to return to their homes; they are eminently domestic in their character, and I speak from positive experience. I arranged that large first reduction of the Madras army after the Mutiny with Sir Patrick Grant. Besides the Rifle Regiment, and the four extra regiments, and the two veteran battalions, and the large regiment of sapper militia, all which were disbanded, we reduced the strength of the 52 regular regiments of Madras Native Infantry from 1,000 privates to 700, and native officers in proportion, and we were prepared for some murmuring, but to our great surprise and delight we found that the Sepoys were only too glad to return to their homes with the money they had saved during the war, and the month's pay for every year's service which we gave them, and so it would be with any number of Madras regiments that might be reduced; the demand for agricultural labour is so great, and the profits of agriculture so high, that by far the best thing that [illegible] of people can do is to return to their homes to [illegible] agricultural pursuits.

[illegible]ive position of the European [illegible]consequence of that?—[illegible] about the European [illegible]d not keep up regi-[illegible]n for the officers, [illegible] years.

[illegible] remove the [illegible] an insti-[illegible]tainly [illegible] of

produce, indigo, opium, cotton, a[illegible] England is great as a manufactur[illegible] and they ought each to perform the[illegible] of each other. I think it an entire n[illegible] ing up such establishments in India [illegible] tories, and gun-carriage factories, [illegible] manufactories; and I doubt very [illegible] powder. The extraordinary cheapn[illegible] ward freight to India is an importan[illegible] the question.

1522. It was formerly intended [illegible] arsenal at the foot of St. Thomas's [illegible] think?—Yes; that belonged to a by[illegible] of things; that is an entire mistake. [illegible] there must be a proper magazine at [illegible] That should be secured by entrenchm[illegible] we are a great deal too expensive in [illegible] erecting fortifications.

1523. Supposing any redemption o[illegible] revenue were to take place, it ought [illegible] carried to the income of the year; it oug[illegible] to be applied to the payment of debt, [illegible] not?—Certainly, if it took place.

1524. Mr. *R. Fowler.*] I understood [illegible] express an opinion that for economy in I[illegible] must look to a reduction of the native a[illegible] Chiefly.

1525. Then you think that a very great [illegible] could be effected by reducing the numbers [illegible] native army?—Yes, a very large saving.

1526. And amalgamating the troops [illegible] three Presidencies?—Yes.

1527. You spoke in high terms of [illegible] Court of Directors, the excellence of whic[illegible] derstand you to attribute to the commerc[illegible] ment in it. You have, of course, conside[illegible] question, whether any similar element co[illegible] placed in the Council of India?—The [illegible] mercial element has got wrong of late [illegible] its relation to India. The Court of [illegible] had a mercantile origin, and they main[illegible] not their mercantile character, at any r[illegible] mercantile habits, to the last; and th[illegible] great following, a great connection am[illegible] cantile and monied people of all sorts [illegible] quite of late years they all belonged to t[illegible] themselves, and being perfectly inde[illegible] resting upon the Court of Proprietors, a[illegible] charged with the responsibility and ho[illegible] governing India, they stood up manfully [illegible] protection of India; so that then we had [illegible] mercantile and monied interest engaged for [illegible] protection of India incorporated in the Ho[illegible] Government of India. But now all that is at [illegible]d Manchester and the City (I am n[illegible] individually at all), I mean the gre[illegible]nd monied, and manufacturing, i[illegible] been, without meaning it, seein[illegible] make the most of India for the[illegible]

[illegible]ercial element has survive[illegible]s put on the Council. [illegible]ls, who retired in 186[illegible]e of that interest?—[illegible]

[illegible] whether a[illegible]at i[illegible]d?—[illegible]y wa[illegible] wa[illegible]

ree which will

more merchants
he Council?—No;
knowledge that the
ave seen so much evil
aggressive, exacting,
ntile and monied interest
a, that I would certainly
scope; I would give it no
, I mean that I would not add to
t power which it already exercises in this
erning country, further official power.

But the form it takes, I apprehend, now the commercial interest in Parliament e Government of India to spend money. ould not that be rather checked if the cial interest was represented in the l?—That is only a formal official way of it, that Parliament urges the Government ia to spend money. We have got much l that in England; England governs itself h the press, and through public opinion, rough private society, and through the r of the great manufacturing and mercantile ities of Manchester and Liverpool, and h the great monied people in the City, way which is not capable of very exact etrical description; they have already themselves too powerful for the benefit of and I certainly would not add to their by giving them an official status.

2. You expressed a high opinion of opium ource of revenue in India; do you not think the use of opium produces a great demotion among the Chinese and others who use Not more than gin or beer. I am not at all n that it is not the best stimulant, if used oderation. You may have observed that nation has some stimulant or other, and pposed by people who have studied the hat opium, from the influence it has in the imagination, acts beneficially upon ish unimaginative Tartar character.

. But is it not the fact that while the l men in this country are constantly in the f prescribing the use of spirits and wine, ever prescribe opium, except in cases of e illness?—Indeed they do. Mr. Wilber- or 30 years before he died, always had two three opium pills in his pocket, which he took ntervals.

1534. But he was always an invalid?—Yes; d opium is very extensively used in the case of ople in weak health. But, regarding opium as stimulent capable of great abuse, the Govern- ent of India does all it can to render opium arce and dear by levying the highest possible x upon it. The Anglo-Indian Government eals with opium on precisely the same principle s the English Government deals with intoxicating pirits.

1535. Do not you think that opium must be egarded as a precarious source of revenue; is ot there a great possibility of the Chinese cultivating it to an extent which will put an end o the large revenue that we derive from it?—No; because it does not depend upon the extent f the cultivation in China. The Bengal opium altogether of a superior quality to any that can e grown in China, so that whatever quantity ay be grown in China, those who can afford it ill still consume Bengal opium. There is the ame difference between Bengal and China opium as there is between fine claret and rough *vin du pays*.

1536. But do you attribute that to the climate, or to the mode of preparing it?—Mainly to the wonderful qualities of the soil and climate of India; the same cause that makes indigo, and jute, and shellac, and other things, what they are in India. There is a difference in the quality even of Bengal and Malwa opium, and each has its admirers in China.

1537. Then you do not think that it would be possible, owing to the climate of China, for the Chinese ever to produce as good an article as India does?—I think not; I think we may calculate with certainty upon a continuance of our opium revenue. It will vary from year to year like other commercial speculations, but in the main it is a thoroughly reliable source of revenue.

1538. Do you approve of the system in Behar and Benares, by which the Government becomes the cultivator of opium?—I have already put in papers which show my opinion on that point.

1539. The consumption of opium by the Chinese has very much increased since we furnished it to them, has it not?—No doubt it has, because trade has increased in China; the country has been opened. How far opium has been substituted for shamsoo, that fiery spirit which maddens people, and made such havoc with our troops in Northern China, it is difficult to say, but no doubt it has increased.

1540. One hundred years ago the consumption was very much smaller by the Chinese, was it not?—It was very much smaller; but if not opium, they have always consumed vast quantities of a coarse, injurious, fiery spirit.

1541. Sir *D. Wedderburn.*] I wish to ask you two or three questions about the employment of natives in the higher branches of the public service; I think you have a high opinion of the best class of natives?—Yes.

1542. You would prefer employing them in responsible offices to employing an inferior class of Europeans?—Certainly, to employing an inferior class of Europeans; but there are many valuable men in the subordinate branches of the public service, the uncovenanted service, whom we do not class as natives; there is the class of East Indians, namely, those of mixed blood, who are an extremely valuable class, combining many of the good qualities of Europeans and natives; and there are also many very valuable public servants among the Europeans who have gone to India without any regular appointment, who have taken their chance and risen in the uncovenanted service. But I think this entrance to the service should be very carefully guarded. There has been great abuse in that way. All sorts of young men who fail at the competitive examinations in this country, or who do not even venture to go into them, go out to India with recommendations, and they have been put into the police, and into the lower departments of the revenue as deputy collectors, to a far greater extent than is right. The proper way of correcting that, is by doing as we have done at Madras, establishing a good system of local competitive examinations; that will keep out these scapegraces.

1543. The best class of natives would be amply remunerated at a lower salary than that at which you could command the services even of second class Europeans, would they not?—Well, I will not go that length; but they would

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be amply remunerated by much less than we give to our covenanted civil servants; no doubt about that.

1544. Do not you consider that natives living in their own country, and with their cheap habits of life, would be very amply remunerated at a considerably lower salary than that for which you could command the services of an European in the covenanted service?—In order to secure a regular supply of the most highly qualified class of Europeans, or, to put it more generally, in order to secure the application of the superior governing power of England to India through that channel in the best possible manner, liberal salaries must be given. I am speaking of the covenanted service; when you go below that, I see no distinction. It is true that natives can live in their own country cheaper than foreigners, but, on the other hand, it is an object to us to attract to our service the highest class of natives, and they ought to be paid at least as much as any Europeans who may go out as adventurers for the chance of getting what they can.

1545. Do you not also consider that by employing these first class natives, who would not require to be paid more than the adventurers of whom you speak, we should gain, if not financially, certainly very greatly, in a political point of view?—We should gain every way; we should gain in security; we should gain in popularity; we should gain in economy; and then, if the matter is properly conducted, the two classes should hardly be set against each other, because the natives will be 50 to 1 to the Europeans if they are all subjected to the same tests.

1546. I suppose you would regard the establishment of Cooper Hill College as a mistaken act of policy, inasmuch as it tends to create a close service of European officers, and throws a considerable burden upon the finances of India?—It never occurred to me that such a college was necessary or desirable. I should not have proposed it myself, but I do not wish to pass a harsh judgment upon it.

1547. Do you not consider that, in engineering particularly, the natives have, in various periods of their history, shown great talent and skill?—They have shown great practical talent, and on the main point of all, that of irrigation, nothing can be better than the ancient irrigation works of the South of India; in fact, they have been a model to ourselves. Sir Arthur Cotton is merely an imitator on a grand scale, and with considerable personal genius, of the ancient native Indian engineers.

1548. Mr. *B. Cochrane.*] What date are you speaking of?—There is the great annicut on the Cauvery, which is an extraordinary work, something like Stonehenge, with the stones put close together in a row; it is a grand work. And then the whole country is covered with grand, beautiful tanks; there are multitudes of these tanks, as I mentioned, which have never been restored under our regime, and instead of beginning at the wrong end, and, making tremendously expensive canals, the expense of which must necessarily bear an excessive proportion to the income, it would have been far better to have contented ourselves with the humbler, but far more profitable work of restoring these ancient reservoirs.

1549. Sir *D. Wedderburn.*] About what period was the date of that work on the Cauvery of which you speak?—I doubt whether the origin of it is known; it is extremely ancient.

1550. I s[illegible] which have b[illegible] of the native[illegible] their model?—[illegible] been successful a[illegible] the one made by a P[illegible] Khan, who became [illegible] Delhi during Arungzeb[illegible] Jumna, and another ma[illegible] the east of the Jumna. Ou[illegible] cially, have been dead failures.

1551. Would you say, that among [illegible] improper burthens which have been [illegible] Indian finances, we might class a te[illegible] create sinecure offices for officials both[illegible] and in India?—On the whole the [illegible] difficulty has been successfully met. [illegible] difficulty which caused us most anxi[illegible] resettlement of the Government, and [illegible] greatest pains were taken to obviate [illegible] the whole, it has been met by the sim[illegible] dient of abolishing personal patronage [illegible] ing it entirely open and making it d[illegible] public competition; that has worked e[illegible] well; but still the old British jobbin[illegible] does creep in and show itself occasional[illegible] it ought not.

1552. Has there not been a tendenc[illegible] to create unnecessary offices?—Well, [illegible] the other day of an office which undou[illegible] unnecessary, which is, that an officer [illegible] appointed a permanent mehmandar; [illegible] entertainer of distinguished guests. N[illegible] cannot be necessary; and there is an ob[illegible] jection to it, which is, that the same perso[illegible] likely to be equally fit to entertain all [illegible] tinguished people who come from the [illegible] Asiatic countries. The old plan of selec[illegible] each party of distinguished guests the [illegible] who happens at the time to be best quali[illegible] entertaining them and showing them a[illegible] far better plan.

1553. Mr. *Fawcett.*] Assuming the g[illegible] bility of admitting the natives of India [illegible] to a share in the Government, what is the [illegible] way which you would adopt of attaining [illegible] first of all, with regard to the covenanted [illegible] —I would begin from the bottom. Fi[illegible] I would prescribe to all the local gov[illegible] that nobody should be admitted into [illegible] covenanted service, except by competitio[illegible] course, subject to the same exception as h[illegible] even our new system, which has worked so [illegible] is, like every other general rule, subject to ex[illegible] tion. When very special qualities are requ[illegible] for any very special duty, then, under prescr[illegible] public guarantees of recording the circumsta[illegible] and so forth, a special appointment is made, [illegible] that is contracting every year, and coming to [illegible] thing, and very little of it will be necessa[illegible] so that the first thing would be to secure [illegible] door to the public service by establishing [illegible] competitive system, that nobody, either na[illegible] or East Indian, or European, should enter [illegible] public service except by public competition, [illegible] that it should be given to the best. The [illegible] would begin working from the bottom as reg[illegible] appointments. Take the Customs, to begin w[illegible] Now, there is no doubt that every appointm[illegible] in the Customs, even the highest, might be v[illegible] properly filled by natives. I did appoint[illegible] East Indian Customs officer at Madras [illegible] appointed him deputy master, and I wo[illegible] have made him Customs master if the appoi[illegible]

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even to the Board of
me more reasonable
on the Board of Revenue
sit as a judge of the High
he matter would be still easier as
judicial business, because the judicial
not mixed up with magisterial and
siderations; and I would gradually
manipulate what we call in official
an establishment of judicial officers,
from the bottom, which should be
rely by natives; of course, by natives,
ople of every race and creed appointed
bject to these checks.

Then I understand you would admit open competitive examinations to the nted service, those examinations being esume, in India, and that, having once mission to the service, you would allow occupy any position for which their ualified them?—Yes; that is the law. r the transfer of the Government that passed, and, strange to say, it was three years ago, but still we have not n it; why I cannot conceive.

Then, with regard to the covenanted how would you admit them more largely because the covenanted service is nomi- en to them, but, from the examinations ld in London, the natives are so unfairly pped that they are virtually excluded?— that arises, not from any deliberate exclu- the natives, but from the nature of things. as been governed from England, and by , and must continue to be so to a certain ven supposing every possible local allowed, still England must continue e a preponderating influence over India. application must be given to this go- ower of England in some way or other; nsider that the Civil Service, in its old atronage, under the Court of Directors, in its new form of appointment by public tition, is really of the nature of a regulated el through which the superior governing r of England is applied to India; and I think s altogether a mistake to look to the cove- d service as a proper mode of bringing for- the natives. It is a piece of temporary inery which should gradually contract as the r, and more legitimate, and wholesome, local ve element extends.

556. But considering that lately it has been ved by the local examinations which have n conducted by the Universities of Oxford Cambridge, and also by the degree exa- ations which have been conducted by the don University, that there is no difficulty tever in carrying on examinations over the t distant parts of the world at one moment, that no suspicion of unfairness has arisen, t objection would there be to let the first ination for the Civil Service be held simul- ously at London, Calcutta, Bombay, and ras?—I think very great objection. There practical inherent difficulties, which I will enter into now; but I think that there is a very grave and solid objection as regards the best interests of the natives themselves. Observe that the young men who are obtained by competitive examination, after all, are only raw material; they have been tried and proved in reference to certain qualities, but still it is a speculation how they will turn out; for the competitive system fails in applying a satisfactory moral test to the inner man; it cannot be done; that must be the result of actual experience. Now, the natives, especially the Bengalees, are exceedingly quick; they have a wonderful power of imitation, of learning up, and their intellects are very quick and vivacious; consequently they would be likely to be extremely successful in the examinations, and it would probably result in a large proportion of young Bengalees entering the covenanted Civil Service. Well, I think that that would risk, in fact, it would destroy, the whole thing. When it came to actual practical work, to those higher qualities which especially belong to government, to the power of governing men, they would fail to a great extent, and entire discredit would be thrown upon the thing. Therefore I think that the plan which I have recommended is much safer and better for the natives themselves. They will be admitted into the uncovenanted service in their own country with great freedom and in large numbers; and then they will undergo a process of natural selection. Those who turn out well, who have the qualities for higher office, will attain to higher office; those who have not those qualities, will either drop through or remain behind. I consider that very much better, both for the country at large and for the persons employed.

1557. But putting yourself for a moment in the position of a native of India, may he not very fairly urge this: "A solemn promise was given to me by the Queen of England, that I should be placed in a position of perfect equality; a law has been passed which declares that I, as a native, if I have the requisite ability, ought to be admitted to the Civil Service; that promise of the Queen has been entirely disregarded; that law has become a dead letter; and how long may I have to wait for that time, when you, Sir Charles Trevelyan, say the natives ought to be admitted to the highest positions; what security have you to give me that what has taken place in the past will not take place in the future"?—I consider that that solemn pledge did not imply any guarantee of any particular mode of admitting the natives. Now, if, as I suppose, to admit them at once to the superior covenanted service by competitive examination carried on simultaneously in England and in the different parts of India, would not be for the benefit of India, would not, in fact, be for the benefit of the natives themselves; then I consider that the good faith of this country is not in the least compromised.

1558. You slightly misunderstand me; I am not for a moment contending that the holding of examinations in India would be a better plan of admitting natives to the Civil Service, than the plan which you advocate; on the contrary, I will assume that your plan, if it could be carried out, would be better than the plan that I have suggested; but supposing that your plan is perfect, and would realise all the great results that you expect from it, what security have the natives, considering the promises which have been

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been give them, that your plan will be carried out?—Their only security is our good faith and sense of justice.

1559. But we have pledged our word already, by a law and by a proclamation; have we not?—We could not pledge our word more solemnly than we have; any additional promise we might give would only throw discredit on the past. The time of promising has passed; the time of acting has come; if we delay much longer to act upon our promises, no doubt the natives will think that we have been deceiving and mocking them.

1560. What disadvantage would there be in the plan which I suggest; supposing you said that the natives, after attaining success in the first examination, should spend two or three years in England when they had passed a second or third examination, and then the proper authorities would have just as good an opportunity of judging of their moral qualities as they have of judging of the moral qualities of the other successful competitors?—I think that in itself it is undesirable to give any young men an absolute privilege of employment for life. There is a disadvantage in it, even in reference to our own carefully selected and trained covenanted civil servants; but there is no help for that; we cannot do without them. As regards the natives it is different; we have a much more suitable mode of initiating the natives into the Indian Civil Service, and then we can select those who (not by the result of an examination, which, after all, only raises a presumption of qualification, but by actual experience) we can say are the best and fittest, and promote them to the higher appointments. And observe that the plan which you propose, while it would give some additional authority and dignity to the covenanted service, would utterly destroy the uncovenanted service.

1561. But the argument which you have advanced against giving employment to natives in the covenanted service, if it was open to them, applies, so far as I understand, to admitting them to the uncovenanted service; you suppose there that they are admitted by open competition?—Yes; but the thing would be much more manageable; the commencing salaries would be lower, and being appointed by competition in their own country, it would be easier to get rid of them, if they proved not to be possessed of the qualities which fit men for responsible employment.

1562. But do not you think that until we place them in a position of greater equality, with reference to the covenanted service, nothing will remove from the minds of the natives the impression that they are suffering some injustice, because we throw open to them the ill-paid uncovenanted service; but with reference to the well-paid covenanted service, we so arrange that the natives are excluded from it?—I do not agree with that. No doubt hitherto we have so arranged the appointments to the covenanted service as to exclude the natives. But, on the other hand, we have given solemn pledges, and passed solemn laws, to do otherwise; and, if we only begin to act upon our laws and our pledges, the natives will soon see that we are endeavouring to fulfil our promises in the best possible manner, and that a new road has been opened to them. Hitherto there has been no alternative offered; whereas, if the plan which I advocate is honestly and freely acted upon, and they see the Customs, Excise, and Stamps manned entirely by natives, and the natives ap-

ppointed to
Revenue and
become quite
sagacious enoug
problem.

1563. I presume,
you think that the
Government of India t
the solemn pledges and
this time you say they have
is to take some action, for instan
to bring the pressure of public opinion
—Unquestionably this is a case in w
action of Parliament would be most b
Parliament began by giving a solemn pr
the year 1833, and it would be well if
the Acts which they have since passed
and 1870, to give effect to the princi
laid down, they inquired how they ha
acted upon.

1564. With reference to the Council, I
wish to get your opinion on one or two p
briefly as possible. With regard to the C
I understand from your answers that yo
that that has so entirely failed in its p
that there is no chance of improving it
future, either by adding commercial mem
it, or by other plans that have been sug
and I gather from your opinion that wh
think is the best to be done is to abolish
gether?—I would abolish it altogether, a
point three or four well-paid, carefully s
secretaries under the Secretary of State,
limited term of office; Indian officers for th
part.

1565. That of course would represent
considerable saving to the revenues of Ind
Yes, very large, and responsibility wou
fixed, and a great deal of valuable official
would be saved.

1566. With reference to your scheme
centralisation, it is very different from the s
of decentralisation which has been late
out in regard to public works in India,
—Public works enter to some extent in
Mayo's plan. He has dealt only with
fragment of the subject, and Indian fina
thereby become dislocated. So much ha
done, that we must either go back or go fe
Well, there cannot be a doubt that we ou
go forward and complete the decentralisation

1567. You think that the present schem
decentralisation is one of those partial, incompl
measures, which really do not improve thin
but leave them rather worse than before by
location?—Yes, I think so; and I think t
Lord Mayo, if he were alive, would say so, a
would advocate the adoption of a further st
It was quite as much as he could venture to
at that time; he was embarking on an untri
ocean.

1568. With regard to the opinion which y
have expressed, that the people would be l
impatient of local taxation, how can you reconci
that opinion with what has lately occurred
Bengal with regard to Mr. George Campbel
Municipal Taxation Bill; did not the very pr
posal of that measure, authorising the impositi
of certain local taxation, excite such a gre
amount of discontent that Lord Northbroo
although, I believe, approving of the measure
principle, felt it necessary to veto it?—Well,
was novel in Bengal. In Bengal there is a ve
peculiar state of society; the province has be
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h to itself; it has been very loosely as been altogether in the hands of dars of our creation, and the ob- ctive communities of local traders; rt of India where municipal go- s made least progress, for the ancient stitutions of the country, the village , were destroyed by the permanent and nothing has been put in their eas, in the North Western Provinces, , and Bombay, and to a great extent the ancient municipal institutions ed, and have been built upon by the f more regular symmetrical munici- ording to our modern English notions, vers very well. One municipality, s been established in Bengal, which extremely well, which is that of Cal- en, too, the measure was too large; it ch of a novelty; it was too sweeping. gh the measure has for the time been it forms a very important part of the of the country; and when Mr. Camp- it forward again in an amended form, more limited form, the people of Bengal ch better prepared for it than they are

But your plan of centralisation rests oes it not, on the idea that at the time as carred out India would have some presentative institutions; it would not carry it out without those, would it?— hings must go *pari passu* unquestion-

For instance, if at the present time, any more representative institutions has, to refer to Bombay, the Governors ay would not be spending their money, pending the money of the people of are unrepresented, and therefore be no check imposed on extrava- questionably. The plan which I ed is a machine compacted of many the whole of the parts must be sepa- structed and fitted together. I consider ppening of the Civil Service to the the manner I propose is a very im- art of it. It will be a most valuable hem, that now we are not only going bout promoting them, but are really o do the thing.

. You have expressed the opinion that the c Works, as at present organised, is a er of centralisation, and that its monstrosity wn in inefficiency, and in extravagance?—

72. You are probably aware that this de- nent has proposed to spend no less a sum 70,000,000 *l.* of the money of the people of in railways and canals?—Yes.

73. And, if your description is an accurate of the defects of this department, you must ider that this large expenditure will be ex- ely mischievous, and ought to be checked? rtainly. I would check it by taking the artment of Public Works to pieces, and local- it.

74. And until you have done that you would very effectual restraint upon their spending more money, I presume?—Yes. Then, in- of the Department of Public Works having limited credit on the purse of the whole of , each of the eight Governments would have dit only for spending its own money. Of course, separate provision must be made for carrying out the railways; I would do that through private companies.

1575. You have expressed an opinion as to the great desirability of attracting a portion of that surplus English capital which now flows into almost every country in the world except India. Do you think that there is any chance of any considerable amount being attracted to India as long as the Government undertakes industrial works which in other countries are carried out by private enterprise?—No; I think that that is an absolute bar to any extensive introduction of British enterprise into India. It is elbowed out; there is no room for it at all; and therefore it would be one of the greatest of the incidental advantages of the decentralisation of the Government of India and the localising the works of India, that it would enable us to make a fresh start as regards the introduction of British enterprise; for as for railways, I am perfectly convinced that there is no country in the world where railways would be more profitable if they were carefully and cheaply made, as private companies would make them for their own benefit; the Government, of course, might give any necessary help; there are plenty of ways of doing that; either by subsidies, lump sums, as Lord Elgin proposed, or by what I think would be, perhaps, better at first, namely, a limited guarantee, guaranteeing the interest on a certain sum, and that everything above that the shareholders must find.

1576. In fact, your opinion is, that the centralisation which has particularly exhibited itself in the Public Works Department has elbowed out private enterprise and English capital to a great extent in India?—Yes, I am of that opinion.

1577. You expressed the opinion, did you not, as long ago, I think, as 1865, that one of the great lessons which the English Government in India had to learn was, that it was far beyond the power of any Government to supply a worthy industrial outfit for such a country as India, and that meant the Government undertaking to supply the industrial plant of the country, instead of leaving it to private enterprise?—Yes; I was very much struck with the analogy of Ireland after the famine. After we had saved the lives of the people of Ireland we thought that we were going, by a hop, skip, and a jump, to make the country self-supporting and reproductive; the common saying was that if the resources of Ireland were properly developed, there would be an ample subsistence for the whole 8,000,000; and so we set to work with our arterial drainage works, the opposite process to the Indian plan, but very much on that scale, and open to exactly the same objection, that they were far too grand and too expensive. That went on for two or three years, but happily we were spending our own money in Ireland, and not the money of the people of India, and so it soon came to an end, and the whole thing collapsed. The improvement of India, like that of Ireland and England, must, in the main, be the gradual result, not of the single agency and single fund of the Government, but of the multiform agency and unlimited resources of private enterprise, stimulated by private interest, and checked by private sagacity and thrift.

1578. You have devoted a good deal of attention, I think, to that subject which throws perplexity and confusion over the whole of Indian

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finance apparently, namely, cash balances?—Yes; I have paid a great deal of attention to that. I have worked at it.

1579. Do not you think that until they are properly explained, it is impossible for anyone here to form an opinion of the exact financial position of India?—What is called "debt," which is a great deal more than the debt owing by the Government on the regular loans, including, as it does, every possible obligation of the Government of India to everybody and everywhere, is a very confusing element indeed; but we know a great deal more about it than we did.

1580. Of what elements are these cash balances composed, in your opinion?—The cash balances are the *omnium gatherum* of every sort of administration, public and local, and, to a considerable extent, of private people. Banking has not gone very far in India; and besides the actual balance of the revenue in cash, the treasuries contain every conceivable sort of deposit, deposits of prize money, deposits due to the service funds, and a very large item of judicial deposits answering to the vast accumulated trust funds of the courts of law and equity here, and all sorts of things.

1581. *Chairman.*] May not the cash balances be described with sufficient precision, as representing all the obligations of the Treasury on current accounts, which have not been carried to funded debt, and they also represent all the operations of the Treasury in the administration of the finances within the year, including advances and repayments?—Yes, that is so. It is impossible, in India, to make a clean balance sheet as we do in England; here it is merely the income and expenditure.

1582. But, as I say, it represents, in addition to the administration of the income and expenditure for the year, including advances and repayments, the open accounts between the Treasury and any person claiming upon the Government, which have not been made the subject of a funded debt?—Yes.

1583. Mr. *Fawcett.*] But the cash balances partly consist, do they not, or may consist, of unexpended loans?—Certainly.

1584. Let us suppose that the cash balances in one year are 20,000,000 *l.*; we notice next year that they are 18,000,000 *l.*; in the meantime, during that year, there is apparently a surplus of 1,000,000 *l.* Now, it is quite possible that that surplus is purely a fictitious one, that it may have been got entirely by taking from the cash balances 2,000,000 *l.* of the unexpended loan. When you say that there is a surplus of 1,000,000 *l.*, or any sum in a particular year, the meaning which you wish to convey by saying that there is a surplus, is this: that the ordinary revenue has exceeded the ordinary income by 1,000,000 *l.*; but if that excess has been obtained by spending a loan, it has really been obtained by borrowing money, and therefore I am correct in saying that the surplus is purely a fictitious one?—Certainly, that is one way of putting the objection to the chronic system of loans, the annual loans that we have now entered upon; in fact, it is a reproduction of the old system of open loans under the company in a worse form; that is one form of putting the objection.

1585. But is there anything to prevent this being done with regard to the finances of India. A certain sum may be borrowed, we will say 4,000,000 *l.* for barracks only; 2,000,0 may be spent; the other 2,000,000 into the cash balances; the cash bal reduced, and you may exhibit to t you have got a surplus of 2,000,00 if the accounts were properly sta 2,000,000 *l.* surplus would have been have been obtained by getting 2,000,0 a loan which was intended to build ba No; I think the loans go to swell balances, because the annual Budget E income and expenditure shows so fa genuine comparison of income and ture.

1586. But you have once, I believe, these cash balances as a kind of *omnium g* a portion of them no doubt are unexpend therefore, if you take so much out of balances, if you take it out for the cur penses of the year, you are taking a p the unexpended loans, and therefore really providing for the current expen the year by borrowed money?—No, I do that; the annual Budget professes to sh I believe does show, as far as it can be a a real balance of current income and cur penditure within the year, and so no part income can be said to be taken from the of former loans out of the Treasury. T sequence of the unexpended loans is, th go to swell the cash balances; they c confuse the accounts also.

1587. But are you quite certain as t taking the accounts for any year, could yo tively state, looking at those accounts, t portion of the current income came out cash balances?—That is another thing.

1588. Then, am I not correct in saying, a portion of the current income comes ou cash balances, the cash balances being *gatherum*, you dip your hand into a which you are certain to pull a portio expended loan, and; therefore, the curr of the year is not supplied out of ordinary but partly out of borrowed money?—I d that length; but this I must admit, th you come to the expenditure, the fact drawing your expenditure from two entir ferent sources, one current income from and the other the unexpended portion of p loans, has a great tendency to confuse th counts, and is extremely objectionable. If would allow me I would make a general rem about the cash balances. I consider that the fusion in which the cash balances are invol or rather (for "cash balances" does not describe state of things; the proper word is the techn Anglo-Indian financial word "debt") the confu in which that part of our financial administra which comes under "debt" is involved, is chro and is the necessary consequence of our atten ing too much. India, with its eight Gov ments, and other complicated relations, is far vast to be administered as a single financial o ation, and we never shall get that part of finances right as long as we attempt to do whole of the finance from Calcutta. The c way to get it right will be to decentralise finances, and then it will become manageable reference to each Government. Madras know what its assets and liabilities are, and be able to make a clear account.

1589. *Chairman.*] Do you think that thi the real difference between the two cases,

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the finance account, the balance is a statement of the income and for the year, and it also contains l the account of the Exchequer but it does not contain any of the of the Crown, or of the Government own, which are carried on through the England, and which are Bank of Eng- unts on behalf of the Crown of various and Departments; but in India, from method of the Treasury, standing in of the Bank of England, in relation to l administration, the Treasury Account both the Administration Account and ces of Account, which in this country by the Bank of England?—That is a correct view. The Indian Exchequer, tly magnified scale, is what our English r would be if the whole of the judicial and a great variety of other deposit formed part of the Exchequer Account. merely another example of the task that undertaken, of administering India y from a single centre, being too vast perly performed.

Mr. *Fawcett.*] But supposing that the continues of administering the finances from Calcutta, would it not be highly to have the various elements of which h balances are composed more separated ch other; something might be done in ection, might it not?—No doubt; but we f us been working at that, and breaking s against it; and we have made some but the subject is so impracticable that e satisfactorily dealt with; the machine ind too complex, composed of too in- ty of parts to be properly compact; aken to pieces, and we must have hines.

hink you have expressed the opinion, ot, that the cash balances at present d are very much too large in amount? consider that, with the present facili- ected with banks, and railways, and rrency, from 10 to 12 millions are

They have been up as high as 24 mil- ve they not?—They have been upwards llions a good deal.

3. That represents a very considerable loss dia?—Certainly.

94. Almost as much as was realised last year e income tax net?—Yes.

95. You referred just now to the very low of interest at which India could borrow ey, and you attributed it to one cause, namely, he confidence that there is in the security Government. But do not you think that ther cause partly operates, namely, that there n impression that England is to a certain ent responsible for these loans?—No; I do think that they reason it out in that way. y naturally consider the English *régime* as ually one; England has such a tremendous e in India, that everybody, European and ive, feels quite sure that she will do her very t to keep things straight.

596. But you, I suppose, agree in the opinion if by any chance India could not pay her , the English revenues would be in no way onsible for the interest?—Certainly, that is case.

597. You think that that cannot be too

explicitly stated, I presume?—I think that the prevalence of any such idea as you refer to is greatly to be deprecated as leading to a feeling of relaxation in the administration of the finances of India. It would throw a wet blanket on economy, just as the system of loans and the income tax does.

1598. And you also think, do you not, that it is desirable for English investors that that fact should be stated to them as distinctly as possible?—Yes, it cannot be stated too strongly.

1599. You enumerated many unjust charges which have been thrown upon the Indian revenues. I will not examine you on those again; but I wish to ask you whether your attention has been directed to the charges which were thrown upon India in consequence of the Abyssinian War, and to the expenses which she will have to bear in consequence of the present expedition to Zanzibar?—I do not know what the arrangement is in reference to Zanzibar. India is partly in fault; I suppose if India was an independent power, we should, at least, exercise some diplomatic influence in reference to the Cutch bunyans, who are the principal agents in carrying on the slave trade at Zanzibar. I will not give any opinion, however, on a case the circumstances of which I am ignorant of. As regards Abyssinia, I have formed an opinion. The Abyssinian War arose out of an Imperial sentiment affecting the whole British Empire; and in much greater degree, in my opinion, our European and American relations than our Indian relations. As far as India only was concerned, although it may be harsh to say so, I do not think it mattered much whether the prisoners were released or not. In fact, the people of India know nothing about Abyssinia; they consider it as one of the regions of the world that they know nothing about.

1600. In fact, India was in no way more concerned with our expedition to Abyssinia than were Australia and Canada, and that the only reason why we did not make similar demands on Australia and Canada to help to pay the expenses of that war was, that we knew perfectly well that they would indignantly scout such a proposal; they would not listen to it for a moment, would they?—Well, I am bound as an honest man, to say that I see no real difference. India had nothing to do with the proceedings which brought about the Abyssinian War, and was not much concerned with the result.

1601. Has your attention been directed to this fact, that very often in the financial accounts of India a very large item is put down for Miscellaneous Receipts, and that when you examine into those miscellaneous receipts you find that they are obtained by the appropriation of various funds, or the money resulting from the sale of waste lands, which funds and which money ought to be considered as capital?—You are referring to the service funds, I presume?

1602. The Civil Service Annuity Funds, and those other funds?—The Government took over the capital of those funds, and made itself responsible for their liabilities. What it does, I believe, is to appropriate the capital of the funds from year to year, in paying the liabilities.

1603. They have put down the funds, have they not, as an ordinary receipt of income; therefore they spend the capital and have to pay the annuities afterwards?—I am afraid that that is what it really amounts to. The way in which they

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they state it, is that they pay the liabilities, the pensions, out of capital as far as it will go, and after that they will come out of revenue; but the fact is, I believe, that the funds have been appropriated as revenue, subject to the liabilities.

1604. And with regard to the sale of waste lands a still stronger thing has been done; the money there has been appropriated as ordinary income against the express orders of a Government regulation, has it not?—I was sorry to hear that, because the instructions originally given were perfectly correct, namely, that as the sums derived from the sale of waste lands formed part of the capital of the country, they should be entirely appropriated to the liquidation of capital charges, namely, to the payment of debt; and I took the first step to act upon those instructions. In my first financial statement, on the 30th April 1863, I made the following observations on this subject:—"The Government has the advantage of having three *real* Sinking Funds. The first of these is the proceeds of the sale of waste lands and of the redemption of fixed rent-charges, both of which, according to the instructions of the Secretary of State, are to be applied to the payment of debt. As the same principle is applicable to all sums derived from the sale of real property, yielding, or capable of yielding, revenue, the local financial officers have been directed to make returns of the sums available for investment on this comprehensive footing. No investments have yet been made from this Fund." But in my next financial statement, made on the 7th April 1864, I reported the following item as part of a sum of 12,105,003*l.* paid off at home and in India, whereby the net annual charge for interest had been reduced by half a million:—"Government securities purchased out of the proceeds of the sale of waste lands and confiscated estates, 100,000*l.*" This was the result of the returns which had been called for in the previous financial statement. All this was done according to the instructions under which the Government of India was then acting, so I suppose those instructions have been altered. The instructions were very precise and very correct. They were given by Lord Halifax, then Sir Charles Wood, and they formed part of the original instructions for disposing of waste lands.

1605. *Chairman.*] But if you were borrowing money, and in that same year paying off debt by the sale of lands with one hand, that would only involve borrowing so much more money with the other; the borrowing was to make up the deficiency of the year?—No doubt. This new practice of annual loans puts every department of our finance completely out of joint; it destroys all real comparison; but nevertheless I think that the old landmarks of finance ought to be preserved, as far as possible, for the sake of the future, because we shall more easily return to them.

1606. Mr. *Fawcett.*] But with regard to the observation of the Chairman, there is this important difference, is there not. Suppose the finances of India are represented as being in this position: borrowed money, two millions; ordinary income from the year, 50 millions; that would be one way of stating it; but suppose that when you look more narrowly into it you find that that 50 millions which is stated as ordinary income was composed of two elements, one 48 millions arising from ordinary
the other two millions obtained
these funds and sale of waste lan
correctly to represent the finan
India, what a financier ought to
"ordinary revenue 50 millions, an
money two millions," but "ordina
48 millions, and borrowed m
millions;" and that makes all the d
Assuming that the hypotheses are
conclusion is inevitable. I think tha
mous, confused account, commonly
balances, but which really is the ac
assets and liabilities of India, offers
temptation to Indian financiers t
accounts; I do not wish to go into th

1607. Without going over the
about the permanent settlement w
should like to put a case to you: I b
present time the amount of revenue
the permanently-settled districts of
something like four millions, is it not
more than that; I rather think five m

1608. Say five millions; it is su
the amount of revenue which the zen
tained from the same land is abou
lions; then would not this follow:
that there had been no permanent
there would have been no need to su
the cultivators of the land of Bengal
paying a higher rent than they are at t
time; their position would be the sa
now, but the difference would be th
land revenue of Bengal, instead of be
now, five millions, would be over
revenue, and with this large amoun
we should have required scarcely
at all in India?—No, I do not s
certainly should not have realised
the whole 20 millions, for two
the first place, the great breakin
lands and the other improvement
led to that great increase of priv
from the land, would not have t
nearly to the same extent; and in the
to whatever extent it might have t
we should not have collected it from
nearly so closely as the zemindars do;
we should have lost the great exception
of wealth of all sorts, which distinguish
from the other provinces of the Empire;
should also have lost the remarkable, I w
say contentedness, because there has been
deal of discontent among the ryots; b
should have lost the great advantage i
secure and cheap government of the pro
which we have derived from the circumsta
there being such a very large proprietary
including all the sub-holders, on more o
permanent tenures.

1609. But according to your expressi
that answer, that the revenue is obtained
closely under the permanent settlement
these ryot cultivators, it would seem that
now have less liberal landlords than if the B
Government had been their landlord?—
that is a fact; but when we make new pe
nent settlements we shall see to that, and
the benefit of the limitation of the revenu
the actual holders, under whatever form o
prietorship.

1610. But is not this the fact, that la
creases in value from two reasons: it incr
in real value as the population and wealth o
cou

country increases, and it increases in monetary value with the depreciation in the value of the precious metals? — Yes, both those causes operate.

1611. Both those causes have been acting, are acting at the present time, and are likely to act very powerfully in India; and if the Government permanently settled the land, they would, by the permanent settlement, lose the entire advantage of the two elements of increase?—Yes, that is true, except so far as the taxes become more productive owing to the increase of wealth.

1612. And the only way, if you have a permanent settlement at all, of meeting this disadvantage, would be, and that would only of course ...ly do it, to adopt some arrangement so ...ould be a fixed portion of the produce, ...ount of the money rent should be ... the value of the agricultural pro..., that would meet the case. In fact, ...upon corn rents, like the tithes. That ...done, but I should not advocate it.

...Then, you not advocating it, you are ...to recommend that the Government (of ...u attribute other advantages to it) ...rifice by the permanent settlement the ... advantages which arise from the in...he value of land, that arising from the ...creasing in population and wealth, and ...arising from the depreciation in the ...metals?—Yes; but I have been so ...shed that I should like to say a few ...ny own behalf; I will be as brief as I ... ancient original system of Indian ...enue was actual division of the crops. ...were not allowed to be removed until ...ue had been paid, that revenue consist... actual share, the "Governor's share," ... hissa; the grain was put in heaps, ...hmen were placed on behalf of the ...officers over the heaps, and they were ...ivided. That is the rudest form of ...the system, and it was open to all the ... of the tithe system ten times over, ...was not merely the tenth, but it was ...even a half; and there is an old native ... proverb which expresses it exactly, ...útái;" "bhatái" signifying division, ..." plunder. Very soon we began to ...t; we began with annual settlements; ...nt on to triennial; then to quinquen... last we came to decennial settlements; ...ecennial settlements, we have got up to ...ettlements. Now, exactly in the pro... which the length of the tenure has been ... has the principle of property been ...nd the general benefits have been in ...n; but I conceive that, although, by ...on with the past, we consider the 30 ...ase a great thing, yet it falls greatly ... what is wanted, and would land us in a ...poor and unsatisfactory state of society. It ...be compared to what England would be if ...were a country of tenant farmers. But I will ...e a case which has a closer correspondence to ... India is under this 30 years' settlement. ... the estates in the North of Ireland of the ...city companies. They have a great deal in ...on with the 30 years' village and ryotwar ...ment. The small farmers are very com...le, and, according to their standard, they live very satisfactorily, but it is a poor state of society. There are no gentry; the class which here in England does the public business of the country, which represents the high education of the country, which furnishes, or ought to furnish, a model of refinement, and conduct, and public spirit, is entirely wanting, and cannot arise; they cannot be created; the elements do not exist for their creation. Now India, under a 30 years' settlement, is what Ireland would be if the whole of it were laid out in Mercers', or Drapers', or Fishmongers' estates; I think that is a very unsatisfactory state of things. I consider that the mere economical public works view is a very small part of the question. No doubt the gentry of England, the landed proprietors, do make all the more substantial improvements. They build good farm houses, and keep up the gates; and now they are in the way of building good cottages, and they promote public works of all sorts. A class capable of performing all those functions, materal and moral, in India never can arise under the 30 years' settlement. If we stop at the 30 years' settlement it is equivalent to putting an effectual barrier to the growth of the public improvement, and of the moral and intellectual civilisation and refinement of the country.

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1614. Sir *Stafford Northcote.*] Have you ever considered the desirableness of forming any sort of fund that might be loaned out like our Irish loan fund, or otherwise, to public bodies, to secure the carrying on of improvements?—Yes; I am familiar with the working of the Public Works Loan Fund in England and Ireland. It has been very judiciously and frugally administered, and although rather anomalous, on the whole has been productive of advantage. Lord Mayo commenced something of the same sort through the municipalities. I believe he had more extended views. He was familiar with the working of the system in Ireland. The English system was borrowed from Ireland, where it has done much good. Ireland approaches nearer to India, and Lord Mayo commenced making loans direct out of the Treasury to the Calcutta and other municipalities.

1615. I should like to ask you whether this could be done; whether, considering the uncertainty of the opium return, a certain maximum might be taken for the opium revenue, and the Budget framed accordingly, and that then any surplus which might arise over and above that estimated maximum might be carried to form a fund which should be available for loaning out in this way?—I am against dealing with the opium revenue in that way. I think it would only add one more complication to what is already sufficiently complex. And I am against fixed assignments of revenue. They are always either too much or too little. If they are too much, they lead to extravagance; if they are too little, then the object is not properly attained. I think that it is better that the opium revenue, whatever it may be, should go in part liquidation of the expenses of the Central Government, and that whatever it may be proper to appropriate in loans to municipalities or public companies, or anybody else, should be dealt with in a direct public manner, under a serious responsibility. It is a very delicate and rather hazardous kind of finance, and requires a great deal of looking after.

Friday, 14*th March* 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir George Balfour.
Mr. Beach.
Mr Bourke.
Mr. Baillie Cochrane.
Mr. Cross.
Mr. Grant Duff.
Mr. Eastwick.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Lyttelton.
Mr. John Benjamin Smith.
Sir David Wedderburn.
Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Sir CHARLES EDWARD TREVELYAN, K.C.B., re-called; and further Examined.

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1616. *Chairman.*] I THINK you wish to give some further explanation of your view respecting the new Engineering College?—Yes; the new Engineering College is a necessary corollary and consequence of a consolidated, concentrated, Public Works Department for the whole of India. For, as the Central Government has undertaken to execute the whole of the works required for every part of India, including railway and irrigation works, a regular supply of qualified officers of works must be provided, and this cannot be done, first, without making them a privileged service, endowed with immovability, like the old covenanted civil service; and secondly, without providing for their proper instruction and training. This would not be necessary if the Public Works Department were decentralised, for scope would then be given to the independent engineers, a most valuable class, which has already been firmly established in India by the guaranteed railway works. India would then become more than ever a favourite field for them. Then, I wish to observe that this consolidated, concentrated, department of public works has been endowed with independence of the civil authorities, forming a sort of *imperium in imperio*, which is not the case with the covenanted civil service; and it has also been vested with compulsory powers of forcing the ryots to take the water at a fixed price, and, in the Punjab, of forcing them to labour on the works.

1617. Do you also wish to give some further explanation with reference to the appointments made in this country in connection with railway and irrigation works?—Yes; in reference to home appointments in connection with the vast *personnel* and *matériel* required for the support of this system, especially in reference to the construction of new railways. The outbreak of Indian patronage, which was so carefully guarded against on the occasion of the transfer of the Government to the Crown, has thus begun to take place under a new form; the two principal officers of public works of my time, one at the head of the whole department, the other at the head of the accounts of the department, are already established in the receipt of Indian allowances at home; one, I believe, as
veyor of *matériel* and machinery for th
and other works, and the other as p
the Engineering College. And let
that as the demand for new railways
works increases, the necessity for
officers at home, whether belonging to t
Indian service or not, will increase.
fact, a foundation has been laid for an
extension of Indian patronage in this
which is the worst form of Indian patro

1618. There is another point on
think, you desire to offer some further
namely, the reconstitution of the offic
superintendence of Indian affairs in this
—Yes. I was asked as to the appoi
secretaries under the Secretary of St
place of the Council. The type wou
be that of the present under-secretarie
of the official permanent secretaries
from the clerks of the India Office;
would be taken, for the most part, fro
of the entire class of superior India
councillors, secretaries to the differen
ments of India, and so forth; and as t
receive a full salary, they would be e
give up their whole time to their pub
and would be superannuated at a suita

1619. You also wished, I think, to
thing to your evidence, with referen
relation of balances of unexpended loa
estimates and accounts?—Yes. The
borrowing which has been recommence
very important bearing upon the annual es
and accounts. The annual estimates of rev
and expenditure, no doubt, can still be prec
and symmetrically made out, quite irrespective
the loans, whatever the influence of these loa
upon the actual result of the operations of
year may turn out to be; in fact, a clean
mated balance can always be shown. The
culty does not arise at that early stage; but
we come to the expenditure, the matter bec
extremely serious. It is impossible to ear
the money drawn into such a vortex as t
the Department of Public Works in Indi
new footing; indeed, it is a principle o

accounts, that money should not be allocated to a particular branch of a department, but that it should be generally available; because, if allocated to this, that, or the other branch, stagnant balances necessarily accumulate in various quarters, and a great loss of interest, and hazard of the public money arises; in fact, the monies paid over to the Accounts Department of the Public Works must be generally available for public works of all sorts, whether irrigation or railway works, or roads, or barracks, or anything else. So that the position is, that this vast department is credited with large balances of former loans in the Treasury, upon which it can draw, I suppose, at discretion. Now, judging from my experience of practical finance, I should say that it would be simply impossible to maintain a check over a great department under those circumstances, and that a distinctive account of the expenditure of the public money allocated to those classes of works which were not provided for borrowed money, as distinguished from those which were provided for by borrowed money, could not be furnished in sufficient time to be of any practical value as a check.

1620. You would, in fact, assimilate the administration of the Indian finance to that of the English in paying the expenditure for works in the year as part of the service of the year, though it may be shown in the estimates under separate heads as it is in our estimates; yet it is all to be paid out of the current receipts of the year?—That is a fundamental principle of practical finance. Public finance, like everything else, must have well-marked limits in order that it may be properly controlled; and the English principle that the supplies of the year, for all purposes, shall be for services falling for payment within the year, is an indispensable principle, and we know, from a large experience of English finance, that public expenditure cannot be controlled on any other condition.

1621. Perhaps I might ask this, to make it more clear to the Committee: you would treat, as I understand, any work for which a loan has to be raised in the way that our finance has treated the purchase of the telegraphs, which did not enter into the financial operation of the year, but are kept as a separate account and met as the exigencies of the purchases require by raising the money by loan under the Act for that purpose; assuming that the Administration has come to the conclusion that it is right that any particular service should be met by borrowed money and not as part of the ordinary finances of the year?—Exactly so; so far as it becomes necessary to provide for any particular work by loan, it ought to be kept entirely as a thing apart; a separate account altogether, quite independent of the ordinary operations of the year.

1622. To go back further, the same thing was done with regard, if I recollect right, to the indemnity for the West Indian slaves, where a large expenditure was met by loans, and the whole account was kept quite separate from the current financial operations of the year?—Yes, and the same on several occasions of votes for extraordinary expenses of the China wars, the Caffre wars, and the New Zealand war, within my experience, and the Irish relief, and so forth.

1623. Mr. *Grant Duff*.] You will be glad, I think, to correct your evidence upon one important point when the facts are re-called to your mind. You have illustrated the greater care and frugality of the East India Company, by telling us that its Directors would never have gone along with the Home Government into that contract by which India has been saddled with a heavy annual payment on account of the Red Sea Cable which failed. Of course you would take a different view of the subject if I reminded you that it was the East India Company, which through its Directors made that, as you think, imprudent contract, and not any Secretary of State?—Then my recollection has failed me.

1624. Will you kindly look at that letter (*handing a letter to the Witness*)?—I see the date is 28th July 1858; we were then in the agony of the Revolution.

1625. Perhaps I had better read the letter for greater clearness; it is from Mr. Dickinson to the Secretary of the India Board: "East India House, 28th July 1858.—Sir, I am desired to acknowledge the receipt of your letter, dated the 21st instant, transmitting, for the consideration of the Court of Directors of the East India Company, a copy of a Minute by the Lords Commissioners of the Treasury, on the measures which they have decided to take in view to the establishment of telegraphic communication between Alexandria and Kurrachee; and I am commanded to state, in reply, that after considering the terms of the contract, which the Lords Commissioners of the Treasury are prepared to enter into with the Red Sea Telegraph Company, the Court will offer no objections thereto. The Court presume that as the liabilities involved in the guarantee will be equally shared between the Government of the United Kingdom and that of India, the selection of one of the *ex-officio* Directors provided under Clause 9 for the supervision of the affairs of the Telegraph Company will be left to the Indian authorities. I have, &c., *J. B. Dickinson*," who succeeded Sir James Melvill?—It appears from that letter that the practical management of the affair was conducted by Her Majesty's Government.

1626. The Court of Directors entirely acquiesced in all the proceedings of the Treasury with regard to this contract; it was entirely done by the Court of Directors; the only reservation which they made was with regard to the appointment of one of the *ex-officio* Directors, that I think is clear from the letter. I will read another letter which will show you that they protested against the action of the Treasury with regard to appointing both of these *ex-officio* Directors from the English side, but that protest was overruled in the days of the Company, and before the Secretary of State in Council came into existence: "The Chairman and Deputy Chairman of the East India Company to Lord Stanley.—East India House, 26th August 1858. My Lord, having laid before the Court of Directors of the East India Company the letter from the Lords Commissioners of Her Majesty's Treasury, regarding the appointment from the office of their Lordships of the two *ex-officio* Directors of Red Sea Telegraph Company (a copy of which is enclosed herewith), we are requested by the Court to state, in reference to their opinion upon the subject expressed in Mr. Dickinson's letter of the 28th ultimo, and also in Sir James Melvill's letter of the 26th of February 1857, that they have received this communication with some surprise. The Court understood that the objection of having two *ex-officio* Directors was that the

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interests both of India and of this country, whose revenues are pledged to the same extent for the guarantee, should be equally represented at the Board of the Telegraph Company; and they were induced to propose that the appointment of one should be left in the hands of the Indian authorities, as the opportunity would then have been afforded of securing the services of gentlemen who could bring to bear upon the proceedings of the Telegraph Company the knowledge and experience which they have derived from their connection with telegraphic business in different departments of the State, a public advantage, which is now lost by the selection of two gentlemen from the same office. If the Lords Commissioners of the Treasury do not concur in this view, the Court requests us to state that it is in their opinion undesirable to incur the expense of two appointments," and that is signed, "F. Currie, Wm. J. Eastwick." Then I would ask upon that, this question, the view of the Court herein set forth, was overruled, was it not, by the Treasury, as the views of the Court had often been overruled before?—That transaction had escaped me. I disclaim any personal responsibility at all for the arrangement. I had nothing to do with it at all; it was a transaction of the patronage department of the Treasury, and the nature of the transaction was making two appointments instead of one; and I think as far as it goes, it indicates that the management of Indian affairs would have been safer in Indian hands.

1627. There is no question about that; but you misunderstood altogether the object of my question; I want merely to show that this transaction about the Red Sea Cable was carried out entirely, from first to last, in the days of the Court of Directors, and not in the days of the Secretary of State in Council; that is my whole point; you told us that the Court of Directors, being more careful and frugal than the Secretary of State in Council, would not have gone into this, as you consider, imprudent contract, with reference to the Red Sea Cable; but I show you that it was the Court of Directors who did go into it?—It seems to me that this was a foretaste of a great deal more that came afterwards. It must be remembered that the Mutiny had been raging since the beginning of the previous year, and the first effect of it was to produce a great collapse of the power of the East India Company, and the Queen's Government had it pretty much its own way at this period, and it seems that the transaction was entirely managed by the Queen's Government.

1628. Pardon me, it was entirely managed by the Queen's Government acting with the Court of Directors of the East India Company?—Acting without them, it would appear from the correspondence.

1629. *Chairman.*] The evidence given by you had reference to what may be called the English influence on Indian affairs, consequent, as we understood it then, on the appointment of the Secretary of State for India in Council, as compared with influence when we had a Court of Directors responsible to their Court of Proprietors, and as an illustration of this you gave this case. It took place so very shortly before the transfer, that I was equally under the impression with you that Lord Stanley acted as Secretary of State for India in Council in that transaction; but it appears to have been just before the Act was passed, and therefore he acted as President of the Board of Control in that transaction in communication with the Court of Directors under the old system; and the honourable Member was asking you these questions to call your attention to that fact. Though it may be an illustration of English influence, it is not an illustration of English influence in consequence of the establishment of the Secretary of State for India in Council?—Then, officially, it was under the Company, but substantially it was under the *régime* of the Queen's Government, because the Company had fallen into a state of great disparagement at that time, and the Queen's Government had it all its own way. In fact, the Company died without a struggle, and it was then a surrender of its breath. I still maintain that this is a just illustration of my observation to the Committee.

1630. Mr. *Grant Duff.*] What I want to ask is this: was this transaction, or was it not, carried out by the Court of Directors?—It seems to have been carried out when they were in a moribund state, in their last agony.

1631. But it was carried out by the Court of Directors, and not by the Secretary of State in Council?—The terms of the contract were settled by the Treasury, while the Court of Directors still had an official existence.

1632. *Chairman.*] It is quite clear that the contract was made by the Court of Directors, and that immediately after the contract was made the form of Government was changed, and then the further proceedings took place?—The contract seems to have been made by the Treasury, and its breakdown was certainly [illegible] Queen's Government. Why the contra[illegible] not held to their contract I never cou[illegible] stand.

1633. Mr. *Grant Duff.*] Let us ju[illegible] stand each other. India's whole connec[illegible] the transaction ceased with the acti[illegible] Court of Directors; after that it was [illegible] by the Treasury; is not that so? the [illegible] of State in Council had nothing whate[illegible] with it?—I am not prepared to say tha[illegible] ever the Treasury did in reference [illegible] of every kind, especially in any matter [illegible] affecting the vital current interests of [illegible] done in communication, first with the [illegible] Directors and the President of the [illegible] Control, and after they came to an e[illegible] munication with the Secretary of Stat[illegible]

1634. But the whole contract, and [illegible] which caused the loss, was done and s[illegible] fore the Secretary of State in Council [illegible] existence at all; was not that so?—[illegible] came into existence officially; but th[illegible] tration of the contract, and the final b[illegible] took place under the Secretary of State[illegible]

1635. That is to say, the cable broke [illegible] the time of the Secretary of State. Is that [illegible] you mean?—Rather the contract broke, or, to speak more correctly, was allowed to be broken. I never could understand why that Company, having contracted to make a cable to India, was not held to its contract.

1636. Then do you mean to say that there was any miscarriage whatsoever in this matter of the Red Sea Telegraph caused by any Secretary of State in Council?—I think, if the matter were examined into, it would be found that the non-performance of the contract, and the rather protracted series of transactions connected with that non-performance and the final exemption of

of the contractors from the performance of their contract, took place under the Secretary of State.

1637. *Chairman.*] I wish to call your attention to the Papers which were laid upon the tables of the House on the 25th of August 1860, No. 597, from which it appears that on the 27th of August 1858 the Red Sea Telegraph Company, in continuation of the tranactions which have already been brought under your notice by the questions put to you by the Honourable Member the Under Secretary of State for India, addressed a letter to the Secretary of the Treasury, in which they stated the steps that they had taken to raise their capital, and the proposed kind of telegraph wire that they desired to lay down, and they stated in their letter, in continuation, that they submitted a copy of the draft contract which they proposed to enter into with Messrs. Newall & Company. Then they explained the nature of that contract, and it appeared that they had made it without inviting any tenders from other contractors, and they added, "The measures which have been taken by the Directors during their progress have met with the concurrence of the official directors, but it would, nevertheless, be highly satisfactory to the Board to learn that their proceedings are approved of by her Majesty's Government. The Directors would solicit the Lords Commissioners of her Majesty's Treasury to cause the necessary steps to be taken for completing the agreement between the Government and the Directors of the Company with respect to the guarantee," which was only to take effect when the preliminaries were settled. Then it appears that the Act of Parliament for transferring the Government from the Court of Directors and the Board of Control to the Secretary of State for India in Council came into operation on the 1st of September 1858. It further appears that the Treasury, on the 8th of September, forwarded that letter to the Secretary of State for India in Council, the change having then come into operation, and that the Secretary of State for India in Council, on the 23rd of September 1858, through Mr. James Cosmo Melvill, who was then acting as Under Secretary of State for India, expressed himself thus: "I am commanded to express the satisfaction of Lord Stanley, that the aid guaranteed by Government has enabled the directors to raise the necessary capital"; and then it goes on to state, "With regard to the proposed arrangements for executing the work, Lord Stanley is not aware of the reasons which induced the directors of the telegraph company to enter into a contract for the cable without resorting to the system of competition;" and he makes some further comment, and then he makes one comment with regard to the description of cable, and expresses a doubt whether the Atlantic Cable was the most desirable; and adds, "Having perused the proposed agreement with the contractors, the only observations with regard to its terms, which I am desired to make, are, that it would be desirable to modify the first clause, so as to oblige the contractors to keep the cable in working order, for one month at least, from the date of the first message passing through it; and that Clause 4 should be made quite clear upon the power of the telegraph company to test, as well as inspect, the cable and its component parts in all stages of its manufacture." That letter was written to the Treasury by the Secretary of State for India in Council, and thereupon the Treasury, on the 23rd September 1858, sent a letter to the directors of the Red Sea Telegraph Company to this effect: "I am desired by the Lords Commissioners of Her Majesty's Treasury to transmit the enclosed copy of a letter from the Secretary of State in Council, relating to the Red Sea Telegraph, and I am to request that you will furnish my Lords with any observations which you may have to offer thereon." Consequent on that, the Red Sea Telegraph Company sent a further communication, and then you from the Treasury, on the 30th September 1858, wrote to the Red Sea Telegraph Company, "I am desired by the Lords Commissioners of Her Majesty's Treasury to signify to you their Lordships' approval of your proceedings, as detailed in your report of the 27th ultimo, and to state, that they have maturely considered the question of providing ships for laying down the cable, and have come to the conclusion that the course proposed by you will, on the whole, be most advantageous. Their Lordships are accordingly pleased to authorise you to proceed at once to carry out your contract with Messrs. Newall, according to the terms submitted for the completion of the whole line to Kurrachee." That was on the 30th of September 1858, and the contract was entered into on the 23rd of October 1858 with Messrs. Newall by the Telegraph Company for the laying down of the telegraph; and after that you have told us what happened. Now with these facts and dates before you, I am anxious to ask you whether you would wish in any way to modify the answers that you formerly gave when you illustrated your opinion that the stock dealing influence had exercised an influence over the Secretary of State for India in Council, which they would not have exercised over the Court of Directors?—No, I do not wish to modify that opinion. The extracts you have read show that these transactions were conducted by the Treasury and the Secretary of State. In calling attention to that new stock-dealing influence, or rather to the increased power which that influence has shown since the transfer of the Government of India to Her Majesty, I did not depend on an individual instance, but on a series of instances, in fact on a large induction.

1638. I believe you wish to offer an explanation to the Committee in reference to an answer given by you as to the conduct of the Government of Bombay?—On a former day's evidence I was unduly pressed in Questions, to give an opinion upon the course which the Secretary of State ought to have taken in reference to a contemporary officer, namely, Sir Bartle Frere, the Governor of Bombay. I had expressed the opinion that the Secretary of State ought to have brought the Government of Bombay back under control; and in reply to further questions, I said that he ought to have done whatever was necessary to bring the Government of Bombay under control; but I was pressed, even beyond that, to express my opinion whether, if it was necessary that the Governor of Bombay should be recalled in order to bring the Government of Bombay under control, he ought to be recalled, and I was forced to say that he ought. It seems to me that in forcing that expression of opinion from me upon a contemporary public officer, I was unduly pressed.

1639. Mr. *Grant Duff.*] You also stated that

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the result of the Red Sea Cable contract was to entail a perpetual charge on the revenues of India of 27,000 *l.* a year?—£. 25,000, I thought it was.

1640. I think you will find, will you not, that the charge is one of 18,027 *l.* per annum for 46 years, not perpetual, commencing with 1862; is not that so?—It may be so; it is impossible to bear in one's mind the details of these innumerable transactions.

1641. At the commencement of your reply to Question 1282, you said "That from that time," the period referred to being the middle of 1859, "two conflicting policies prevailed in India;" one, the policy advocated by you of reduction of expenditure; the other, which was the favourite at Calcutta and in England, increase of taxation; did you intend to convey to the Committee that the policy of reduction of expenditure was not the policy of the Government of India, and of the Secretary of State?—It was more the policy of the Secretary of State than of the Government of India, because the Secretary of State sent out repeated directions to reduce expenditure; but into the transactions of the Government of India it entered in such small proportion that it cannot be considered to have been their policy. I show in some of my contemporary Minutes that the reduction of military expenditure proposed by Mr. Wilson was perfectly insignificant, that it was less even than what we had already effected, that is, had arranged for effecting, in the Madras Presidency alone.

1642. But in several parts of your evidence you referred to the Military Finance Commission, which was appointed by Lord Canning in June 1859 for the express purpose of ascertaining what reduction could be made in the military expenditure, and what plan could be adopted to reduce and keep down that expenditure; and in reply to Question 1282 (page 119), you quoted passages from a Minute of the 20th March 1860, in which you referred to recent positive orders of the Secretary of State for the reduction of the Army; have you not, in that evidence, given proof of the determination of the Government of India, and of the Secretary of State, to reduce the military expenditure to the fullest extent consistent with the security of the empire?—So far as regards the Secretary of State, I have already admitted that the reduction of expenditure formed a prominent part of the instructions issued by him. As regards the Government of India, so far as the appointment of the Military Finance Commission was concerned, I also admit it: and the Military Finance Commission, with the active co-operation of the Madras Government, did accomplish a great work of reduction in the Madras Presidency; but after that Commission went to Bengal the whole thing was hung up and remained in a state of suspense until Mr. Laing was appointed Finance Minister.

1643. Would you not say that the Secretary of State had done his very utmost to enforce the reduction of expenditure?—I do not think that I am competent to give a decided opinion on such a point. All I can say is, that on the face of his Despatches he certainly repeatedly enjoined reduction of expenditure. I think, seeing that there was such an enormous amount of extraordinary expenditure in progress in India, and that nothing was done to reduce it, some further steps might have been taken to hasten proceedings.

1644. Would it have been possible to use much stronger language than he used in his Despatch of the 18th of August 1859: "It is not, however, to an increase of the revenues of India, but to an early and large reduction of the expense, that I look for attaining the indispensable object of bringing the expenditure of India within the income;" and then, after referring to the military expenditure, Sir Charles Wood closes his Despatch by saying, "You may rely upon the cordial support of Her Majesty's Government in any measures which you may decide upon for effecting the indispensable reductions of expenditure; and I cannot too strongly impress upon you the necessity of early and vigorous action for this object?"—Yes; those are very suitable injunctions.

1645. Are you aware that the Governor General in Council sent to the Secretary of State a Despatch, on the 17th April 1860, respecting some of the views you have brought under the notice of the Committee, which was as follows: "But the main point in Sir Charles Trevelyan's Minute is a direct inference that, having two courses open to us for re-adjusting the national balance-sheet, the one a diminution of expenditure, the other an increase of income by the imposition of new taxes, we have deliberately adopted the latter, and rejected the former, as a mere matter of choice; he draws a contrast between the advantages of the one plan and the sacrifices of the other, so obvious to anyone that they need not have been stated, unless they were intended as a means of bringing popular odium upon the Government in connection with the unfounded inference that we had gratuitously preferred new taxes to reduction of expenditure, and on this erroneous and groundless assumption, he strongly deprecates any new taxes, because he has always been of opinion that this financial crisis might be satisfactorily met by reduction of expenditure only, combined with such obvious administrative improvements, whereby both our civil and military establishments would be rendered more effective, and the existing taxes would be more fully collected." Sir Charles Trevelyan's Minute shows that he had carefully studied the Financial Statement made to the Legislative Council, in which our views were stated in great detail, and it would appear impossible that he should not have observed that the plan of the Government was to rely, on the one hand upon a vigorous and unsparing reduction of expenditure, and on the other, upon increased sources of revenue, to make both ends meet. It was stated that we fully admitted that in our endeavours to restore the equilibrium between income and expenditure, our first duty was to use every effort to reduce all expenditure to the lowest point consistent with security and good government, and to make all those administrative reforms which are so essential in order to secure economy; and again, we will do our best to reduce expenditure, and to improve administration; but when all that is done it will not be enough." When a subordinate Government undertook to oppose the measures of the Supreme Government for increasing our revenues, on the ground that the deficit could be met by a reduction of expenditure only, we had a right to expect that they would be prepared with calculations and facts to sustain their views with clear and precise deductions; but so far from this, it did not appear from Sir Charles Trevelyan's

yan's Minute that he was even aware of the extent of the deficit to be made good, at least he never once alludes to the sum, nor to any specific means of dealing with it. In short, that Minute was only an able essay upon general administrative reforms, good in principle, and well worthy of attention, but altogether inadequate for the emergency with which we had to deal. The main argument that ran through it was, that a result had been attained at one time might be attained at another, without any consideration of the totally different circumstances of the case. There was perhaps, one exception to this observation. The Governor referred to his Minute of the 28th of May, which had been communicated to our Government, in which he showed that large savings in military expenditure were in progress in the South of India;" to which he had also referred in his Minute of the 10th of June, as a reason why a tobacco duty should not be imposed. But unfortunately to this, the single tangible point of important reduction, we were unable to attach any importance. The communication of the 28th of May contained a detailed statement of the military savings said to be in progress, and an Estimate of the Madras Military Expenditure for the current year 1859-60, then just commenced, which amounted to 2,782,000 *l.* But in the meantime, that is, about the month of October, a proposal had come up from the Madras Government for the establishment of a permanent European Force as being necessary for Madras, the cost of which would have been greater than any force heretofore maintained at any time in that Presidency, but which was disallowed. And again, just at the time we were considering these questions, in the month of January, in all their bearings, we received from the Military Financial Commission, who had visited Madras the preceding month, a memorandum, in which, in reference to the alleged reductions in the month of May last year, they report as follows: "It is true that in a letter to the Government of India, No. 1951, of the 1st of June 1859, the statement therein enclosed showed the estimated expenditure for 1859-60, reduced to 2,78,27,648 rupees, by the operation of immediate and prospective reductions in the various branches of the service, including the commissariat, ordnance, and camp equipage; but so far from this minimum being attained, the Estimate for 1859-60 amounts to the very large sum of 430 lacs" (4,300,000 *l.*). This Commission has since reported to us that, upon their arrival in December, they found that not one of the reductions which in May were said to be in progress, had taken place; and when, pointing out the great discrepancy, they were unable to obtain any satisfactory explanation of the cause. Again, upon referring to the Accountant General's books, we found that, in place of 2,782,000 *l.*, the actual expenditure of the year stood at the sum quoted by the Finance Commission of 4,300,000 *l.*; and further, upon looking closely into all the accounts for the civil expenditure (that is, expenditure other than military), we found that for Madras alone it showed an increase upon the preceding year of 398,324 *l.*" That is an extract from a letter written by the Government of India? — That Despatch raises the whole question of the policy and conduct of the Government of India, and my own policy and conduct, which were the subject of a voluminous contemporary correspondence, and every one of those allegations was fully answered. It was shown, for instance, in my Minute dated on the 1st May 1860, that the view taken in this Despatch of the Madras military expenditure was founded upon a complete misapprehension. The actual facts are clearly explained in the report of the Military Finance Commission, dated on the 30th April 1860, which has been more than once alluded to. But there is one point in that statement which is very essential and very prominent, namely, whether the Government of India relied in any substantial degree upon reduction of expenditure. Now, on that point, I beg leave to read a short extract from the Minute to which I have already referred, dated the 1st of May 1860: "The circumstance that Mr. Wilson, with all the information before him, put down the expected saving of military expenditure for the whole of India, for 1860-61, at only 1,700,000 *l.*, stamped the Budget with an unreal character. He now admits" (I am using his words) "that we may further reduce the military expenditure in the course of next year by a little over 800,000 *l.*, making the entire reductions of the year upwards of 2,500,000 *l.*" Information of which I am in possession, enables me to state that the military expenditure of the Madras and Bombay Presidencies alone may be reduced within the present financial year by upwards of 2,000,000 *l.* sterling; and that before the end of the following year it may be brought down another million;" and then I went on to point out the enormous field of reduction which the great Bengal Military Presidency presented.

Tuesday, 18*th March* 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Eastwick.
Sir George Balfour.	Mr. Fawcett.
Mr. Beach.	Lord Edmond Fitzmaurice.
Mr. Birley.	Mr. Lyttelton.
Mr. Bourke.	Mr. M'Clure.
Mr. Cross.	Sir Stafford Northcote.
Mr. Beckett Denison.	Mr. John Benjamin Smith.
Mr. Grant Duff.	Sir David Wedderburn.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. EDWARD FRANCIS HARRISON and Mr. EDWARD GAY, called in; and Examined.

Mr. *E. F. Harrison* and Mr. *E. Gay.*
18 March 1873.

1646. (To Mr. *Harrison.*) WILL you state what office you hold in India?—I hold the office of Comptroller General to the Government of India.

1647. (To Mr. *Gay.*) Will you state what office you hold?—That of Deputy Comptroller General.

1648. (To Mr. *Harrison.*) When the subject of town duties was under the consideration of the Government about the year 1833, can you state what was the general view taken of them at that time?—I find, from the Report on Town Duties made to the Government of India in October 1833, that they are described in these terms: "The town duties, as well as the inland customs, are the remains of the barbarous system of universal taxation which was prevalent under the native Governments. Under the old system these duties were levied in every town and large village from every article of trade and consumption. We confined their collection to large towns and to a limited number of articles; and so far an improvement took place. But the same mistake was made here as in the case of the inland customs. In return for the comparative freedom which had been given, it was considered fair that the remaining articles should be taxed higher than they were before. Hence our town duties pressed more severely upon the trade of the country than those which were levied under the native Governments. A very light tax, such as used to be demanded, might not be sufficient to divert the course of trade from its usual channels, but a heavy one like that now levied must necessarily do so. For instance, two great staples of internal trade, ghee and tobacco, are charged as high as 10 per cent. Although the native Governments were not sufficiently enlightened to see the advantage of giving up internal duties altogether, yet their practice shows that they were acquainted with the principle that, in order to prevent these duties from seriously obstructing the freedom of exchange between different parts of the country, they must be very light. Being accustomed to the evil, long experience seems to have taught them the natural mode of mitigating it; while we, on the contrary, with every desire to alleviate the inconveniences of the system, have applied remedies, which have in some respects only aggravated the evils of it. It is to be hoped that the time has now arrived for this scheme of finance to be altogether abandoned; and this is what I earnestly recommend, if the other interests of Government will admit of it."

1649. Passing from that period to the more recent period of 1861, when the subject was further considered, you know that the town duties were at that period generally abolished?—Yes; I am aware that in Bengal the abolition of the town duties followed soon after the date of the report from which I have quoted.

1650. Now, passing to 1861; can you state what was the condition or the nature of the duties then imposed of a similar character, that is to say of a local character?—About the time mentioned, 1861, the Government of India seriously entertained the idea of giving to the provincial governments powers of local taxation, combined with local budgets, and a greater share of financial control. Definite form and expression was first given to this intention in the financial statement made by Mr. Laing, in April 1861. Mr. Laing then said, "India has two great wants, irrigation and communication; I do not mean grand schemes only, which strike the imagination, so much as village roads, village tanks and water cuts, which enable every rood of ground to grow its crop and send it to market." He stated that the Government were most anxious to encour[illegible] works, and therefore, instead of simply cu[illegible] the imperial allotment to the local governm[illegible] they held this language: "Take what we are [illegible] to give you, and for the residue take certain powers of local taxation, and raise it yourselves." He then said, that there are certain subjects which can be dealt with far better by local than by imperial taxation, and instanced tobacco; he said that the discussion on this subject last year, and the returns from the various local governments, proved distinctly that there was no scheme of uniform and imperial taxation, applicable alike to all India, short of a Government monopoly, to which there are grave objections, under which we could hope to obtain any considerable revenue. In one province, he said, the system of land

tenure

tenure makes an acreage tax difficult; in another the vicinity of a Native State throws impediments in the way of an excise; in a third the general cottage cultivation makes licenses at anything beyond a nominal rate almost impracticable. But many of these provinces could raise a considerable revenue without sensible pressure from tobacco if left to deal with it in their own way, and under a system which might vary in case of need so as to suit the peculiar circumstances of each district. He then proposed that the local governments should take the subject of tobacco, making what they could of it for local roads and canals, instead of receiving the allotment which the Government of India might wish to give them, but might be unable to afford from the imperial budget. In further explanation of what the Government had in view at that time, he said that by enacting local budgets the Government hoped not merely to meet a temporary difficulty, but to inaugurate a permanent improvement. It had long, he said, been a standing complaint with other Presidencies and Provinces that they were deprived of their fair share of self-government, and kept in a state of humiliating dependence upon Calcutta. He considered that as the power of the purse was the ultimate power, and so long as the local governments were absolutely subservient to Calcutta in financial matters, it was evident they could have no real independence; but if, without in any way sacrificing the unity of the Empire and imperial control in imperial matters, they could have local Budgets, their position would be altered, and the Governments of India then proposed to give them not only powers of local taxation, but possibly to credit them with a liberal share of reductions of expenditure which they might be able to make on the estimates of the general Budget, and it was thought that each Government would then have a direct interest in economy in order to increase the fund applicable to local works. It was, obvious, he said, that such a system of local Budgets would harmonise extremely well with what he wished to see adopted, local legislative councils at the Presidencies. He considered that nothing could be more useful than that the details of a local Budget, such as that of Madras or Bombay, should be submitted to the intelligent scrutiny of a council comprising both experienced officials and picked representatives of the mercantile and native communities. He also thought that the scheme would greatly foster the growth of municipal institutions, and, what is still more important, of the spirit of local self-help and self-guidance. In consequence of this, in the Estimates of the year 1861-62, provision was made for [redacted]000 *l.* of the expenditure being transferred to [redacted]gets. This arrangement proved to be [redacted]e; the means for giving it effect had not [redacted]tured, and the event showed that in[redacted] of an estimated surplus of about 240,000 *l.*, the accounts for the year 1861-62 closed with a deficit of 150,000 *l.* In the statement that Mr. Laing made to the Governor General's Council in the following year, he said: "As regards Public Works, it was intended that 500,000 *l.* should be transferred to local budgets, and provided for by local taxation. This intention has not been carried out for a very obvious reason, namely, that new constitutions having been given to the three Presidencies, it would have been manifestly improper to anticipate the action of the local legislative councils in a matter which is so peculiarly their province. I am as strongly as ever in favour of the principle of local taxation for local objects. In fact, if this great Empire is ever to have the roads, the schools, the local police, and other instruments of civilization which a flourishing country ought to possess, it is simply impossible that the Imperial Government can find either the money or the management." Accordingly, in the arrangements then made, he added 250,000 *l.* to the general estimates, to be spent on communications under the control of the local governments. Instead of throwing a portion of the expenditure upon local resources to the extent of 500,000 *l.*, a portion of the imperial resources, to the extent of 250,000 *l.*, was put at the disposal of the local governments.

1651. In varying amounts?—I have not the details. A large proportion was assigned for the construction of cotton roads.

1652. Do I rightly understand you that the Supreme Government granted that to the local governments to be spent in certain works?—That is so.

1653. Sir *S. Northcote.*] And the Supreme Government decided what the works were to be?—Yes; and controlled them. From this time the subject constantly received the attention of the Governments in India, and in several instances cesses were imposed by local administrations, with the approval of the Government of India, for meeting local expenses, principally of the town police, district roads and primary schools.

1654. *Chairman.*] Was there any general resolution of the Government on the subject?—There was a resolution of the Government of India, dated the 31st August 1864, which recited that as the income tax would expire on the 31st of the following July, it became necessary for them to consider the necessity of either renewing the income tax or of imposing new taxes, or of transferring to local funds a portion of the charge which was at that time included in the Imperial Budget. They determined to take steps for returning to what was considered the ancient principle of the Indian police, and observed, that "The ancient police system of India was strictly municipal; both in town and country the chowkeedars were appointed and paid by the people." "There are few parts of India in which the inhabitants of villages and small towns do not provide their own chowkeedars, either by direct payments to them in money or kind, or by a commuted allowance included in the land revenue assessment." They recited the partial attempt to require municipal towns to support their police in the Act 26 of 1850, followed by Act 3 of 1864, of the Lieutenant Governor of Bengal in Council, providing for a definition by the Lieutenant Governor of the limits of towns or villages brought within the scope of the Act, and authorising the imposition of a general rate upon the annual value of houses, not to exceed 7½ per cent., and enacting that the municipal commissioners appointed under the Act should out of the annual rate set apart a sum sufficient for the maintenance of the police officers appointed under Act 20 of 1856, "provided that the number of police officers to be so maintained shall not exceed the proportion of one police officer to 25 houses." They then referred to measures, which had been taken also in 1856, for throwing a portion of the cost of the police force in the towns of Calcutta, Madras,

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and Bombay upon local resources. They came to the conclusion that the cost of municipal police ought invariably to be the first charge upon the municipal fund after the expenses of collection, and laid down the principle that the people of each town should be left as far as possible to determine the manner in which the requisite sum should be raised; that the ordinary and most simple mode is a rate upon the annual value of houses, buildings, and lands; that a license tax upon trades and professions is not without its advantages, provided it is moderate; that a tax upon carriages and horses is suitable to large capitals. Town duties, they say, are very effective for raising money; they existed under the native *régime* under the name of chungi or handful, implying that everything that passed had to pay a small contribution; and in some parts of India such duties are more popular than direct taxes of any kind. They considered that if confined to things consumed in the town, without interfering with the transit trade, they would be only open to the objection that they fall in undue proportion on the poor. But they said that after a full trial of this tax in Bengal and the North Western Provinces, it was abolished in 1835, as being alike injurious to the general trade, and to the towns immediately affected, and as not being capable of effectual remedy by any contrivances of bonded warehouses or drawbacks. They also recite that town duties have been lately re-established as a municipal tax; in many places in the North Western Provinces, Oude, and the Punjaub, and that the old vice of interference with the general trade, immediately reappeared with the additional aggravation that the public at large were mulcted for the advantage of local interests. They remark that the town duties abolished in 1835 were levied only on eight articles of local consumption, but that there appeared to be no limit to the number of articles upon which they were exacted after they had been revived by a municipal tax. It was then said that there were 197 articles upon which town duties are levied in Zillah Seetapore in Oude. The multiplication of petty exactions it was said was open to great objection; the tax ought to be confined to a few articles of local consumption, such as ghee, firewood, fruit, vegetables, fowls, eggs, and animals for slaughter. The tax was considered applicable only to places containing a considerable population. As to the operation of the municipal bodies, it should be established, they say, as a principle throughout British India that although the number and grades of the municipal police must be fixed with the sanction of the local Governments, the wishes of municipal bodies should, as far as possible, be consulted in all that relates to their number.

1655. Can you give the opinion of the local Goverments on the subject of the working of these town duties?—Yes. I may refer to the opinions expressed by the Lieutenant Governor of the North Western Provinces in the Administration Report for 1870-71, in which very special attention has been given to this subject. In the North Western Provinces, the octroi system of taxation for towns was legalised by Act 6 of 1868, which authorised the imposition of this tax on all articles, the only condition being that the articles are imported for consumption or use within the limits of the town which levies the tax. Further restrictions have, however, been imposed, confining the levy of the impost until quite recently to the following articles: 1st. Articles of food or drink for men or animals; 2nd. Animals for slaughter; 3rd. Articles used for fuel, for lighting, and for washing; 4th. Articles used in the construction of buildings; 5th. Drugs, gums, spices, and perfumes; and 6th. Tobacco.

1656. Before this Act could be put in force in the North Western Provinces, was it necessary for the Governor, or any authority, to issue an order, or had every town the right, at its own option, to put the Act in force?—I will mention the procedure in the North Western Provinces in regard to this.

1657. Mr. *Fawcett.*] Is this Act in force now?—It is; and the octroi duties under it have lately been further extended, so as to include piece goods and metals, which are a very productive source of income.

1658. *Chairman.*] How is the Act to be put in force; it was put in force by an order of the Lieutenant Governor, was it not?—Yes.

1659. Can you state generally by whose authority, and under what conditions, the Act was to be applied to particular places?—This Act cannot be enforced until the schedule of rates has been submitted for the approval of the Government, when it is thoroughly scrutinised and checked before publication. Where the duty appears excessive, reduction is suggested, and in extreme cases insisted on.

1660. Mr. *Bourke.*] Does "Government" there mean local Government?—The local Government.

1661. *Chairman.*] But before the Act could be applied at all to any towns, is it necessary that any preliminary steps should be taken to proclaim it?—That is so. The body administering this Act in any town is appointed by the Lieutenant Governor, or more frequently, with his approval, by election.

1662. Do you know whether this Act which you quoted came into operation with the authority of the Governor General, or was it necessary to get the previous assent of the Secretary of State for India in Council?—Every Act of the Governor General in Council takes effect on the personal assent of the Governor General being given to it.

1663. But is it not liable to be rescinded by the Secretary of State for India?—I am aware that that is so.

1664. Mr. *Bourke.*] I want to ask whether that Act can be applied only to places where there are municipalities, or may it be applied to any part that the local Government thinks right?—A municipality can be constituted by the authority of the Lieutenant Governor in any town.

1665. But that Act cannot be applied where there is a municipality?—No.

1666. *Chairman.*] What was the opinion of the Lieutenant Governor of the North Western Provinces upon this mode of taxation?—The Lieutenant Governor, Sir William Muir, states that there are two main objections to a duty of this character. First, that the pressure is felt mostly by the poorer classes, who are least able to bear it; and the second objection is, that unless very zealously watched, it is liable to degenerate into a transit duty. In answer to the first objection he says that, "any tax which falls on the necessaries of life must add to the difficulties of those who have to struggle for a bare subsistence, and is to be deprecated; but in India,

India, where the poor so largely predominate, it is impossible to avoid some pressure, and the only remedy is to see that the pressure be reduced to a minimum. With this object grain, the staple food of the people, is usually taxed not higher than 1½ per cent., and the duty on luxuries even is kept within the limits of 5 per cent. *ad valorem.*" He then states that every schedule of rates is previously, as I mentioned just now, submitted for the approval of the Government, and is thoroughly scrutinised and checked before publication. Sometimes a reduction is suggested; sometimes a reduction is insisted on; further, that head-loads of grain and other articles are exempt from taxation in almost all municipalities.

1667. Mr. *Fawcett.*] Who gives this answer?—This is the answer of the Lieutenant Governor to what he understands to be the objections felt. Lastly, he says, in times of scarcity and dearth, grain is altogether exempted. The second objection, the liability of this kind of duty to operate as a transit duty, is met by the remark that the removal of this objection "is made an essential condition of the continuation of the tax in every municipality in the province," and the checks are described as these: "First every municipality is bound to submit, in detail, a Budget of anticipated income from all sources, receipts from octroi being subdivided into the eight classes specified above" (the six I have mentioned, and, in addition, piece goods and metals). "An estimate is framed of what the local consumption should be, with reference to the population, and if the anticipated receipts seem excessive, the Committee are directed to justify, or cut down, the estimate. When the expenditure reports are received, the actuals are similarly checked, and explanation is called for wherever the incidence appears to have been too high. The average consumption of the two main articles of food, grain and sugar, is believed to be about seven maunds and 15 seers per annum" (that is about 606 lbs.), "respectively, per head of population, and if the receipts represent a consumption which falls at a rate materially higher or lower than this, the matter attracts immediate attention." "Secondly, goods declared by the importer to be intended for immediate exportation are admitted under a free pass, which holds good for periods varying from 24 to 48 hours. Thirdly, bonded warehouses are provided for the storage of goods declared to be in transit, though not for immediate exportation. It is optional with traders to use these on payment of a small charge, or to pay the duty and claim a drawback afterwards. Lastly, refunds [redacted]ed on any goods which have paid duty [redacted]t more than 1 rupee, and which are sub[redacted] exported, without limit as to the time [redacted]ation." I might, perhaps, mention here, in connection with this subject, that the incidence of this tax per head of population as estimated in the North West Provinces generally, seems to have varied very greatly, from *Rs.* 2. 2 *a.* per head to 3 annas per head.

1668. *Chairman.*] Do you know whether, under the ancient *régime*, this extravagant system of setting up a custom house and bonded warehouses existed, or whether they imposed so light a duty that it did not require all those incidents to carry it out?—I cannot say.

1669. Have you anything more to add with regard to the view of the Lieutenant Governor of the North Western Provinces?—The Lieutenant Governor has expressed his opinion on one point to which the attention of the Committee may perhaps be drawn later, as to the comparative merits of the system of farming this tax and collecting it direct. In the North Western Provinces the system is to collect it direct; in the Central Provinces, which adjoin, the system is to farm it. His opinion is decidedly against the farming of the town duties, on the ground that it is apprehended that contractors and their servants would be more apt than a regularly constituted service to practice petty extortions at the barriers.

1670. It is handing over to them, in fact, all the necessary powers to enforce the payment of taxes?—Yes; it is remarked that any refund that might be demanded from a contractor, would be looked upon by him as so much clear loss.

1671. Now, will you be good enough to state to the Committee what change was made in 1870 with regard to the local taxation?—The Government of India recorded a Resolution on the 14th of December 1870, giving full effect to the objects which had been considered desirable in 1861. The effect of this measure is described in the following words: "The Government of India is accordingly pleased to make over to the Governments, under certain conditions to be presently set forth, the following departments of the Administration in which they may be supposed to take special interest; and to grant permanently, from the Imperial revenue, for these services, the sum of 4,688,711 *l.*, being less by 330,801 *l.* only than the assignments made for the same services in 1870-71." These departments are Jails, Registration, Police, Education, Medical Services (except "Medical Establishments"), by which is meant mainly the salaries of the civil surgeons of the Government, Printing, Roads, Miscellaneous Public Improvements, and Civil Buildings. The sum of 4,688,711 *l.* is distributed in fixed proportions to the several provinces. It is laid down that "these assignments will not be classified in the financial statement and in the Imperial estimates and accounts, but will appear under a single new head, 'Provincial Services.'"

1672. It might be convenient if you were to give the Committee the general views expressed by the Government, for carrying out this system in paragraphs 18, 19, 20, and 21 of the Despatch; that gives the exact scheme propounded then?—Each local Government was to publish its own yearly estimates and accounts in the local gazette, together with a financial exposition (which, it was said, should, where possible, be made before the local Legislative Council), analagous to that annually made in the Legislative Council of the Governor General. The several estimates and accounts would be compiled, and a general statement for all India published as a supplement to the Imperial estimates and accounts. In preparing these estimates, each Government would have to consider how any deficiency in the ways and means for its "Provincial Services" could most conveniently be supplied. The financial control thus to be entrusted to the local Governments was to be exercised, subject to certain conditions. The first of these prescribed that, the previous sanction of the Government of India should be necessary to the creation of new appointments, or the addition to the pay and allowances of any officer exceeding 300 *l.* a year,

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and also that no class or grade of officers was to be created or abolished without previous sanction, and no addition made to the pay and allowances of any individual, or class of officers that would lead to increase in the pay of public servants doing duty in the same provinces whose pay is charged to the Imperial revenues. It was also a condition that no money should be removed from the public treasuries for investment; and, further, that no services rendered to other departments at the charge of the departments made over to the control of the local governments were to be diminished. It was further a condition that the rules of the Supreme Government in respect to leave of absence and absentee and superannuation allowances were to be observed; and that returns, accounts, and estimates were to be submitted to the Supreme Government in such forms as might be prescribed. Subject to these general restrictions, the Governments would henceforth enjoy full liberty in the expenditure of the funds appropriated to provincial services.

1673. Have you there Appendix A, giving assignments to be made for provincial services, according to the resolution of the Government of India, 14th of December 1870, in a tabular statement, at page 123?—I have the Table of assignments, but they have undergone some alteration.

1674. Do you mean that the figures were corrected afterwards? — Some further small allowances and grants have been made.

1675. We had better take that as the assignment that was made at that time, had we not?—Yes; this Table shows the basis of the arrangement.

1676. In accordance with the resolution which you have just read, was an assignment made of various sums of money, and to what amount? — The total assignment was: — In Oude, 206,948*l.*; in the Central Provinces, 261,263*l.*; in Burmah, 275,332*l.*; in Bengal, 1,168,592*l.*; in the North Western Provinces, 640,792*l.*; in the Punjaub, 516,221*l.*; in Madras, 739,488*l.*; and in Bombay, 880,075*l.*; making a total of 4,688,711*l.*

1677. Can you furnish the Committee with an estimate of the mode in which those figures were arrived at, and put that in as an appendix?—Such a statement will be found in Appendix A of the Resolution of the 14th December 1870, which I understand is being printed for the use of the Committee.

1678. Have you anything further to add as to the general operations of the Supreme Government in carrying out this new policy?—The principle on which these amounts were arrived at should, perhaps, be mentioned. They are based upon the assignments made for these services in the Estimates for the year 1870-71.

1679. Those amounts the Government of India had before them in the preparation of that estimate when they assumed the superintendence of this expenditure?—That is so. On the basis of that estimate, a proportion of the sum, 350,000*l.*, which it was proposed to throw upon the local governments, was deducted rateably from the total estimate for those services for 1870-71, and the difference assigned, making the total figure which I have given.

1680. That deduction was intended to be a *pro ratâ* retrenchment of expenditure out of imperial funds?—Yes.

1681. Leaving them to supplement any deficiency that might arise in consequence from local funds?—From local funds, or by retrenchment in the expenditure for those services.

1682. Is there anything further which you have to add respecting the general policy of the Government of India in connection with local taxation?—I might explain the view expressed by Lord Mayo, who inaugurated these measures, expressed on the occasion of the consideration in Council of a Bill for local rates in Oude. I am reading from the proceedings of the Legislative Department on 18th of March 1871. Lord Mayo said, "It would be wasting the time of the Council were I to discuss the various objections that exist to the larger measures to which I have referred; suffice it to say that it can be shown that, for the present, all the main objects that have been generally desired will be attained by the present measure, and that, without any dangerous interference with our general financial system, without weakening or straining our national credit, without imperilling a single important branch of imperial revenue, or rendering it less difficult than it was before to fulfil all our national engagements of finance, defence, and administration, we shall be able to attain to almost all the desired ends, and achieve everything that is really beneficial. We selected then at once for our operations those heads of expenditure, the local character of which cannot be doubted; those heads concerning which so much has been said, namely, civil buildings, roads, education, jails, police, registration, medical services, and printing. I am not prepared to say that there may not be other branches of administration which it might be judicious hereafter to deal with in the same way. I give no opinion on the subject. There are considerable and weighty objections with regard to some; but for all practical purposes (that is to say, if our intention and desire is to give to the local Governments substantial power over the administration of the matters which in the highest degree affect the particular interests of their Governments and of their people), we have done all that for the present is necessary." "It is intended by the Supreme Government, and I think that there should be no doubt on this point, that that sum should, for some time at all events, be a fixed sum. It is impossible to prophesy or say at present what can be done in the far future; but I should be misleading the local governments if I were not to say that it is our opinion that these sums are now fixed at an amount which cannot be exceeded for at least a number of years. I think it desirable that this should be perfectly understood, because one of our objects is the attainment of as great an amount of financial [illegible] as is possible. We believe that, in justice to other public claims, which are certain hereafter to be made on imperial revenue, in view of increased charges for the payment of interest and other objects, we cannot, without recourse to large additional imperial taxation, increase this sum as now fixed to any very considerable amount. We know that if it is necessary, the sums which have been hitherto allotted for this purpose can be increased by local taxation, in a manner much less burdensome, and much less offensive to the people than they could be by imperial taxation. If it is necessary or desirable to spend money, that money must come from some source. It is possible that the wants

wants of the local governments may increase, and I dare say they will; but if they do, we believe, after the most mature consideration, that these wants can better be supplied within the limits of the provinces themselves, than they can be by adding to the imperial taxation of the Empire, and the general burdens of the people."

1683. Now, having done with the general views of the Government, can you state what has been done with reference to local taxation in the several provinces, beginning with Oude?—In Oude there has been, since the first settlement of the land revenue, a 2½ per cent. cess on the amount which was fixed as the Government revenue; it is 1¼ per cent. on gross rental, added to the Government demand, and realised in the same way as the Government land revenue, the proceeds to be applied to the construction and maintenance of roads, education, and district postal communication in these proportions; 1 per cent. was to be applied to district roads; 1 per cent. to education, and one-fourth of 1 per cent. to the district post, and a quarter per cent. was left unappropriated. This cess is levied on lands which are exempt from land revenue, as well as on lands which pay it. The land revenue of Oude is, at the present time, about 1,360,000 *l.* and the 2½ per cent. cess realised in 1871–72, 32,479 *l.* This amount may be said to represent the local taxation up to 1871, chargeable on land in Oude.

1684. But you will observe that this is so nearly 2½ per cent. upon the whole land revenue, that there does not appear to have been any property in Oude exempted from land revenue, or if so, it does not appear to have contributed to the tax?—The amount which I gave as the land revenue I think must have been stated above the actual realisation. I took the figure which is stated roundly from a speech made in the Council of the Governor General by Sir John Strachey. The actual amount of ordinary land revenue realised in 1871–72, was 1,313,861 *l.*

1685. Even then it would be quite 2½ per cent.?—To come to particulars, if you look at this account in my hand, you will see the exact calculation arithmetically and precisely. One per cent. on the actual ordinary land revenue in the year 1870-71 would be 13,210 *l.*; the amount actually realised was 13,910 *l.*, so that it was somewhat in excess; the explanation being that the excess is owing to collections from land, revenue free, or partially free; but the variation is of no great importance. The amount of the incidence seems to be less than three farthings per unit of the population. It appears to [redacted]lered that this cess does not fall upon [redacted]culturists, but upon the landowners of [redacted]ince.

[redacted]. Can you explain whether this appropri[redacted]of the several per-centages is made by the Government of Oude over the whole province according to its discretion, or does each subdistrict receive its one per cent. for the purpose of distributing it in its own limits?—There was no strict appropriation in the Oude province of the proceeds to the district in which it was raised, but the principle of appropriating in proportion to the sum contributed by each district was kept in view. There was no separate account.

1687. Each district has no control over the money raised, but it is entirely at the disposal of the Lieutenant Governor?—That is so; and he allots it with reference to the realisations in each district.

1688. Then, is there any other local taxation in Oude?—A small sum appears in the account under the head of "Local Police," or "Village Chowkeedars," with regard to which it is, perhaps, necessary to give some explanation as to how small it is. The fact is, that a very small proportion of the charge for the maintenance of the rural police appears in any way in the accounts of the Government. In Oude the numbers of the rural police are estimated at 31,679, and their cost is given at 91,864 *l.* Each man is supposed to watch over, on the average, about three-fourths of a square mile and 382 persons. These chowkeedars are maintained at the expense of the landholders. They are usually paid by a small grant in land, three acres and 20 perches in extent, and of a quality which will fetch a rent of 24 rupees per annum. If land of this quality is not granted the landholder is compelled to make up the amount in cash, or to resort to a cash payment of 36 rupees a year, paid through the deputy commissioner, and levied with the Government revenue.

1689. The expenditure is arranged between the landholder and the police, and does not come into the accounts of the Government?—That is so.

1690. What is the next head of local expenditure in Oude?—In a complete notice of these local funds, it is necessary to mention some which are in no sense taxation; they are as follows: tolls on ferries applicable to improvements in the communications. Some part of the tolls, no doubt, is a tax upon the use of the ferries, but such part is quite indistinguishable from what is paid as an accommodation for the service. The gross amount realised is 12,247 *l.*

1691. Does this go into the general funds of Oude?—There is a separate account kept of the proceeds of these ferries, and they are assigned by the Chief Commissioner of Oude, at his discretion, for the improvement of communications in the province.

1692. But each ferry is not the subject of a separate account of receipt and expenditure, so as to apply the receipts to the particular ferry?—No, the first charge upon the receipts of each ferry is for the maintenance of the effective service of such ferry.

1693. What is the next head of expenditure?—Then there is an item of receipts from public buildings and lands, 9,469 *l.*, and the small sum of 105 *l.* for the sale of Government lands in cantonments. The character of these receipts, perhaps, wants a little explanation: they are what is known throughout the North Western Provinces and Oude as the Nuzool Fund. It consists for the most part of lands, shops, and gardens, the property of the former rulers of the country. It also includes, in some cases, property which was confiscated for rebellion. These Crown lands, as one might perhaps call them, are under the management of a Local Agency Committee, regulated by Regulation 19 of 1810. The system has been in force for many years, and has assumed some little importance in the North Western Provinces and Oude, the proceeds being applied primarily to the care and conservation of the buildings and gardens themselves, and next to a variety of local improvements, such as station gardens, libraries, museums, and so forth. In Oude they are very

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generally made over to the municipalities in the town in which they are situated. The account then includes an item of 3,159 *l.*, consisting of voluntary contributions for dispensaries, which are of course in no way raised from taxation and interest on the endowment of the King's Hospital, an establishment in existence in the Province of Oude before it became a British province, and which has been maintained by our Government. There are a few miscellaneous receipts from the sale of fruit and flowers in cantonments, and so forth, making the total miscellaneous receipts of this character, including tolls, 42,631 *l.*

1694. You mean ferry-tolls?—Yes.

1695. Is there any municipal receipt and expenditure in Oude?—To come to the municipal receipts in Oude, there are 14 municipal towns; in some papers the number has been stated at 17, but I can only find 14 towns which have municipal institutions with powers of taxation under Act 15 of 1867. These powers are given in very general terms, but they are subject in every respect to the sanction of the Chief Commissioner.

1696. Mr. *J. B. Smith.*] Did those powers of local taxation exist under the Native Government?—I do not think I am in a position to say.

1697. *Chairman.*] What is the amount levied by some of the municipalities?—The total amount levied by these municipalities is 39,244 *l.*, and this is classified in this way: There is received by rates on houses 1,789 *l.*; by a tax on trades in Lucknow, which has recently been given up, 109 *l.*; and by octroi duties (I am speaking of the accounts for 1870-71), there is a small sum of 162 *l.* on piece goods and metals, the regulation making them subject to this duty having been brought into operation just before the close of the year; on food and necessaries, 22,154 *l.*; on other merchandise, 3,326 *l.*; on cattle not for slaughter, 46 *l.* Then other taxes, including the income-tax, at Lucknow at one pie in the rupee, that is about a half per cent. on incomes over 1,000 rupees, a tax which has since been discontinued, 2,874 *l.* There are other sources of municipal income, including about 5,000 *l.* transferred from local funds, amounting to 8,784 *l.*, making a total of 39,244 *l.*

1698. When you say transferred from local funds, do you mean local funds of the old province of Oude?—I mean the proceeds of Government lands within towns; they amount to about 5,000 *l.*, which is made over to the municipal bodies.

1699. Mr. *Fawcett.*] Those receipts are gross, not net, of course?—They are gross.

1700. *Chairman.*] Can you give us any general information respecting the mode in which this municipal taxation is spent; to what purposes it is applied?—Speaking generally, the cost of collection amounts to 12½ per cent.; 25 per cent. of the expenditure was incurred on police; 20 per cent. on conservancy; 10 per cent. on the construction of public buildings, and 10 per cent. on repairs; the balance on charitable institutions, town schools, and gardens. Under the Act constituting these municipalities, the police is made a first charge on the funds, and the committee are then required to keep roads, drains, and tanks cleansed and repaired, and streets may be watered and lighted, and they may also construct streets, drains, and tanks; and schools are also a permissible form of expenditure. The powers of taxation given by the Act are in the most general terms; every committee may, with the previous sanction of the Lieutenant Governor, define the persons or property within the town to be taxed for the purposes of the Act, the amount or rate of the taxes to be imposed, and may impose such taxes.

1701. You are speaking of the Act passed by the Governor General of India in Council to provide for the levy of rates on land in Oude?—Yes; No. 15 of 1867, the Punjaub Municipal Committee's Act, which was extended to Oude.

1702. Then there was a subsequent Act passed in 1871, was there not?—That is a subject which it was proposed to leave till after we had gone through the provinces, and have come to the general addition made to taxation in connexion with the measures of 1871.

1703. What is the total sum then levied upon the province of Oude by local taxation?—The cess on the land I have stated at 32,479 *l.*, and these various receipts, which are not taxation, may be taken at 37,631 *l.*, and the income of the municipalities at 39,244 *l.*, making a total of 109,354 *l.*

1704. Now we may proceed to the Central Provinces; what has been the amount raised there for local purposes?—In the Central Provinces there are rates existing which also date from the settlement of the provinces. The rates chargeable on land in addition to the land revenue demand, are three in number. There is for roads a rate which varies from 1 to 3 per cent. on the Government demand for land revenue, which produced in that year, 1871–72, 13,671 *l.*

1705. You mean varying from 1 to 3 per cent. in different places, I suppose?—It appears to be so; the produce is equal to about 2 per cent., and that is the general rate. Then for the maintenance of village schools, there is a rate, also a varying rate, from 1 to 3 per cent., which produced in the same year 12,65[illegible] *l.*; and for the maintenance of the district post, there is a half per cent. rate, which produced 3,247 *l.*; the total charge on the land of these general rates being 29,569 *l.* Then in the Central Provinces there is a special tax, the pandhri tax, which is at present a graduated duty on trades and professions, and is considered to be equivalent to an income tax on the poorer classes. It included incomes down to 75 rupees annually, but the minimum of taxable income has lately been raised to 100 rupees. This tax is an old Mahratta tax on all the non-agricultural classes, with certain exceptions. It was in existence when the Nagpore Province lapsed to the British Government, and was continued. Under the Mahrattas it was a tax extremely unequal, and very severe, reaching down to the lowest incomes. So[illegible] justment of the tax took place after the [illegible] became a part of British India, and [illegible] to partake more of the nature of an [illegible] tax on the trading classes. In the Saugur and Nerbudda territories, which form the northern part of the province, constituting the Jubulpore and Nerbudda divisions the pandhri tax was remitted by the Government of the North Western Provinces so long as the administration of these districts was carried on from Agra. The cause of the removal of the tax was the inequality of its incidence, and the arbitrary exemption of certain classes. In 1867 the tax was entirely remodelled by an Act of the Indian legislature, and the pandhri became a pure income tax on persons whose incomes were derived

derived from any other source than agriculture. It was made applicable to the whole of the Central Provinces, the lowest limit of income subject to the tax being fixed at 75 rupees, the highest rate of assessment allowed in any case being at 2 per cent., and the maximum amount any income could be taxed at, being limited to 500 rupees. Persons assessable to income tax were made exempt from the pandhri tax. The number of persons in 1870-71 paying the pandhri tax, was 281,114. In the early years of the administration of Nagpore as a British Province, this tax was taken for general or imperial purposes, and in 1868-69 the Government of India gave up one half of it for disposal by the local administration to the Chief Commissioner, and in the year 1870-71 the whole of it was surrendered. More recently, the Chief Commissioner has raised the lowest range of the tax from incomes of 75 rupees to incomes of 100 rupees a year. This lowest class of tax payers contributed only half a rupee individually. The tax was considered to press somewhat hardly upon them, and the effect of raising the minimum was to reduce the number of tax payers from 281,114 to 143,330, relieving very nearly half the number from the impost.

1706. Do you know what the effect of the exemption was in the amount of receipts?—The lower class contributed a fixed sum of half a rupee; the relief must, therefore, have been about 70,000 rupees.

1707. Is that the whole extent of the local taxation in the Central Provinces?—The cesses on the land revenue and this pandhri tax, taken together, amount to 50,831 *l.* These constitute the only general local taxes throughout the province.

1708. Do you know at all whether there is any tax upon houses in the Central Provinces?—Perhaps I may take them in order. The charges that I have mentioned come to about 1½ *d.* per unit of population. Then I may, perhaps, mention, while on the charges on land, that, as in Oude, there is a small charge, in special cases, for the maintenance of village watchmen, where the landholders omit their duty in regard to the maintenance of them. Generally speaking, these village watchmen are maintained without the intervention of the Government. Then there is also a charge for the payment of village accountants; but this again is hardly for any direct purpose of the Government at all. The villages are bound to keep up the village accountants, and it is only when they fail in their duty that the Government steps in and adds, in these particular cases, a 5 per cent. rate to the general land revenue demand. [redacted]nt realised in this way in the year [redacted]s 11,068 *l.*, which would seem to show [redacted]t two-fifths of the land was subject to [redacted] In addition to these charges upon land, there is realised in the Central Provinces by tolls on roads and ferries, 6,180 *l.*; from Government houses and lands in the towns, 1,195 *l.*; and the sum of 56 *l.* for the sale of Government land in towns.

1709. What do these miscellaneous receipts amount to?—To 10,393 *l.* altogether for the province.

1710. Is that the whole of the local taxation, with the exception of the municipal?—That is so. Then we come to the municipal income.

1711. What is the nature of the municipal taxation?—The total received from municipal taxes in towns where the system is in force, is 55,246 *l.* This is divided by the Chief Commissioner, partly by estimate, in this manner: raised by rates on private houses, 2,208 *l.*; by the octroi duty on piece goods and metals, 30,092 *l.*; on food and necessaries, 11,812 *l.*; on other merchandise, 3,791 *l.*; on cattle, 1,136 *l.*; other taxes, including market dues, 4,677 *l.*; and other sources of income, 1,530 *l.* The division, it is explained, is as good an estimate as can be made, for the octroi duty being farmed, no exact account is available. The total of these various provincial receipts that I have mentioned, amounts for the province to 127,652 *l.*

1712-13. Can you state how many towns or places are under the municipal system in the Central Provinces?—Sixty-eight towns and places.

1714. Can you give a summary of the expenditure of the receipts?—The general expenditure of the municipalities is as follows: Charges for collection, 2,819 *l.*; for Police, 8,821 *l.*; for Local Improvements, 27,334 *l.*; for Conservancy, 11,244 *l.*; for Schools and Dispensaries, 3,786 *l.*, and for Miscellaneous unenumerated objects, 3,698 *l.*

1715. Will you now explain to the Committee the local revenue of British Burmah?—In British Burmah, since the year 1865, a cess of 5 per cent. has been added to the land revenue demand, and to some of the miscellaneous sources of revenue that are classed with land revenue, of which the principal item is Fisheries. The amount realised in this way in the year 1871-72 was 19,390 *l.* The 5 per cent. cess is apportioned in this way: 1 per cent. is assigned for roads; 2¾ per cent. is for the village watch or police; 1 per cent for schools, and a quarter per cent. for district postal communication. Out of the total sum it is estimated that seven-eighths falls on land and one-eighth on the fisheries. This amount is nearly equal to one and seven-eighths of a penny per unit of the population, taking the population at 2,500,000, which is the estimate formed at the present time. In addition to this there are in Burmah ferry-tolls which give 2,833 *l.*; there are about 40 towns in British Burmah that have municipal funds with a population of 534,000.

1716. What is the amount of the municipal funds?—The total amount is 50,096 *l.*

1717. By what taxes is that obtained?—The two principal items are, first, a tax on houses and on land occupied by houses. This produces 17,453 *l.* The rates and mode of assessment are somewhat peculiar to the Burmah Province. In towns in which the assessment, in lieu of the capitation tax, is levied, there is one pie per square foot of all land covered by buildings, levied as a municipal tax; one-twelfth of one anna for every square superficial foot of ground occupied by houses. In other towns the municipal tax is assessed in a different manner, according to a Burmese method, according to the number of posts in the frontage of every house; the highest class of house is that which has seven posts for its frontage, and which pays about ten rupees a year, down to the sixth class of houses with only two posts in the frontage, which pay half a rupee a year. All houses in those parts of British Burmah are wooden houses built on posts. There is another peculiarity, quite a specialty, in these Burmah towns, that they, all of them, have a central, covered-in market-place.

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They produce an income of 13,274 *l.* The rent of stalls in the municipal market-place is considered to be a very good form of indirect tax, approaching an octroi duty without any of its evils. It is the custom of the Burmese to have one large bazaar or market place wherein is sold every variety of article in cloths, crockery, hardware, grains, condiments, vegetables, and fish. The Government has, from the municipal funds, constructed large, airy, well-drained, and well-ordered markets, which are really a comfort and an advantage to the people. The rents derived from the stall-keepers far more than pay for the necessary establishments; they are a legitimate source of the revenue of the municipality. The receipts in 1862-63 were 6,868 *l.*; they have since that time largely increased, being, as I have mentioned, for the latest year, 13,274 *l.*

1718. Mr. *J. B. Smith.*] Is that increase owing to an increase in the rate of charge per stall?—I think it is an increase in the number of markets; these have been extended to many towns. There is no notice of any increase in the rate of charge.

1719. *Chairman.*] Is the octroi levied in addition in these towns?—No; they have no octroi in Burmah.

1720. What is the total of the receipts?—I have mentioned the only two important items, except perhaps the sale of town lands. In British Burmah, our Government, on the annexation of the province, assumed the proprietorship, the right of disposal of the whole lands of the town.

1721. You mean the whole unoccupied lands?—Even the occupied as well. In Rangoon, the whole was re-surveyed and re-laid out, consideration was given to those in possession of sites; but the entire town was re-laid out, and a large sum realised by the sale of the lands; and this was held applicable to permanent works connected with the town drainage and improvements.

1722. Do you know what is done with the municipal funds; what services they perform?—The objects are the same as in the other provinces: police and conservancy.

1723. What is the local taxation in Bengal?—In Bengal there is no general cess on the land revenue for local purposes, such as obtains in other provinces that have been mentioned. In certain recently-settled estates, 1 per cent. was added to the land revenue demand, to form what was known as a 1 per cent. road fund; and in one district in Bengal, the district of Shahabad, which adjoins the frontier of the North Western Provinces, there has been, from the time of the permanent settlement, a 1 per cent. cess, in addition to the land revenue, for the purpose of road-making. The receipts in Shahabad amount to about half of the sum received on this account at the present time, which is 3,750 *l.*, taking the estimate for the year 1871–72. Then there is also a fund raised by a charge upon land, not of general application, for the maintenance of the district post, which produces 24,722 *l.* In Bengal, by Regulation 20 of 1817, the landholders were required, in fulfilment of an obligation that had always been recognised, to keep up district postal lines between the police stations and the magistrates' courts. The zemindars appointed and paid the runners who were employed. As a rule the authorities had no concern with the nomination or the payment of these district postal runners, but the system in some parts of Bengal became irregular, and to provide for the better execution of this service, Act 8 of 1862 of the Bengal Council was passed. The object of this Act was to enable the magistrate of each district to organise the service on an efficient footing. It gave him control over the establishments, and it empowered him to raise the funds necessary for the maintenance of these establishments from all zemindars, farmers and other persons paying revenue direct to the Government in respect of lands situated within the district. The magistrate was required to fix and apportion rateably on or before the last day of December, subject to the approval and revision of the Commissioner, the total sum necessary for the next ensuing year for the efficient service of the post in his district. The Act in no way interferes with the imperial postal regulations. In this way the amount which is raised in each district is liable to variation from year to year, but it is a charge upon the land.

1724. What is the extent of that?—The total of that is 24,722 *l.* Then to make up the total of what may be considered as the local taxation in Bengal, there is a trifling item, more a matter of curiosity than anything else, of 18 *l.*, the Mutarafa tax of the Shahabad district.

1725. The last remnant of the ancient taxation?—It seems to have been the last remnant, and it is noticed, I think, in Mr. Campbell's Administration Report as a matter of some curiosity. It appears that a few villages were transferred from Shahabad to the neighbouring district of Ghazeepore, and were afterwards re-transferred to Shahabad, and that the Mutarafa tax was abolished in Shahabad after the first, and in Ghazeepore after the second transfer.

1726. And they slipped out of the general abolition?—That appears to have been the case.

1727. Are there any tolls collected in Bengal?—There are tolls in Bengal amounting to 130,178 *l.*

1728. What are those tolls collected from?—There are three principal categories. The first are the ferry funds, which are subdivided into those on local and general roads; there is no real difference in the application; they are levied under the authority of Regulation 7 of 18[illegible]9, and produced 53,957 *l.*, of which a part is acknowledged to be a tax upon those who use the ferries. Then an important item are the canal and Nuddea river tolls. They are special canals in the neighbourhood of Calcutta. The river on which Calcutta is situated would, but for these canals, be shut off from the Ganges to the north during great part of the year by the difficulty of navigation, and shut off entirely from the district, except by the dangerous and passage near the mouth of the river; canals connect the river at Calcutta, both north and south of the town, with the Sunderbun channels which intersect in every direction the country to the eastward, and which communicate with the eastern, and north-eastern, and northern districts of Bengal.

1729. Do you know whether the tolls are paid by the boats, or on the merchandise?—They are paid by measurement on the boats, I think.

1730. I mean, is it a classified toll, like the tolls on railway goods, or a toll on the mere tonnage of the boats?—My recollection (and I have very often paid it) is that, certainly in passenger boats,

boats, it is by the tonnage of the boat; the boat is measured.

1731. Are there any other local receipts?—I may mention, perhaps, the amount realised from these canal tolls, including Nuddea rivers, which are of the same character, for keeping the navigation open. The amount estimated in 1871–72 was 67,651 *l.* Then there is, on certain district roads, a toll levied which produces 8,570 *l.*, making a total from this source of 130,178 *l.* In addition to these, there are various receipts of a local character, which enter into the account of local funds, but, perhaps, ought not to be included.

1732. They are not included as taxation?—They are, really, not of the character of taxation at all; part consists of the interest of endowments in the hands of the Government, and so forth; but to make a complete account, I have added them. They amount to 31,000 *l.*

1733. What is the nature and extent of the municipal revenue?—Including the Calcutta municipality, which is by far the larger portion of the whole, the total municipal income is 434,340 *l.* The income of the Calcutta municipality alone is 273,127 *l.*

1734. Do you know how many other towns or places are constituted municipalities?—There are 187 municipalities constituted, under different Acts, having a total population of 3,363,633.

1735. From what sources are these funds derived as to Calcutta?—In Calcutta, house property is subject to charges for municipal purposes, which amount to 17½ or 18 per cent. on the annual rental.

1736. Is that by a per-centage assessment?—That is so; there is a rate levied for general purposes of the municipality of 9 per cent.; there is a rate for lighting of 2 per cent.; there is a police rate of 2½ per cent.; it is stated at 2 per cent. in Mr. Campbell's Report, and has possibly been reduced, but the rate, so far as my information goes, is 2½ per cent.; and a water rate, which is either 4½ or 5 per cent.; making from 17½ to 18 per cent. of the total charge. Of this it is considered that rather more than 10 per cent. falls upon the owner, and rather less than 8 per cent. upon the occupier. In addition to this, there is a license tax upon trades and professions, yielding about the same as a 2½ per cent. rate upon houses; and a license tax upon carriages, which yields about the same as a 1 per cent. upon house property; and a license tax on carts, which yields about the same as a half per cent. rate upon houses. The further receipts in the accounts of the municipality are considered to be matters of account, the income derived from [illegible]tion being taken at 250,000 *l.* Then of the [illegible] of this, I may mention the principal [illegible] interest on the municipal debt, takes [illegible]00 *l.*, and a sum which is set aside from [illegible]ome to a sinking fund, to about 11,000 *l.*, and the general establishment charges and expenses of collecting, commission, and general charges, 27,800 *l.*; roads, 25,000 *l.*; conservancy, 16,000 *l.*; lighting, 23,000 *l.*; waterworks, 24,300 *l.*; and the interest on the special debt for waterworks, including sinking fund, 31,200 *l.*; and the police charges, 25,600 *l.* Those are the most important items of the expenditure. That leaves, I think, something like 50,000 *l.* unclassified. Then the position of the Calcutta municipality, as to their debt, is this: there is current at the present time a debt of 55 lacs of rupees, on debentures at 6 per cent., and a debt of 52 lacs of rupees to the Government of India, for the water supply of Calcutta, at 4 per cent.; a further debt of 3 lacs of rupees to the Government of India for the construction of a municipal market, at 5 per cent.; making the debt to the public 55 lacs, and a debt to the Government of 55 lacs, 110 lacs in all, of which the half is at 6, and the greater part of the other half at 4 per cent. Their further borrowing powers, including an advance of 3 lacs of rupees from the Government, amount to 29½ lacs of rupees, which will be required for the completion or extension of the waterworks, and for the completion of the municipal market, and for drainage extensions. This will make their total debt 140 lacs, or 1,400,000 *l.*

1737. In other towns what is the nature of the receipt?—With the exception of a few of the suburban towns, it consists almost entirely of a house tax from occupiers.

1738. Is there no octroi levied in Bengal?—No, none whatever. The principal receipts are derived from rates on houses, buildings, and lands, at different per-centages of the rental in different municipalities; the maximum fixed by the Act 3 of 1864 being 7½ per cent. on the annual rental, except in one town, that of Dacca, where 10 per cent. is allowed, but has not been imposed.

1739. On what objects are these taxes spent?—The tax is devoted entirely to the purposes of police and conservancy within the municipality.

1740. When you say conservancy, do you mean the roads of the town?—Street cleaning; and it includes lighting; but I think there is very little expenditure on that.

1741. Does it include maintenance of the roads and repairs?—Yes; repairs and cleansing.

1742. Then in Bengal there is at present no local education rate, or other such rate?—Nothing up to this point of time. The measures that have been taken in 1871, and later, require separate notice.

1743. What is the total levy, including municipality, on Bengal?—The total, including Calcutta, which is not on the Government books in any way, is 624,080 *l.*

1744. Have you an account with regard to the North Western Provinces of the local revenue?—In the North Western Provinces there is a road cess at the rate of one per cent., which produced, in the year 1870-71, 44,130 *l.* Since that time the system has been changed. Then there is an educational cess of one per cent., which produced, in the same year, 35,037 *l.*

1745. Is that levied on the land revenue; one per cent. on the land revenue?—That is so; but this educational cess is not compulsory in the Benares Province, and the receipts, therefore, are unequal to the cess at the same rate for roads. Then for district postal purposes, there is ¼ per cent. cess, which realised in that year 8,247 *l.* These cesses, as we shall have occasion to notice when we come to the measures following the Resolution of 1870, have been all put upon a different footing. Then in the North Western Provinces the system of payment for the village watch, is different from those which we have been noticing. There is, at the present time, a cess which varies in its incidence from 4 to 6 per cent., and realises 181,240 *l.* for the maintenance of the village watch in the North Western Provinces. This service was made a charge upon the land in the settlement; it, however, bore no definite pro-

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portion to the land revenue. A pay of 3 rupees a month is assigned to each watchman under the old settlement arrangements. In many of the districts a somewhat different system has been made recently, by which a general cess, amounting to 7¾ per cent., is levied monthly for this purpose. In regard to this, I may give this account of the local taxation in the North Western Provinces. The majority of the province is temporarily settled, but a portion not conterminous with the Benares division, but commonly known as the Benares Province, was permanently settled toward the close of the last century. This portion contributes about one-seventh of the revenue of the whole of the North West Province. In it the landholders, besides their permanent land revenue, paid a cess of 1 per cent. for roads, and ½ per cent. for postal arrangements, and provided for the entertainment of the village police. The general rule in the North Western Provinces had been to give the village police either land or a money wage, and to pay the same road and postal cesses above described, with the addition in the later assessed districts of a school cess of 1 per cent. on the land revenue. Where a new assessment had been framed, the local cesses had been fixed at 10 per cent. on the revenue, or 5 per cent. on the assumed rental; this being to cover roads, schools, post, village police, and general improvements. The rates chargeable on lands, excluding the village accountant's cess, amount to 268,654 *l.*; that is about a rate of 2 *d.* per unit of the population. The maintenance of the village accountants, which is not considered as a Government obligation so much as one resting on the community; a payment for service rendered to the village community, and not to the Government. The services, no doubt, are of value to the Government, but the cess seems not to be looked upon as a demand of the Government; and in Oude and in the Central Provinces, as we have seen, these accountants are maintained by the villagers without any payment, for them appearing in the public accounts. In the North Western Provinces, a cess, at the rate of 3 per cent on the rental, is included in the settlement for the payment of the village accountants, and produced, in 1870-71, 161,000 *l.* Then there is a tax on stage carriages, which produced the small sum of 81 *l.*, and the rest are cantonment and municipal funds raised by octroi duties and duties on houses, on professions, carriages, and horses, fishing licenses, licenses on trades, slaughter-houses, and so on.

1746. Do you know whether those octroi duties are levied on the principle you have stated, of limiting them to certain heads or classes of commodities?—Yes.

1747. Are there any municipal institutions in the North Western Provinces?—The municipal institutions in the North Western Provinces are applicable to a population of 1,959,000 persons.

1748. In how many towns or places?—Sixty-eight towns.

1749. Can you state what taxes they levy?—I should mention that there are, in addition, 276 petty towns, having an average assessment of 122 *l.* to provide for their proper watch and ward.

1750. But can you tell us how the funds are raised?—There is raised by taxation, in the 68 municipalities, 121,316 *l.*, and by rent of Government lands and houses in the towns, 6,900 *l.*, and miscellaneous receipts, 37,000 *l.*, making a total of 165,000 *l.*

1751. But is there not an octroi besides the special taxes?—Of the total receipts, 104,000 *l.* are derived from octroi; 7,496 *l.* from the tax on houses; 8,780 *l.* from the tax on professions; and 922 *l.* from a tax on carriages, making a total income from taxation of 121,000 *l.*, and a total income of 165,000 *l.* The octroi duty is levied on the articles which I have mentioned earlier.

1752. What is the total of all the taxes levied in the towns, including the octroi and other taxes?—It is taken at 165,000 *l.* in the municipalities, and 33,721 *l.* in the smaller towns.

1753. Do you know whether these municipalities each receive their own taxes and disburse them?—That is so strictly.

1754. So that they are not taken into the general fund?—No; the accounts of the receipts of each municipality are kept strictly apart, and they are administered by a body of townspeople appointed by the Government.

1755. With regard to the special cesses that you have described, are they received and expended locally, or are they received by the Government of the North Western Provinces, and then distributed as they think fit; I mean the cesses in addition to the land revenue?—Until recently, when these cesses have been put on a somewhat new footing, there has been no obligation on the part of the Lieutenant Governor to apply the road or education cess specially, but it has been allotted with reference to the districts in which it is raised.

1756. What is the total amount levied in the North Western Provinces from local funds?—The total that I have mentioned is 628,943 *l.* for the year 1870-71.

1757. Mr. *Eastwick.*] I think you stated that the expense of collection in Oude was 12½ per cent.; surely that is very high, is it not?—It does appear to be high.

1758. You did not mention what the collection was in the other provinces?—I think the cost is stated of general management, but perhaps not so as to make it quite clear. The cost is stated in a general account of the expenditure of the municipalities in the North Western Provinces, where there is a heading of Sudder Establishment and a head of Collection. Whether the account of charges for collection truly represents the entire expense, or whether some portion of the establishment ought to be taken in order to arrive at the true expense, I am not in a position to say. I can give the proportion which the charges which are allotted in the account to Collection bear to the whole.

1759. But you are not certain what comes under that head?—I suppose that probably [illegible] of the general establishment must [illegible] any fair estimate of the cost of colle[illegible] taxes. It is explained by the Chief Co[illegible] of Oude that in some cases the per-ce[illegible] collection is much too high, but that this is owing to the necessity of maintaining proportionately large establishments to make the collections in some towns, which are, to all intents and purposes, little more than large open villages. The inference he draws is that octroi is not a proper tax to be had recourse to in such cases; but he adds, there can be no question that it is, of all others, the most acceptable to the people, and that every effort will be made to reduce the cost of collection within reasonable limits.

1760. You said that there was no general cess in Bengal?—There has not been any until quite recently.

recently. I proposed to take up the consideration of the effect of recent measures after explaining the earlier system.

1761. Could you just mention the date at which there have been complaints, or at which a cess has been imposed?—The Act is known as the Bengal Road Cess Act of 1871, but it has not any immediate effect. The objections to it are, of course, entirely in anticipation of its effects.

1762. It has not been levied then?—It has not been levied.

1763. I think you said, did you not, that the capitation tax in Burmah was allowed to be assessed in another way; that it was not taken in the municipalities as a capitation tax?—Yes. I mentioned that the assessment for municipal purposes is levied in a different way in those parts of British Burmah in which the capitation tax is in use. In some towns a land assessment is taken of 1½ pie per square foot on the area covered by buildings, and three rupees an acre on all occupied land not so covered. In the town of Rangoon, very considerable objection was made on the part of the European residents to being made subject to a capitation tax at all, and their feelings on the subject were accommodated by the Chief Commissioner by the imposition of a tax on houses, which amounted to about five times the amount of the capitation tax.

1764. The capitation tax is only 1 rupee, is it not, or is it 3 rupees a head?—It varies. The rates differ somewhat in different parts of British Burmah. In the Province of Pegu, generally married men pay 5 rupees a year, and unmarried men 2½ rupees. In some parts the rates are as low as 2 rupees for married men, and 1 rupee for unmarried men.

1765. It has always been levied very easily without complaint on the part of the natives, has it not?—I have always understood that it is quite acceptable to the people of British Burmah.

1766. And have the Europeans made complaints of it to the Government?—I am not aware of any complaints having been carried further than to the Chief Commissioner of British Burmah.

1767. You are not apprehensive of those complaints spreading to the natives, and rendering them discontented about it?—I believe there has been no complaint for a number of years.

1768. It has been settled for some time, you mean?—For many years now; 10 years at least.

1769. That system of taking the cesses by stalls rented in bazars, which you have mentioned, might be usefully extended to other parts of India, you think, perhaps?—They are very popular in Burmah.

1770. Is there any intention of abolishing that [illegible]rafa you spoke of?—I have heard of [illegible]n.

[illegible]ir *G. Balfour.*] I see charges in the [illegible]unts upon these local funds which appear to belong to the military charges. For instance, there are two items in this last year accounts, one account of military police, one of 12,292 *l.*, under the Government of India, and one of 1,668 *l.* under the Government of Poonah; can you explain how these two items come with the Civil charges?—The larger sum represents the cost of the Mhairwarra police battalion, the smaller that of the Poonah cantonment police.

1772. No doubt it is, but it is put down to Civil expenditure. Are you aware that all these charges refer to the Military Department?—The Mhairwarra local battalion, consisting of mairs reclaimed from predatory habits, did loyal service during the mutiny, and was guaranteed the advantages of troops of the line. It was reorganised in 1871, and the Government then directed that the charge, which had for several years previously been included with the police charges of the North West Provinces, should be treated as a charge of the Rajpootana agency.

1773. You will see another item, under the same head of Bengal, for Sylhet and Cachar frontier forces; perhaps you will look that up. In the previous year's accounts I observed several of those charges set down to a larger amount than I see in these accounts?—The Sylhet and Cachar frontier force, and Chittagong frontier force, were organised for frontier duty, including the punishment of outrages by hill tribes. An addition was made to the Chittagong frontier force in connection with the Lushai expedition, in the police operations connected with which this force took part. These frontier forces are not organised in the same way as the Mhariwarra battalion.

1774. Pephaps you will kindly look into that matter; I could not ascertain from my examination whether that Mhairwarra battalion was a military charge or a civil charge?—The charge for several years past has been considered as a civil charge. In the accounts for 1871–72 it appears under police in the first column of the account of police receipts and charges.

1775. *Sir D. Wedderburn.*] The province of Oude, both as regards the nature of the country and the character of the people, is nearly identical with the North Western Provinces, by which it is almost surrounded. What are the special advantages of maintaining a separate administration in Oude?—I think the form which the administration of Oude holds at the present time is rather due to its history than to the extent of the province, or to the character of the population. At the same time there is something special in the relations between the agriculturists and the great landowners of Oude, to which there is probably no parallel in the North Western Provinces. The object of absorbing the Oude Provinces into the Government of the North Western Provinces has often, I am quite aware, been thought desirable. A suggestion to this effect was made by the Lieutenant Governor of the North Western Provinces on economical grounds in the month of December last. I am not aware of any of the reasons which render the retention of the present form of administration necessary.

1776. Is not it the fact that the district of Ajmere was lately transferred from the Government of the North Western Provinces to the Government of India?—That is so.

1777. What was the reason of that?—I am not aware of the reason.

1778. Mr. *Fawcett.*] I noticed that you stated that one of the objects to which the revenue derived from local taxation was devoted was building, did you not?—Yes.

1779. I suppose, for instance, the buildings which are occupied by the Civil Government officers, the local governors, for example, would have to be defrayed out of this fund?—Yes; they were not connected with the previously existing provincial or local funds; but the civil buildings form part of those branches of expenditure which are in future to be provided out of the fixed

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grant to be made to the local government, as part of the general provincial service scheme.

1780. For instance the house of a Provincial Governor will in future be paid for out of local taxation?—That I understand to be the case.

1781. For instance, to take an example, the 155,000 *l.* which was spent on building the Governor of Bombay a country house, would have to be supplied, if a similar transaction took place, out of local taxation?—That is so.

1782. Then, as I understand, the scheme of appropriating fixed sums to imperial revenue and letting local purposes be supplied out of local taxation, what it virtually does is this: it says to the local governors, "We will give you so much; if there is any deficiency you must get it in some way or another out of the numerous local taxes which you possess?"—Yes.

1783. But then, as I understand, in certain portions of expenditure the local governments are in no way effectually controlled by the Central Government; they can spend, cannot they, up to certain amounts?—Yes, for these objects.

1784. Then it transfers the absolute power to the local governor of spending what he likes and raising the necessary taxation to supply it?—That is so. The view taken by the Government of India as to the way in which this additional responsibility would be undertaken and exercised by the local governments is expressed in a paragraph of the resolution of December 1870. I had better, perhaps, also read the previous paragraph, as it is very short: "Subject to these general restrictions, the Governments will henceforth enjoy full liberty in the expenditure of the funds appropriated to 'Provincial Services.' It must, however, be understood that in thus divesting himself of control, the Governor General in Council divests himself also, to a large extent, of his former responsibility. If responsibility for expenditure is retained control cannot be renounced. The Governor General in Council delegates to the local governments this large additional share of administrative power without hesitation or distrust, believing that it will be exercised with wisdom, liberality, and prudence."

1785. It is clear, is it not, from that paragraph, that the central Government delegates to the local Governments the primary responsibility of expenditure, and of obtaining the necessary revenue to meet that expenditure?—That is so, subject, however, in regard to any form of taxation, to the control of the Governor General.

1786. Now, to take an example of what may be the effect of that; suppose the Governor of Madras emulating the example which was set to him by the Governor of Bombay, took it into his head to spend 155,000 *l.* in building for himself a country house, there is nothing to check him as far as I can understand; and as long as he selected one of the numerous local taxes, or some of them, with which he is allowed to obtain local revenue, he could provide the requisite sum out of local taxation?—The Governor of Madras, of course, acts under the sense of responsibility imposed by this system.

1787. I am not saying that the Governor of Madras would be likely to do it; but I say if he wished to do, what we know was done by the Governor of Bombay, he would be able to do exactly what I have described; is not that so?—Personally he would not be able to do so, for it would be necessary that he should carry his council with him in the matter; the Governor of Madras is not independent of his council.

1788. But if the Governor of Madras could talk over, or persuade his council, in the same way as the Governor of Bombay, we may presume, persuaded his council, he could do then what I suggested, could he not?—I think so; the responsibility would rest with the Governor in Council.

1789. What kind of limitation is there placed upon the power of the various municipalities to borrow; you have said that the municipality of Calcutta owes, at the present time, about 1,100,000 *l.*, and they have incurred debt to the extent of 290,000 *l.* more; what is the nature of the limitation placed upon the power of borrowing?—It is a limitation by law.

1790. But not by a uniform law?—No; their authority to borrow rests upon legislative sanction.

1791. *Chairman.*] Can you refer us to the general character of that sanction?—The Act of the Council of the Government of Bengal, under which the borrowing powers of the justices are now limited, is Act No. 1 of 1872, which I have not got with me.

1792. Mr. *Fawcett.*] Is there a special Act passed for every municipality to regulate the amount which they can borrow, because I presume it is not a special privilege enjoyed by Calcutta; the municipality of Bombay, for instance, may borrow, and has borrowed?—Bombay can borrow, and has borrowed. The early history of the obligations of Bombay I am not immediately acquainted with; but it could at present contract no loan without the sanction of the Governor General in Council; of that I am confident.

1793. Can the municipality of Madras borrow?—The general course which has been followed of late years has been for the Government of India to advance to these municipalities such sums as it has been considered proper to raise on their credit for the construction of works for the supply of water or drainage, and which they have been unable to meet from their income. In this way a loan has been made to the Madras municipality.

1794. But then there are those two descriptions, as shown in Calcutta; a public loan and a loan advanced to the municipality by the Government; are both those loans placed in exactly the same position; does the municipality go through exactly the same process to obtain them?—Yes; I think there is no distinction at that stage.

1795. How many municipalities at the present time in India are in debt?—Of the municipalities which have received loans from the Government of India, I believe this to be a complete statement; it was true two years since, and I am not aware of any additions since; but I could supply the omission if there is any. There [illegible] loan to Port Canning, which must be considered as money lost; and then comes Calcutta.

1796. How much for Calcutta?—Calcutta, at the present time, is 55 lacs of rupees in debt to the Government; 52 for water supply, and 3 lacs for the construction of a market. For Kurrachee a loan of 63,000 *l.*, or 6 lacs 30,000 rupees, was sanctioned for the water supply.

1797. As you go through them, would you, if you could, mention the rate of interest at which the sums have been lent; are they all lent at 4 per cent.?—Four and 5 per cent.

1798. The Calcutta one was at 4 per cent., was

was it not?—The Calcutta one was at 4, the Kurrachee one was at 4, the one at Madras for the same object was at 4. Then for all these there is provision made for a sinking fund. Then there are some smaller ones, Ootacamund, Kumaon, and Ajmere; and I am aware also of one or two other loans. The municipality of Surat, for example, has a loan, the greater part of which, if not the whole, I think, has now been discharged. That was for street improvements, and was probably compensated by the increase in the value of the property adjoining.

1799. Then have the Government lent nothing to Bombay?—In the year 1869 a loan of 15 lacs was sanctioned at 5 per cent.; that was for the payment of the general debts of the municipality at that time; and there were two other loans of a special character, one for the waterworks, and one which appears to have been for a temporary purpose; but these, I think, have all been consolidated. I shall be prepared to give full information with regard to this when we speak of the general position of the municipality of Bombay.

1800. Perhaps you would also bring an account of the amount of their public loans, as well as what they owe to the Government?—Yes.

1801. With regard to Calcutta, you stated that they pay 6 per cent. for the loans which they have raised from the public, and only 4 per cent. to the Government; therefore the Government, out of the general revenues of India, virtually make a present to the Calcutta people of 2 per cent., do they not?—Not so; the Government, I conceive, does make a present, so to say, to the people of Calcutta of the difference between 4 per cent., which they receive, and the rate which they are themselves obliged to pay to raise these funds on the credit of the Government. At the time that these loans were made, that charge was taken to be 5 per cent., and it was admitted and considered that the Government was making a present to the municipality at the rate of 1 per cent. on the amount of the debt. As a matter of fact, the Government, if it were desirous of raising money at the present time on loan, would not have to pay so high a charge as 5 per cent., and, in fact, the 4 per cent. loans of the Government are at the present time at a premium in the market.

1802. Yes; but admitting that, if the municipality of Calcutta cannot, because its security is not so good as that of the Government, borrow money at less than 6 per cent., and if the Government lends that municipality on that security money at 4 per cent., it obviously makes the municipality a present of 2 per cent.?—The municipality benefit by the gift or loan of the Government credit; but the Government does not necessarily lose.

1803. But it runs the risk of not being paid, which risk is estimated in the public money market at 2 per cent.?—It may be looked on in that light.

1804. But is not that the only light in which it can be looked upon; I do not say whether they ever will lose anything, but that is the only proper way of looking at it, is it not?—I think it is a perfectly correct way of looking at it.

1805. You have given us eight classes of local taxes which may be imposed in Oude; am I not correct in saying that if you look through those classes, it gives the local authority of Oude (and the same remark applies to other parts of India) the power to levy taxation upon every article which is consumed, upon every article which is worn, upon every article which comes into the construction of a house; in fact, upon every single commodity that is used by man?—It certainly does, in principle.

1806. Then where are the limitations?—The limitations are by express declaration, and the Government of India have declared the following articles exempt from duty: first articles liable to customs duty, and imported into India by sea, otherwise than articles included in classes 7 and 8, that is to say, piece goods and metals; secondly, salt; third, opium; fourth, fermented or spirituous liquors manufactured in India, and drugs liable to excise or abkari duty; and fifth, goods *bonâ fide* the property of the Government.

1807. Then my description is perfectly correct, that now every single article which can feed a man, which can warm a man, or which can be used by man in India, is liable to local taxation, or may have local taxation imposed upon it, except those articles from which Imperial taxation happens to be raised?—That is so where the municipal acts are applied.

Friday, 21st March 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Grant Duff.
Sir George Balfour.	Mr. Eastwick.
Sir Thomas Bazley.	Mr. Fawcett.
Mr. Beach.	Mr. Robert Fowler.
Mr. Birley.	Mr. Hermon.
Mr. Bourke.	Mr. Lyttelton.
Mr. Candlish.	Mr. John Benjamin Smith.
Mr. Baillie Cochrane.	Sir David Wedderburn.
Mr. Beckett Denison.	Sir Charles Wingfield.
Mr. Dickinson.	

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. EDWARD FRANCIS HARRISON and Mr. EDWARD GAY, re-called; and further Examined.

Mr. *E. F. Harrison* and Mr. *E. Gay.*

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1808. (To Mr. *Harrison*).] WILL you be good enough to inform the Committee of the nature and extent of the local taxation in the Punjab?—The position of the Punjab in regard to local taxation in the year 1870–71 was as follows: There was a cess of 1 per cent. imposed on the land revenue at the time of the first settlement of the province, for the construction and maintenance of roads, and in most cases there was a further cess of 1 per cent. to be applied to education.

1809. In what year was that?—It was made at the time of the first settlement, which was not in the same year in every district; it followed the acquisition of the province.

1810. Beginning in what year?—The settlement, I think, began in 1849. On the revision of the settlements, which took place in different years in different districts in the province, the 1 per cent. cess for roads was doubled, and a half per cent. was added for the maintenance of the district post. In some districts voluntary additions were made to the rate for education. In 1870-71 the receipts were as follows: For the road cess, 29,632 *l.*; for the education cess, 22,634 *l.*; and for the district post, 6,064 *l.*, making a total of 58,330 *l.* The ordinary land revenue for the year was 1,189,635 *l.* The population is estimated at 19,000,000, and the incidence of the cesses may be said to be about ¾ *d.* per unit of the population. There was a trifling sum of 58 *l.* from stage carriage licenses.

1811. Has that arrangement continued which was made as regards the land up to the present time?—I propose to follow out a little later in my evidence the changes recently made.

1812. Were there any other taxes levied before the recent changes?—There were others of a municipal character. In cantonments there was raised locally 8,772 *l.*; and with regard to the municipalities, 324 in number, of which 127 are constituted under Act 15 of 1867, two under an earlier Act, and 195 minor ones, in which minor places a small sum is raised to pay for the watch and ward, the estimated taxation for 1872–73 is 159,180 *l.*, of which nearly 153,000 *l.* consist of octroi duties.

1813. Do you know under what conditions the octroi duties were levied?—The octroi duties were levied on the same principle generally as explained in the Province of Oude; but in the year 1868 it was somewhat restricted in the Punjaub by being confined to specified arti[illegible]s, and by the exemption of all articles which [illegible] paid Customs duty. In January 1871 thes[illegible] relaxations were in a measure withdrawn, and piece goods and metals which had formerly been exempted from town duties were added to the list.

1814. Can you state at all the number of articles which were subject to taxation under these various lists?—No, I have made some inquiry, but have been unable to find any full account of the articles subject to duty. The general classification I gave on the last occasion.

1815. But can you state the per-centage; was it an *ad valorem* duty, or do you know whether it was a specific duty on different articles, by weight or measure?—It is generally an *ad valorem* duty. The principle upon which the rates were fixed in the North Western Provinces (and I have not the information separ[illegible] the Punjaub) was to make the rate l[illegible] so as not to exceed 1½ per cent. on n[illegible] of life, and 5 per cent. on luxuri[illegible] rates in the Punjaub on grain vary from [illegible] per cent. *ad valorem*, or if paid by weight, from 2 to 8 pies per maund of 82 lbs., 8 pies being two-thirds of an anna. In some districts in the Punjaub it appears that a duty on loads is preferred, in which case it is paid at 3 pies, the fourth of the anna per coolie load. The Punjaub Government appears to entertain an objection to the levy of the duty on grain in an *ad valorem* rate, and has pointed out to municipal committees that under this system the tax increases in pressure in proportion as the price of food rises, whereas it should be relaxed in times of scarcity; and that it is preferable to levy the tax

tax on quantities, or to fix an average rate for the purpose of the duty. Then on animals for slaughter, articles for fuel, drugs and spices, as well as piece goods and metals, it is levied *ad valorem*, the rate on piece goods and metals being restricted to 1½ per cent. As a general principle, the municipal committees in the Punjaub have been enjoined to make the tax press more heavily upon luxuries, such as tobacco, than upon necessaries.

1816. To what purposes are these municipal taxes applied?—For the maintenance of the town police, the drainage and conservancy of the town, the maintenance and construction of town roads, and for public improvements in which markets and water supply are included; and for the support of charitable institutions about a 14th of the income appears to be appropriated, and a comparatively small sum for education. The charitable purposes include dispensaries and poorhouses. The amount applied to educational purposes is about 1-28th of the total income.

1817. Are there any other local cesses?—In addition to these there are the lumberdar's cess of 5 per cent. on the land revenue, and the village accountant cess, the first yielding 110,000*l.*, and the village accountant cess, 85,000 *l.*; and a cess for rural police, estimated to yield 65,000 *l.*

1818. That does not appear in the Government accounts?—They are not general, and do not appear in the Government accounts.

1819. It is sanctioned directly between the landholders and the persons whom they employ?—That is so.

1820. What is the total amount of that local taxation, excluding the payment to the chief people of the village?—The total of the general cesses, including the municipal income, may be taken at 217,500 *l.*

1821. Is there included in that any special taxation in cantonments different from the municipalities?—No, that is not included. If I include what is realised in cantonments, the total will be about 226,000 *l.*

[redacted]at is the nature of the taxation in [redacted]ents?—It is of the same character [redacted]ns, which are not under military [redacted]reater part of it consists of octroi [redacted]

[redacted]do not observe that there is any [redacted]ny kind of house tax?—The house [redacted]unjaub is quite exceptional; but at [redacted]nd at the Hill stations there is a [redacted] and it was proposed some time [redacted]ose a house tax at Lahore, but [redacted]ion was considerable, and the con[redacted]tion of this measure was deferred. The [redacted]sent Lieutenant Governor of the Punjaub appears to doubt the policy of a house tax in the native towns.

1824. Mr. *J. B. Smith.*] Is the house tax levied upon natives as well as Europeans?—Yes.

1825. And is that so in Burmah?—Yes.

1826. *Chairman.*] Are not the stations chiefly or largely occupied by Europeans, where the house tax is actually levied?—As to the Hill stations that is very much the case; but the native houses at the Hill stations are also liable; they are not exempted.

1827. Can you state the amount levied in house tax at those stations?—No, it is not stated. Perhaps I should explain, with reference to an answer which I just gave, that there is a house tax in Burmah which is levied upon Europeans in place of the capitation tax, which is paid by the natives; but there is also a municipal house tax which is paid equally by natives and Europeans.

1828. Mr. *J. B. Smith.*] But the capitation tax ceased when the house tax was made, did it not?—No, only in those cases to which I have referred.

1829. Then the capitation tax is levied on natives, and the house tax on Europeans?—Yes.

1830. The capitation tax is retained for the natives in the same town, is it?—Yes, I understand that to be so.

1831. And only Europeans are charged with the house tax?—I find I am mistaken; the Revenue Rules for British Burmah, which I have before me, show that a house or land assessment, in lieu of capitation tax, is levied in a few towns only, and that where so levied, it is paid both by natives and Europeans.

1832. *Chairman.*] Will you give an account of the local taxation in Madras?—In Madras in 1870-71 there was a road cess under Act 3 of 1866, which produced 192,627 *l.* This was levied at a rate not exceeding half an anna in the rupee on the annual rent value of the land. The cess then made was in substitution for any previously existing road cesses.

1833. Sir *C. Wingfield.*] What per-centage would that be; about 3 per cent., would it not?—Three and one-eighth per cent. The annual rent value of land was defined for the purposes of this Act in all ryotwarri lands to be the amount of the Government revenue, with the addition of the water rent, and in other lands the rent paid by tenants to the landholders was taken as the annual value of the land; where there was no money rent, the survey assessment was accepted. Then there was in Madras a partial education cess under Act 6 of 1863, which Act legalised certain arrangements which had been established voluntarily in the Delta talooks of the Godavery district, but the Act allowed any other town or village to apply for the establishment of schools under this Act, so that it became of more general application. Under this, a committee was to be appointed consisting partly of officials of the Education Department, who were to act in consultation with the inhabitants, and subject to the approval of Government the committee might levy taxes or duties which were not defined in their character, and it might, subject to the approval of the director of public instruction, manage the schools. The produce of the education cess was 4,479 *l.* Then there were also partial cesses to provide for village services, which were regulated by Act 4 of 1864. The object of this Act is described in these terms: "That whereas by an immemorial usage of the country certain fees in money and kind are payable by the people towards the maintenance of the village officers in the revenue and police departments," and so on. The cess for this purpose was to be fixed from time to time by the local government, but was limited to one anna in the rupee, 6¼ per cent. of the assessment and water rate. All lands were subject to the rate whether liable to land revenue or not. This Act has only been applied in four districts of the Presidency. It yielded in 1870-71, 160,032 *l.* Then there is an irrigation cess, which in three

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districts is voluntarily paid by the ryots in place of customary labour, which they are under obligation to render, for the purpose of repairing irrigation channels.

1834. *Chairman.*] Is that the whole of the local taxation?—That is the whole of the local taxation, exclusive of municipal.

1835. And what is the amount of that; I do not know whether you gave us all the sums levied for the different cesses?—I gave the separate amounts, except the partial education cess, which produced 2,545 *l.* The total is 359,683 *l.*

1836. Then as to the municipalities in the Madras Presidency, what have you to state?—First, as to the position of the municipality of the town of Madras, the income is 52,570 *l.*, which is raised principally from a rate on houses which produces 23,964 *l.* Then a tax upon trades yields 9,025 *l.*; liquor licenses produce 1,172 *l.*; a tax on carriages produces 3,774 *l.*; a tax on carts, 1,305 *l.*; and tolls, 4,813 *l.*

1837. What do you suppose that the tolls are for, are they for markets?—In regard to the tolls, I find their character described in a Paper which I have before me. It appears to be in the nature of an octroi duty on articles entering the town.

1838. Will you give us the description?—This description is not given in regard to the municipality of Madras; but, no doubt, it is applicable equally to it. It is said in regard to the tolls in the Madras Presidency, that "this form of taxation prevails in all but four municipalities, and the revenue realised thereby is in excess of that produced by any other tax. This is a comparatively popular impost, and many municipalities are anxious to have their tolls increased and their other burdens lightened. The reason, of course, is not difficult to find, as tolls fall only on those entering municipal limits, and the residents are thus only indirectly affected by them; but at the same time mercantile interests are well represented on the municipal boards, and from the almost universal absence of complaint the Government think that the municipal tolls do not injuriously affect the traffic of the country to any appreciable extent. The necessity of keeping down the rates of toll on account of the through traffic has been duly impressed upon all municipalities, and is fully understood even by many of those who desire the enhancement of the present rates. At Tinnevelly a loop line of road has been constructed round the southern portion of the town to enable the through traffic to pass on untolled."

1839. Can you give us information as to the mode in which the shop tax is levied?—No.

1840. Is this sum spent generally in the municipal administration of Madras?—Out of the income which I have described, the principal expense is for conservancy, 12,950 *l.*, the remainder consists of the general expenses for collection, the lighting, the repairs of roads and watering.

1841. Will you proceed to the other municipalities, the smaller towns; what was the total taxation levied in them?—In other towns the number to which the system applies being 46, the total taxation amounts to 76,693 *l.*, falling under one of the following five categories; either a rate on houses not to exceed 7½ per cent., or a tax on trades and professions which varies from 1 rupee to 100 rupees; a tax on carriages and horses and other animals, varying from 4 annas to 9 rupees half-yearly; and a registration fee of 2 rupees half-yearly on all carts, and tolls on carriages, carts, and animals entering the limits of the municipality, varying from 1 anna to 1 rupee. Then fees are also allowed to be charged for the use of markets, and cart stands.

1842. Is this income applied generally to municipal purposes?—This is applied to the same purposes that I have already mentioned, with the addition of education, on which expenditure is permissible.

1843. Do you mean that it is permissible in these municipalities, but not in the town of Madras?—It was so until recently; but by Act No. 5 of 1871 of the Madras Government, the Madras municipality is empowered to expend money for educational purposes, that is, for the construction and repair of schoolhouses and the maintenance of schools, either in whole or in part; also for the construction and repair of hospitals and dispensaries, and some other purposes.

1844. Do you know whether there is a house tax in the minor municipalities in the rest of the Madras Presidency?—Universally the house tax is enforced in all municipalities without any exception, and the collection of it is considered to have been unattended with difficulty. The highest incidence is found at Ootacamund, where, of course, there are a large number of English residents. Leaving the hill stations out of consideration, the highest incidence is 8 annas and 2 pies per head of the population; that is at Cochin, where there is a considerable mercantile community.

1845. Do you know whether there is a house tax levied in the villages in Madras, or is it part of the land revenue?—There is none separate from the land revenue, certainly.

1846. Is that the whole local taxation at Madras?—That, I think, represents the whole.

1847. Do these municipalities regulate the nature of the tax, and the appropriation of it, or is it regulated by the Governor in Council, or the collector in the district?—The Act under which the municipalities are regulated, Act 3 of 1871, provides for the appointment of Commissioners, who are appointed by the Governor in Council; they must be not less than three in number, and must be resident or c[arry on] business within the town to whic[h the Act] applies. The collector of the distri[ct] revenue officer in charge of the su[b-division] which the district is placed, are ad[ditional] Commissioners.

1848. But can they act upon their [own] rity, or must they have the sancti[on] Governor in Council, or of the collect[or] management of the finances?—An a[nnual] mate of the expenditure must be su[bmitted] the Governor in Council, and, subj[ect to] order of the Government on such estimate, [they] are permitted to apply the proceeds of the ta[xa]tion to the purposes for which the funds ar[e] raised under the Act. The Act also provides for an annual audit of the accounts by such person, and in such manner as the Governor in Council shall direct.

1849. Then that completes your view of the local taxation of Madras?—That is so.

1850. Will you explain to the Committee the nature of the local taxation in the Presidency of Bombay?—In Bombay the only local tax which comes upon the books of the Government, existing before 1871, was the cess for roads and education, which produced in 1871–72, 242,272 *l.* This cess was imposed in the year 1863 without any

any legislative sanction, but it met with no opposition. The question of imposing such a cess had been discussed, and it had generally met with approval for many years previously. It was made legal by Act 3 of 1869, which gave retrospective sanction to all previous collections. Under this Act committees are formed in every district, and in every talooka or subdivision of a district, to manage the funds.

1851. Is the administration to this fund left entirely to the inhabitants of the talook, or is it administered by the collector?—The collector takes an influential part in directing the management of it, but there is in every instance a committee, which must consist of at least eight members, of whom at least one-half must be non-official. The cess is divided into two parts, two-thirds being reserved for expenditure on roads, and one-third for expenditure on education, and, under the Act, the whole amount must be expended in the talooka or subdivision of the district in which it is raised. The rate is one anna in the rupee on the land revenue, or on the money payable to Government by a farmer of land, or sayer revenue.

1852. Sir *C. Wingfield.*] About 6 per cent?—Six and a quarter per cent.

1853. This cess was in addition to a previously existing cess for roads?—No, I think not.

1854. Did the settlement then that had been made in Bombay not include a cess on roads?—No; the original settlements did not. In many cases this cess was included in the revision of the settlement.

1855. And in many cases this cess was imposed after the settlement had been concluded?—Yes, I think so.

1856. And complaints were made that it was a breach of faith; are you aware of that?—I was not aware of that.

1857. *Chairman.*] Did I rightly understand you to say, that the one anna was in addition to the sayer revenue, or was deducted from it by the Government?—In addition to the amount demanded from the farmers of land or sayer revenue.

1858. Is that also locally distributed?—Yes.

1859. Sir *C. Wingfield.*] You are not aware that Sir John Lawrence and Lord Halifax both said, that to impose a cess on the Bombay landowners after you had concluded a settlement engagement with them to pay a certain amount on their land, a cess demanding more would be a breach of faith; that it was open to the Government to do that when the land came on for re-settlement, but that to do it during the currency of the settlement was a breach of faith?—No.

1860. *Chairman.*] Perhaps you are not aware that the Act under which the settlement was made expressly provides that the Government shall be at liberty to make any further taxation in addition?—No; I have not gone into those questions with regard to Bombay.

1861. *Chairman.*] You have been speaking with reference to the rural districts, but with reference to the towns are there any municipal bodies in the Presidency?—I may take first of all the town of Bombay, which is on a different footing from the others. For the city of Bombay there is an estimated total income for the current year of 323,346 *l.* This is made up by rates on houses and for water lighting and police of 161,522 *l.*, and duties and licenses, 79,960 *l.*

1862. Do you know what licenses those are?—Yes; I have the particulars; the first are town duties, 50,200 *l.*

1863. What sort of town duties?—Those are not further described. It includes duties on articles brought into the town for consumption. In addition there are licenses on tobacco, 14,040 *l.*; liquor licenses, 14,650 *l.*, and conveyance licenses 1,070 *l.*

1864. Have you any description of the articles of consumption taxed?—The only information that I have in regard to the position of the Bombay municipality is contained in their Budget for the current year 1873, and in regard to this particular there is only this remark, that "if at the beginning of 1873 the new corporation decides to impose the higher duties appointed by the new Act on sugar, ghee and metals the whole proposed expenditure will be balanced." Therefore these duties include duties upon sugar, ghee and metals.

1865. Do you know at all how the duties are collected in Bombay; are they collected by the custom house, and is there a drawback on taking them out of the town again; what arrangement is there to prevent that duty being converted into a transit duty through Bombay?—The town duties appear to be collected by a commission on their amount, but in what mode I am not aware.

1866. Are there any other duties levied in Bombay in towns?—There is a conservancy cess which produces 20,392 *l.*

1867. How is that levied?—That is a rate upon houses.

1868. In addition to the house tax?—Yes, that is so.

1869. What are the rest of the taxes levied in Bombay?—There is a wheel tax which produces 22,126 *l.*; that is upon carts and carriages. The market receipts amount to 21,160 *l.*, and there are unclassified receipts from fines, fees, savings, stalls and water meters, aggregating 18,186 *l.*

1870. Does that make up the total?—That makes up the total 323,346 *l.*

1871. Can you say generally how that is spent?—The general superintendence assessment and collection amount to 25,326 *l.* Police and Fire Engines account for 36,041 *l.* Then the Public Health Department, which includes the markets, slaughter-houses, cemeteries, conservancy, registration accounts for 102,071 *l.* Then the public works, which includes the lighting, watering and repair of roads, repairs of buildings, street improvements, water-works and drainage account for 87,025 *l.* Then the non-effective and miscellaneous charges account for 78,433 *l.* The greater part is the interest on debt, and the amount chargeable for sinking fund.

1872. Can you state how much that is?—£74,496.

1873. On what capital amount?—The capital amount of their debt is stated on this account as 513,800 *l.*; but I find some allowance must be made from this.

1874. Is it about 500,000 *l.*—No, I think that that would give an incorrect idea. This does not include the obligation of the municipality to the Government for the Vehar Waterworks imposed under legislative enactment, which amounts to about 36 lacs; and it also includes the total amount of a debt of 15 lacs contracted from the Government of which about one-third has been discharged; the arrangement having been that they were to pay an annual sum of which a por-

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tion has gone in reduction of the principal and a portion has been appropriated annually by the Government as interest. They have stated the whole sum as the amount of their debt, and you must take off about 5 lacs from that. I think if we add 32 to 51 it will represent their obligation at the present time; that will be about 83 lacs.

1875. Mr. *Fawcett.*] Is that the debt to the Government?—That is the debt to the public and the Government; it includes the amount due to the public on debentures 17 lacs, 38,000 rupees and the remainder is to the Government.

1876. *Chairman.*] Is this taxation administered by a board appointed by the Government, or by the magistrates, or by what authority?—By the bench of magistrates for the town of Bombay.

1877. Are there other municipalities in the Bombay Presidency?—Of other municipalities there were at the commencement of the year 1871-2, 201; many of these are small, and the number on that footing was to be reduced. The position of these is not obtainable from the public accounts, but they are all required by the law under which they act to publish their accounts. I have examined 162 of these, from which I find the taxation 108,000 *l.* and other receipts 30,893 *l.*, making with the opening balance a total of about 181,000 *l.*, the charges being 145,984 *l.* The general objects which are met from these funds are the making and repairing, cleaning, lighting and watching the public streets, roads and drains, not for the provision of town police; but a later Act, Act 1 of 1871, throws the police charges on the municipality, provided that such charges do not amount to more than 20 per cent. of the municipal income. The taxation is raised by assessment or town duties, or otherwise. I have taken as an example the position of one or two of the larger municipalities; and in the town of Poonah I find that there was realized by the sale of right of collecting import duties (for the import duties were farmed), 9,130 *l.*, and by house tax, only 743 *l.* In Surat, another large town of the Presidency, the town duties realized 14,440 *l.*, and there is no house tax.

1878. Mr. *Candlish.*] The average taxation is not more than 700 *l.* a year for each municipality?—It would be about that. The ones that I have mentioned are much the largest, they are very important towns.

1879. *Chairman.*] Is that the whole source of the municipal taxation?—The town duties in all cases are the most important sources of income.

1880. Can you give a description in these cases of the nature of the town duties?—In Surat they are described as duties on sugar, ghee, butter, toddy, including tolls and a wheel tax.

1881. Do you know whether this applies merely to the commodities introduced into Surat for the consumption of the town, or would it be upon all commodities entering the town; do you know whether there is any system of drawback if they go out of the town again?—I believe it applies to all articles entering the town; but that, as elsewhere, the duty is refunded on goods leaving the town.

1882. What is the application of the municipal taxation in the district that you have described?—It is for roads and conservancy; for making, repairing, cleaning, lighting, and watching the public streets and roads, and construction of drains, and also for police.

1883. Is any of it applied to education?—No; in Bombay provision is otherwise made for education; no part of the municipal revenue is so applied.

1884. Can the municipalities in Bombay levy these taxes without the sanction of the collectors or the Governor in Council?—The collector in every case exercises a leading influence upon the acts of the municipality; he is officially at the head of each one, and his principal officers are also officially members of the commission within their respective jurisdictions.

1885. But is the formal sanction of the Governor in Council required to any tax or any alteration in the rate of a tax?—The Act provides that the Commissioners shall be appointed by the Government; and provision is made for the submission of the estimates to the Government, and for the publication of an abstract of the accounts of their income and expenditure.

1886. That is for each year?—For each year.

1887. But you do not know whether the ordinance or rule for collecting the tax is issued with the formal sanction of the Governor in Council?—I believe that to be the case, but I have not got the authority?—I am not sure on that point.

1888. What is the Act?—No. 26, of 1850, is the first regulating Act: it was originally passed to amend an Act relating to Bengal, and was made applicable to the other Presidencies. The Bombay Act, No. 1, of 1871, also affects the point.

1889. Have you anything further to add with reference to the Presidency of Bombay?—I think not.

1890. Mr. *Fawcett.*] On what authority are these loans raised by the town of Bombay and other municipalities?—In the case of the most important loan, that connected with the works for the supply of water to Bombay, the Vehar Waterworks, there was a special Act, No. 13 of 1863, of the Bombay Government, which defined the responsibility of the municipality to the Government, and defined the instalments under which the loan was to be repaid. The work had originally been undertaken and completed by the Government without the intervention of the municipal body. Then of further loans, there is a loan of 15 lacs, which was made to the Bombay municipality by the Government of India, at an interest of 5 per cent.; this is also regulated by an Act of the Bombay Government, Act No. 3, of 1870, which also regulated the instalments in which the principal and interest were to be paid.

1891. Then both of these Acts which you refer to were Acts of the Bombay Governm[illegible] not Acts of the central Government?—T[illegible] were nominally; but the Bombay Governm[illegible] had the approval and authority of the Gove[illegible]ment of India through every stage of the proceedings.

1892. Mr. *Fowler.*] Do you mean the Home Government?—No; of the general Government of India in Calcutta.

1893. Mr. *Fawcett.*] But as I understand, both of these loans were contracted before the new decentralisation scheme, as it is called, came into operation?—That is so.

1894. But now I want to know what will take place in the future; suppose that in any town, we will take the town of Bombay, in regard to the local charges which now it will have to provide

vide money for the local taxation of the year plus the grant from the Imperial Exchequer is not enough to meet the expenditure, will the authorities of the town of Bombay be able to borrow to make up the deficiency?—They are not, and will not be permitted to borrow money without the previous sanction of the Government of India.

1895. But what is the clause or the regulation which forbids their doing so?—There is no reference to this special point in the general arrangement made in what was called the decentralisation scheme.

1896. Then what I understand your answer to be, is that the Government of India carries out this great scheme of what they call decentralisation, which gives the local authorities in various places the power to levy almost an infinite number of taxes, and they take no security whatever about the incurring of debt?—The Government of India would not permit the incurring of debt under these circumstances.

1897. I want to know why would they not; what proof have we that they would not; is there anything in the regulations to show it?—I only express my own opinion.

1898. But what I wish to bring out is this, that this scheme, elaborated, we have been told, with great care, contains no reference whatever to the incurring of debt?—No, that is not a point provided for in it.

1899. Do you not think it is a very grave omission?—I think it would have found a proper place in it.

1900. Then, as far as we know, when for instance we receive accounts which describe the Imperial expenditure of the country, and also the budgets which we are told describe the local expenditure, we have no security that side by side with this local expenditure there is not growing up a great number of local debts?—The act of borrowing is not one of those for which authority is given in any of the Acts regulating municipalities.

1901. It is not given; but what I want to bring out is, that I cannot understand that it is forbidden; it is not forbidden, is it?—No, it is not forbidden.

1902. Then can you tell whether it has been exercised or not?—There is only one instance that I am at all aware of in which it has been exercised, the loan was of a temporary character, contracted perhaps under somewhat exceptional circumstances. The municipality of Surat, contracted a loan, the amount of which, I think (I speak from recollection), was 30,000*l*. It was entirely a local arrangement, and I believe that whole amount has since been discharged. It for the purpose of a considerable improvement in the roads, which gave the Commissioners means of repaying the debt from the improved value of the new frontage acquired; and with that exception I am not aware of any debt that has not been previously sanctioned by the Government of India.

1903. But without inquiring now whether the purposes for which the loan was raised are desirable or not, it does distinctly appear from this instance, that it is possible for a municipality to borrow money without obtaining the sanction of the Government of India, because I understand from you that it has been done in this case?—No doubt it is possible, but it is an unauthorised act.

1904. And you are not certain; you simply speak from your private impressions, but you cannot state upon any official documents that what has been done at Surat has not been done in other places?—I think it very improbable that it should have been done without my knowledge.

1905. But if it has been done once at Surat; have any steps been taken by the Government to prevent its being done again at that place, or the same thing being done in other places?—I am not aware that it has attracted the attention of the Government of India. It has attracted my own attention on an examination of the abstract of accounts of this town, which are published in the official Gazette of the Bombay Presidency.

1906. Then it attracted your attention, but the fact that although the management of local finance is handed over to the municipalities, a municipality has borrowed without obtaining any authority from the Government of India has not attracted the notice of that Government as far as you are aware?—That is so.

1907. Mr. *Candlish.*] Can you say whether that local borrowing without central sanction would affect the security of the creditors?—I should say that it would affect the security of the creditors.

1908. Have you any knowledge on the point?—No, that is only my opinion if the debt is unsanctioned by the Government.

1909. There would be no obligation to repay it?—There could be no obligation on the part of the Government to guarantee it. Such an obligation might possibly be considered to arise in the case of a loan raised with the full approval of the Government.

1910. Is the Government liable for those local loans if they sanction them?—No, I consider not.

1911. Mr. *Fawcett.*] I suppose, of course, that certain security was given in the case of this loan that was raised at Surat; I suppose the security was given of the local taxes?—That I am unable to say.

1912. You do not know the conditions under which it was raised?—I do not know the persons from whom it was obtained, or the conditions under which it was obtained.

1913. Now what would take place under this decentralisation scheme, supposing that a certain sum of money had been spent by the local authorities, and the local taxation of the year, plus the grant obtained from the Imperial Exchequer, was not sufficient to meet the outlay, how would the deficiency be met?—It must be met, I think, in one of two ways, or would be met in one of two ways, either by a reduction in the scheme of expenses of the municipality, or by additional taxation in some shape upon the town.

1914. But supposing in any one year, we will say from a commercial panic, or from any other circumstance, the local taxes did not yield as much as they were expected to yield, and supposing there was a deficiency, how would it be met in that case?—I think it is impossible to say.

1915. By a loan, I suppose?—No, I think that no municipality could practically contract debt in ordinary circumstances without the previous approval and sanction of the Government.

1916. But still, once you say you know that that has been done?—That is so. I look upon that as an exception to the ordinary rule.

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1917. When was this loan at Surat contracted?—It is now several years past, I think.

1918. Before the decentralisation scheme was in operation?—That is so.

1919. Therefore you have no experience of what might be done under the decentralisation scheme?—I have none.

1920. In order to give people in India and in this country an idea as to the financial position of the various municipalities, is any security taken that with the local budgets there should also be published a statement of the indebtedness of the various municipalities?—No; but I should perhaps qualify this by the explanation, that a statement of the loans made by Government to municipalities has been made public for the last two or three years with the annual financial statement, which has been made in Calcutta.

1921. That I understand; but this annual financial statement which is intended to give a correct view, not only of the imperial finance of India, but is intended in future to give the people correct views of the local finance, will not contain any account of the indebtedness of the various municipalities, so far as their indebtedness has been incurred to private individuals, and not to the Government?—No, no provision has been made.

1922. Therefore without such a provision I think it must be obvious to you that it is impossible to obtain a correct view of the financial position of a municipality, because we cannot know to what extent that municipality is in debt?—That is so.

1923. Sir *D. Wedderburn*.] These municipal councils as at present constituted cannot be said to be in any way representative of those who contribute to the municipal funds, can they?—I think in Bombay in no respect, as the Act gives the Government power to nominate all the members.

1924. *Chairman*.] Can you give the Committee a general idea of the Acts that have been passed by the several local councils to give effect to the policy that was established in 1871?—I will take the Province of Oude, which comes first in order. In that province, Act No. 17 of 1871 was passed by the Governor General in Council. In the Provincial Services Scheme the amount that was left to be provided locally in Oude was 15,500 *l*. In order to meet this, and at the same time to provide funds for what were considered as much needed roads, the Chief Commissioner proposed in effect, that the existing cess on lands should be doubled. This intention was carried out by Act No. 17 of 1871, which gave power to impose a rate on the annual value of land of 1¼ per cent.

1925. Sir *C. Wingfield*.] In addition to what had been before imposed?—In addition to what existed before; 1¼ per cent. on the annual value is considered to be 2½ on the land revenue, making the total charge on land revenue about 5 per cent. The Act provided that the proceeds should go to a general provincial fund, from which assignments were to be made to districts of sums not less than the assessment on the lands of the district. It was provided that unexpended assignments should lapse at the end of the year to the general fund, and there was no provision made for the re-assignment of such balances to the districts in which they were raised. The Act will also be found to contain a provision for the annual publication of an abstract of the accounts. The objects upon which the funds were to be expended are, first, roads; secondly, schools; both school buildings and the maintenance of schools; and then hospitals, markets, tanks, and other works of utility calculated to promote the public health, comfort, or convenience.

1926. *Chairman*.] Is the power under this Act vested in the Chief Commissioner to levy this rate?—The Act provides that the Chief Commissioner may impose this rate upon every estate.

1927. Not exceeding the amount that you have specified?—Not exceeding the amount that I have named.

1928. Sir *C. Wingfield*.] It was double the former rate?—It is in effect double the former rate.

1929. *Chairman*.] And is he to assign the proceeds of this rate to be spent in particular districts?—The amount to be assigned to each district is not to be less than the sum raised from the district.

1930. But he has authority to constitute the district?—That is so.

1931. And is there to be any local authority established in the district to administer the fund when he has assigned it?—The Act directs that the Chief Commissioner shall appoint in each district a committee to consist of not less than six persons, which committee is to assist in determining how the funds shall be applied, and to supervise and control the expenditure. As to the composition of this committee, not less than one-half shall be persons who are not in the service of Government, and who must be resident or proprietors in the district.

1932. Mr. *Candlish*.] But not elected by the taxpayers?—No; appointed by the Chief Commissioner.

1933. *Chairman*.] Have you anything further to add in reference to this legislation for Oude?—In regard to the necessity for imposing fresh taxation on the land in Oude, I may quote the opinion of the Chief Commissioner, expressed in a letter addressed in February 1871, to the Government of India. In referring to the amount which it was proposed that Oude should make up in this arrangement, it was said, "It may be hoped that a portion may be met by a reduced expenditure. But after going through, with the Accountant General, the Budget estimates of the coming year, the Chief Commissioner has been forced to the conclusion, that but a small portion of the deficit can be met from this source, at any rate during the ensuing year. Whatever the surplus eventually be, the most legitimate [illegible] the most profitable channel in which [illegible] divert it will be communications. What [illegible] most urgently wants, and what local officers [illegible] ported by their landholders, most frequently [illegible] on the local government are roads. In a fertile grain producing country like Oude, each facility added to the transit of its produce is a direct addition to its wealth, and an enormous benefit to less productive provinces. To meet this demand for roads, the local funds are completely overstrained; already landholders have proposed certain lines of road which, so soon as funds permit, it is intended to carry out. And the Chief Commissioner has determined to devote the greater portion of such surplus as is available from the proceeds of the new rate, to measures of improvement which, to double or treble the extent which is

is now possible, will at once yield the most direct return, and will most benefit other provinces." On the question as to whether the additional taxation which was considered necessary should be thrown upon the land, that view was supported by special considerations. In illustration of this, in a report of the proceedings of the Governor General in Council in the legislative department, in considering this Oude Local Rates Bill, I find this representation of the rapid improvement of the annual value of landed property. It is said, "In the Bulandshahar district of the North Western Provinces, settlement operations have been in progress for some time past. About five years ago the assessment was completed, the proper amount of the land revenue was determined to be 123,000 *l.* a year. The Lieutenant Governor subsequently ordered a special inquiry to be made, and the conclusion arrived at by Sir William Muir, than whom there can be no higher authority, is that, although the sum of 123,000 *l.* really represented only five years ago, an amount equal to 50 per cent. of the rental, so great and so rapid has been the increase in the value of landed property, that it is now equal to only about 35 per cent. In other words, the annual rental of the private proprietors has increased 15 per cent. in five years." "This," it is said, "is a good example of the process going on over almost the whole of India. We have spent, and are spending millions of money on canals, and roads, and railways. Other branches of industry have doubtless benefited, but no industry has derived from this vast outlay anything like the benefit which has been derived by the proprietors and occupants of the land. By the extension of canals, by the improvement of railway and other communications, and the opening out of new and profitable markets, an enormous increase has taken place in the value of agricultural produce, and the additional value which has been given to the land, has been given at the expense of the State, without the expenditure of any capital or labour on the part of the proprietors of the land. Such facts as these show in my opinion conclusively, that the land ought to bear the main portion of the charges which have to be incurred for further extensions of roads and similar improvements. In throwing such charges upon the land, we are not really imposing on the land a fresh burden. We are only recovering the cost of a small portion of the vast benefit which we have conferred upon the land."

1934. Mr. *J. B. Smith.*] What is that document which you have been reading from?—This is from a speech made in the Governor General's Council by Mr. Strachey, on the 10th of March 1871. This additional cess was estimated to produce 32,000 *l.* The result in the year 1871–72 has been greater; it is between 36,000 *l.* and 37,000 *l.* that has been actually realised. That is all I have to say in regard to Oude, except that, as was mentioned the other day, in towns, owing to the addition of piece goods and metals to the articles liable to town duties there has been a considerable increase in the octroi duty, these articles returning about one-sixth of the whole.

1935. *Chairman.*] There is no Act for the Central Provinces, I think?—No. In the Central Provinces the amount to be made up is 19,600 *l.* The Chief Commissioner entertained a strong objection to putting any additional charge upon the land, which is expressed in these terms, "Colonel Keatinge would earnestly deprecate raising the funds required by an increase to the road cess, both as a matter of principle and on the score of expediency." "Colonel Keatinge accepts fully the conclusions announced by the Government of India that cesses are separate from, and additional to, the land tax, that the limitation of the Government demand on the latter does not preclude the after-imposition of the former, and this, whether the person to be rated had or had not notice of their liability. But the case of these provinces is that we have assessed the cesses, we have limited our right to raise them for the term of settlement, and have discounted the 'obligation attaching both by reason and custom to the owners and occupiers of land,' to keep up internal communication." And on the score of expediency the Chief Commissioner notices that "he finds there has been of late a considerable emigration from the Nagpore Province into the Berars and perhaps into the Hyderabad State proper. This of itself points to the necessity for staying our hands. It may be that advantages of more remunerative employment or of prices, are the inducement which take people to Berar, and not the weight of the Central Provinces taxation, and this indeed is Colonel Keatinge's own view; but be the cause what it may, the fact remains that there is emigration, and that, situated as these Provinces are, loss of population is loss of resource of every kind."

1936. Sir *C. Wingfield.*] Are you acquainted with a minute by Sir William Muir, in which he dissented from the principle of treating cesses as liable to increase, while the Government demand was fixed?—No, I am not.

1937. *Chairman.*] What was the result of this communication that you have read?—The Chief Commissioner desired to rely mainly on the Pandharee tax existing in those Provinces to meet the deficiency; and when the minimum limit of incomes liable to income tax was raised from 500 to 750 rupees, the Pandharee tax was made applicable to incomes within those limits that were not derived from agricultural sources. At the same time he proposed to raise 5,000 *l.* by tolls on the northern and eastern roads. These tolls in 1871–2 did not produce this amount; they produced only 3,840 *l.* And in other respects this part of his arrangements was not considered successful; the damage done to the roads by the carts using them was found to be greater than the amount of toll that they paid. This is owing to the very peculiar description of narrow wheeled cart which is in use in a part of that Province. As expressing the Chief Commissioner's view as to the position which this Province occupies at the present time, I might perhaps put in an extract from a portion of the Administration Report for 1871–72, which will probably shortly be received. He says, "The only fear is for the future. The departments which have been completely provincialised; gaols, police, education, public works, are amongst those in which increase of expenditure is almost certain to become necessary as population increases, and the country generally progresses. The plan of making over to provincial governments allotments fixed once and for all for the support and maintenance of these departments, makes it incumbent on provincial governments to provide the funds required to satisfy the greater demands of the future. This can only be done by new taxation unles

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unless there are provincial taxes already existing, the revenue from which admits of natural expansion. In the Central Provinces the only provincial tax is the Pandhri, and it is impossible to look upon it as such a tax. There are then difficulties ahead which cannot be ignored. But it may be thought that the present attempt at decentralising the financial administration of the Empire, so as to give local governments a greater interest in the development of the resources of the country has only been an experiment which, if successful, will be followed by a greater measure that will allow to local governments a share in the natural increase of revenue derived from those sources which have as yet been reserved as purely imperial. Some move in this direction seems almost necessary to the proper development of the system which has been introduced, for if it were to stop short at the point it has at present reached, it would be wanting in completeness, and we would be resting content with a half result."

1938. Does it not strike you as a remarkable circumstance that the Government of India having declared its inability to levy the income tax below the very large limit of 100 *l.* a year has re-arranged the finances so as to impose upon the Commissioner of the Central Provinces the duty of levying an income tax upon people with 10 *l.* a year?—It seems to have grown out of the previously existing state of things in these provinces, in which the people had been accustomed to a tax, or duty, which very nearly resembled an income tax, and which had from time immemorial been applicable to incomes of the very lowest class.

1939. But then if that were so, what truth was there in the representation that it was impossible in India to levy the income tax upon people with small incomes?—It appears to have been a very much easier thing to do so in this province, than possibly it might be in other provinces.

1940. But as I understand that extract which you have read, that which was an exception, and which might have been removed in order to relieve the inhabitants of this province of a severe taxation, to which no other people of India were liable, has now been made by the Government of India a necessity, and the only resource by which this policy is to be carried out, and therefore instead of their being relieved of taxes and placed on the same level with the other inhabitants of India, it is now made absolutely necessary; it is striking, is it not?—It is.

1941. Mr. *Bourke.*] Is the machinery for collecting the income tax under the local administrators the same as the machinery used for collecting the income tax under Imperial assessment?—I think that the machinery for the collection of the income tax varies so considerably in the different provinces of India, that one can hardly make that comparison; but it would be much the same.

1942. *Chairman.*] What has been done in British Burmah to carry out the policy of 1871?—In British Burmah the position is this, that in the general scheme of the 14th of December 1870, the amount that fell to this province to contribute was 19,199 *l.*; but this amount was remitted by the Government of India, without however any increase being made to the burden thrown on other provinces. No fresh taxation of any kind has occured in British Burmah.

1943. Why was British Burmah exempted from making its contribution?—It appears to have been done on consideration of the somewhat special position of this province. The Province of Burmah is a young and growing province which has contributed more to the general revenues, in proportion to its population, than any other, while at the same time the charges for civil establishments have been kept very low, and the funds assigned for education have been trifling. In consideration of these circumstances, the Chief Commissioner has urged upon the Government of India that the system of assignments should in the case of this province be so modified that it should receive back a portion of its increasing revenues, or, if this was impracticable, that some relief from taxation should be given to the population. The form of relief which it was suggested should be given was that the normal rate of the capitation tax, which in 1860 was raised from being four rupees for married, and two rupees for unmarried men, to five rupees and 2½ rupees, should be reduced in the case of married men to four rupees. It was further suggested that agriculturists cultivating more than 10 acres of land should be exempted from the capitation tax. There has thus been no additional taxation in British Burmah; but in respect of municipal taxation the Chief Commissioner contemplates the imposition of a municipal tax principally, as it would seem from his explanations, in respect of the towns of Rangoon and Akyab.

1944. Those are largely frequented by Europeans for general commerce?—That is so.

1945. Will you state what has been done in carrying out the arrangements of 1871 with regard to Bengal?—There the sum to be made good in connection with the measure of 1871 is 87,591 *l.* The measure which has been adopted in this province is embodied in Act No. 10 of 1871, the District Road Cess Act. The general character of the provisions of this Act is as follows: All land is held liable to the cess. The limit of taxation fixed by the Act is 3⅛th per cent on the annual value which is explained to be the cultivator's rent. Of this cess one-half is to be paid by the occupier, but the holder is held in the first instance to be liable for the entire amount.

1946. Mr. *Fawcett.*] What is the meaning of "holder"?—The use of the term "landlord" is avoided, and it is "landholder."

1947. It very often takes place in Bengal that the land is sublet four or five times; whom do they mean by the holder, the original owner, or the person who occupies it?—The procedure for distributing this charge in the Act is somewhat elaborate.

1948. And very complicated?—Somewhat complicated. In regard to the application of the funds arising from it, they are to be applicable to the construction and maintenance of roads, bridges, and canals, but excluding canals for irrigation; the amount is to be spent in the district, and is to be administered by a local body. Measures have been taken for introducing the Act into 19 districts, with a population of about 29,000,000, for 1873–74; it is estimated that if fully enforced at maximum rates the yield will be 170,000 *l.*

1949. *Chairman.*] Have you ascertained in whom the power of fixing the exact amount to be levied is vested?—The assessment depends very

very much upon the valuation, which the Act provides shall be made by the collector.

1950. Is the rate a varying rate, and if so, who directs the amount of the rate?—As to collection, the amount is to be paid with the revenue.

1951. But is the amount a fixed rate under this Act, without reference to circumstances; is it to be absolutely fixed, or is it to be varied with the circumstances?—The local body to administer the funds raised under the Act is to determine the work to be undertaken, and to strike a rate for the year to meet the necessary expenditure on the whole immovable property of the district.

1952. And how are these local bodies to be constituted; do you find in the Act that the Lieutenant Governor is either to appoint them or to cause them to be elected under such rules in reference to qualification as he may prescribe, for a period not exceeding two years?—Yes.

1953. And that in addition to any members elected or appointed, the Governor shall have power to direct any persons holding particular offices to be *ex officio* members?—Yes, that is the case.

1954. Is this expenditure exclusively confined to the making of roads under this Act?—Communications; roads, bridges, and canals.

1955. Is there any other mode of assessment than an assessment of land; does it include houses as well?—It applies to all immovable property, houses, mines, and land. There are special provisions in the Act.

1956. But is there a special schedule of taxation for houses?—Yes.

1957. "Dwelling houses not less than 100 rupees but less than 500, to pay a yearly cess of 1 rupee; not less than 500 but less than 1,000 rupees, to pay 3 rupees; not less than 1,000 rupees but less than 2,000, to pay *Rs.* 4. 8.; 2,000 rupees and upwards to pay 3 rupees for every 1,000 rupees or part thereof of estimated present value; shops and buildings used for purposes of trade, whose estimated present value is more than 25 rupees and less than 100 rupees, to pay a yearly tax of 1 rupee;" is that the scheme of taxation for houses?—Yes.

1958. Do you know whether anything has been done under that Act?—Measures have been taken to proceed with the valuation, and the preliminaries necessary for the assessment are not yet completed. It is estimated that perhaps 6 lacs of rupees may be collected under the Act during the latter half of the year 1873–74, and that the expense of collection falling due may be about 2 lacs of rupees; that high rate being of course in consequence of the expenses of the preliminary valuations.

1959. But have you an estimate there of the prospective amount for the whole year?—It is estimated that the Act if fully in force at the maximum rates, would yield 170,000 *l.*; that is in 19 districts of the Province to which it is to be made applicable in the coming year.

1960. Has any attempt been made to levy an additional tax in the towns?—The Lieutenant Governor of Bengal desired to throw upon the municipalities the obligation to make and maintain district roads passing through their boundaries, and he also desired to connect with municipal institutions measures for the spread of education, and advantage seems to have been taken of the occasion to consolidate the whole legislation relating to municipalities in Bengal. This intention was embodied in an Act which was passed by the Legislative Council of the Lieutenant Governor, under which municipalities were to be authorised to spend municipal funds in the support in part of superior schools, and power was taken for compelling them to aid elementary vernacular schools. The Bill also provided for the creation of municipalities in rural districts. This Act did not take effect, having been disallowed by the Governor General. The main reason assigned by the Viceroy in refusing his assent to this Bill, was the increase in municipal taxation which it involved.

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1961. What was the nature of that municipal taxation to be levied under the Act?—I think that it is perhaps not very easy to say. As far as I am enabled to judge, it does not really confer powers of taxation which could not have been exercised independently of it, but the whole scope of the Bill seemed to involve the necessity for an increase of taxation.

1962. It was not that new taxes are specifically levied under the Act, but that the services to be performed under the Act would hence require an addition to the existing scheme of taxation?—That appears to me to have been the view of the Governor General.

1963. Mr. *Fawcett.*] In Mr. Campbell's Municipal Act, which has just been vetoed, there is a long schedule of taxes that might be imposed, is there not?—Yes, but it seems to me, notwithstanding that these provisions were rather for the legalisation and the regulation of taxes which might have been imposed under previously existing Acts. The Viceroy's disapproval of the Act was also directed to the powers conferred by the Bill on the Government to compel municipalities to aid elementary education, and further to the application of municipal funds to the relief of the poor. Doubt was also expressed as to the policy of some other provisions of the Bill.

1964. *Chairman.*] Will you state what has been done in the North Western Provinces with reference to the arrangements for carrying out the policy of 1871?—In these provinces in the arrangement of 1871, the sum of 48,030 *l.* was left to be made up from local sources; but the Lieutenant Governor in consideration that the expenditure during the past year had been extremely reduced, owing to financial pressure; and that an increase was necessary beyond the amount forming the basis of that calculation to the extent of about 56,000 *l.*, of which the greater part was considered necessary for public works, namely, 20,000 *l.* on roads, and 30,000 *l.* on civil buildings, estimated the sum that had to be provided at 102,000 *l.* I have already mentioned, that in the recent revision of the settlement in the North Western Provinces, a cess of 10 per cent. on the land revenue was imposed in lieu of several cesses previously in force; but this had only been done in the case of each district as it came up for detailed re-settlement, a process that might occupy a very long time before it was fully carried out. It was then decided to extend the new cess to all districts whose term of settlement had expired, without waiting for the re-settlement in detail. The increase expected from this source was 60,000 *l.*

1965. Was that a 5 per cent. increase?—That is so. Then there remained the permanently settled districts which it was considered ought to contribute their proportion to what was required

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for this purpose. An acreage cess of two annas on the acre was imposed.

1966. Mr. *Fawcett.*] Upon whom?—The rate was to be payable by the landlord, who is authorised under the Act to recover from the tenants one-half of the rate assessed on the land.

1967. *Chairman.*] With regard to the estates the settlement of which has not expired, has the Governor a special power to fix any particular tax upon them in the cess?—No, the settlement has expired in every district but one, the district of Banda; it will not expire there until next year. This acreage rate was considered to be a light charge, the average value of the land being taken, as I understand, at 3 rupees an acre.

1968. In what manner was this cess to be expended under the Act?—For the following purposes: construction and maintenance of roads and communications, maintenance of police and district post, the construction of school-houses and maintenance of schools, the construction and maintenance of hospitals, dispensaries, lunatic asylums, markets, wells and tanks, and generally for local works likely to promote the health, comfort, or convenience of the people.

1969. At whose discretion was the cess to be so applied; is it not the Lieutenant Governor, under Clause 10?—The Lieutenant Governor may assign an amount to the district, and no work can be undertaken without his sanction; and if the money assigned is not expended, it goes back into the general fund, and is not necessarily re-assigned to the same district.

1970. Is there any limit on his discretion as to assigning the amount to each district?—The Lieutenant Governor is required under the Act to assign to each district an amount which shall not be less than the total sum levied under this Act in such district.

1971. Then by whom is the expenditure to be regulated; by a local committee, is it not?—The Lieutent Governor is required to appoint in each district a committee to consist of not less than six persons, who are entrusted with the duty of determining how the amount raised under the Act shall be applied, and supervising and controlling the amount. The functions and authority of this committee are to be defined from time to time by the Lieutenant Governor.

1972. Will you state what arrangement was made in the Punjaub for carrying out the arrangements of 1871?—In this province the amount to be made up under the scheme of 1871 was 39,000 *l.* The local government appear to have considered that in addition to this a further sum was required for public works than would be available from existing resources, and that it would be necessary to authorise local taxation to meet a deficiency of 62,427 *l.* To provide for this and for further requirements in communications and for the execution of civil buildings, Act 20 of 1871 was passed. This Act imposes a cess of $3\frac{1}{8}$th per cent. on the annual value of land, such cess to be divided equitably between the landlord and tenant. This cess was in addition to those previously existing; but where the road cess of 1 per cent. had been raised to 2 per cent. under a revised settlement, the local government remitted the addition. Allowing for this circumstance, the net produce of the Act was estimated to amount to 110,000 *l.* The general conditions are similar to those in the other provinces.

1973. Has anything been done under this Act, do you know; have you got an estimate of what was raised under this Act, and also under the Act for the North West Provinces?—In the North West Provinces the new local cess under the Act for those provinces has produced in 1871-72 the sum of 300,256 *l.*, the acreage cess 28,805 *l.* In the Punjaub the produce of this cess, which I stated just now was estimated at 110,000 *l.* in the year 1871-72 proved to be 118,062 *l.* It was even closer to the estimate, for the 110,000 *l.* was the net produce, and the 118,000 *l.* gross.

1974. What has been done to carry out the arrangement of 1871 at Madras?—In this province the amount to be made up under the arrangement of 1871 is 55,428 *l.* This was met by the Act of the Madras Government, No. 4 of 1871, under which a rate of 1 anna in the rupee, or $6\frac{1}{4}$ per cent. on the annual rent value of land was provided. The rate was estimated to produce 342,800 *l.* It supersedes the road and educational cess of which mention has been already made, and which produced 197,106 *l.*, the difference being about 145,000 *l.* The same Act, the Local Funds Act, No. 4 of 1871, authorised a house tax, but only where a school with a grant in aid exists. It also authorises tolls on animals and carriages.

1975. Will you be good enough to state the nature of the house tax?—The tax on houses is divided into classes. For the purposes of this Act, houses are classed under five divisions, the first class being subject to a tax of 5 rupees a year; the second being subject to 3 rupees; the third to 2 rupees; the fourth, 1 rupee; the fifth to half a rupee; and the sixth to a quarter of a rupee. Those are maximum rates.

1976. Do you know how the houses are classified?—No.

1977. Is there any other tax imposed by this Act?—In addition to the tax on land and houses, the Act authorises the levy of tolls.

1978. On what principle are the tolls to be levied; if you have the schedule there, perhaps you will read it?—Tolls under the Act may be levied upon carriages, carts, or animals passing along the road within the circle, at rates which are not to exceed the rates which are scheduled; four-wheeled carriages, 8 annas; two-wheeled carriages, 4 annas; jatka, hackery on springs, or cart drawn by men, buffaloes, bullocks, horses, ponies, asses, or mules, laden, 4 annas; if not laden, 2 annas; buffalo or bullock laden, 1 anna; an elephant, 1 rupee; and a camel, 4 annas.

1979. Is this in the year?—On each occasion, I should understand.

1980. On each occasion of entering Madras?—I should understand so; they are maximum ra[illegible] you observe.

1981. Was there any other Act passed wi[illegible] reference to local taxation at Madras?—There was one in connection with this, namely, the Madras Towns' Improvement Act, No. 3 of 1871; and in regard to the Madras municipality, I should mention the extension of the objects that may be charged to municipal funds, authorised by Act No. 5 of 1871.

1982. This Act applies to the municipalities?—Yes; Act No. 5 to the Madras municipality; Act No. 3 to the smaller towns.

1983. And the other Act applies to taxes through the Presidency?—Yes; Act No. 4, the Madras Local Funds' Act, is of general application throughout the Presidency.

1984. Do

1984. Do you know whether, under this Act, the taxes levied in each district are to be spent within the district?—Yes, that is so.

1985. What has been done in the Bombay Presidency in consequence of the arrangements of 1871?—In the Bombay Presidency there is no taxation at present which was not paid in 1870-71. In the arrangements of 1871 the amount of deficiency in the allotment was 65,965 *l.* To meet this deficiency, Act No. 2 of 1871, was passed.

1986. What is the taxation imposed by that Act?—The object was to impose duties upon the non-agricultural classes in the Bombay Presidency. The City of Bombay was exempted from the operation of the tax, but, at the same time, the grant for police charges was withdrawn by the Government, throwing that amount of charge, about 10,000 *l.*, upon the municipality. Also persons paying cess on the land revenue were exempted. After allowing these exemptions, every person being the head of a household, or occupier of a separate tenement, was to be assessed in one of three classes. The first class was to pay an amount not to exceed 6 rupees; the second class not to exceed three rupees; and the third class not to exceed 1½ rupees, under rules which the Act empowered the local government to make.

1987. Mr. *Fawcett.*] Is this Act still in operation?—It is not. The tax was levied in the year 1871-72, but in the current year, the year 1872-73, action was stayed, and I understand that the Government of Bombay has given directions that no estimate in the provincial budget for 1873-74 shall be made as regards the non-agricultural cess.

1988. *Chairman.*] How do people get into these classes?—It will not be found in the Act, but in the rules passed by the Government under the authority of the Act. First, as to the classification, under the rules, the first class is to include all persons where the gross annual income, however derived, shall amount to 500 rupees. Class 2 includes all those whose incomes are between 100 and 500; and Class 3 all whose incomes, however derived, shall not amount to 100 rupees. The maximum assessment authorised by this Act, No. 2 of 1871, was not fully enforced. In place of that classification, a somewhat modified arrangement was put in force, by which incomes exceeding 500 rupees paid 6 rupees; incomes from 250 to 500, 3 rupees; from 100 to 250, 1½ rupees; and incomes between 50 and 100 rupees, half a rupee.

1989. And under 100 were they exempted?—Under 50.

1990. Have you any estimate of the amount that this tax produced?—The total amount collected in the year 1871–72 was 53,509 *l.*, of which I may notice that the second class yielded the largest amount.

1991. Then here we have again an instance of an income tax being levied to make up this amount on the very classes that are exempted from the general income tax levied by the Government of India?—That is so.

1992. Then it seems that the effect of this scheme of finance is this, that the Governor General of India relieves himself of the duty and responsibility of collecting this 350,000 *l.* of taxes, and to accomplish that, he has subjected every person almost throughout India to a readjustment of taxation, whether landowner or professional man, or occupier, or living in any other way?—The Governor General threw upon the local governments of India the duty of readjusting the burden of taxation to that extent.

1993. That duty seems to have driven the local governments to disturb the taxation of every individual throughout India who could be laid hold of to pay any kind of tax?—Not throughout India; the action of the local governments having been different in different provinces.

1994. But still everybody seems in some way or other to have had his taxation disturbed?—In the case of two provinces, smaller provinces it is true, there is no alteration.

1995. Burmah, which is one of those cases, is not really part of India?—No, but the Central Provinces are.

1996. Mr. *Fawcett.*] The Chief Commissioner referred, did he not, to people migrating from the Central Provinces under British rule into a native state, Hyderabad?—Yes, to the assigned districts.

1997. In those assigned districts of course they would not be subjected to all these new taxes, with which the people of India have been threatened?—These assigned districts are under the British administration.

1998. But the decentralisation scheme, for instance, does not apply to them?—No it does not apply to them.

1999. Therefore I am correct in saying that they migrate to a district where they are not threatened with all the new taxes which have been threatened by this decentralisation scheme on the rest of India?—The reason for migration is considered to be for the purpose of obtaining remunerative employment.

2000. But how does it come to pass if India has so much profited by British rule, that employment is more remunerative in those districts which are not subjected to our fiscal system?—In that particular part of India, the most remunerative agricultural employment is that connected with the cultivation of cotton, and the people will naturally go to those parts where the soil is best suited for that cultivation; but in addition to that, I apprehend that employment in mining or special large works in progress, may account for part of this emigration.

2001. But can you quote any opinion to show that the natural resources of these assigned districts to which you say the people are migrating, are greater than those of the districts from which they are migrating?—I have mentioned already the opinion of the Chief Commissioner of the Central Provinces, to which I may again refer. This was the expression of the Chief Commissioner: "It may be that advantages of more remunerative employment or of prices are the inducement which take people to Berar, and not the weight of the Central Provinces taxation; and this indeed is Colonel Keatinge's own view."

2002. But it does not say in that document, as far as I can ascertain from you, and you do not hold the opinion, that that remunerative employment which is referred to in the quotation which you have just read, depends upon those districts to which the migration takes place possessing superior natural resources?—No, I do not think that I can give an opinion upon that point.

2003. It may be quite compatible with the idea that the employment is more remunerative, because industry in those districts is not threat-

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ened and harassed by all these new fiscal schemes and all this new taxation?—I think that there is no reason for assigning the fact to that cause.

2004. But the fact takes place without any explanation of it, except that the position of the labourer is better in those districts than it is in the provinces which are more directly under our Government?—It has obviously excited the apprehension of the Chief Commissioner that there may be causes connected with the system of taxation in the Nagpore province, which may possibly be considered to have led to this emigration.

2005. But still the migration is a fact which cannot be disputed; it is admitted there?—It seems to be admitted.

2006. But what is going on at the place that you describe, or that is described by the Commissioner, is going on, is it not, in many other parts of India?—No, I think not.

2007. Can you state that positively, I mean to ask whether it is an impression, or have you looked into the matter?—I am quite aware of a very large influx of population that is constantly occurring from the native states in the neighbourhood of our possessions in British Burmah, where there is a constant accession to the popution from immigration.

2008. But that case that you have mentioned affords a very striking corroboration of the point which I was wishing to bring out, because you remember that you have already referred to the fact that in British Burmah no new taxation has been imposed, in consequence of the decentralisation scheme?—That is so; but at the same time I have also stated that the weight of taxation in British Burmah exceeds that of any other province under the British Government.

2009. But that is not the point; the rest of India now, in consequence of this decentralisation scheme, is threatened with a vague amount of an indefinite taxation, which it is impossible for any one to measure; and although the actual amount of taxation imposed in Burmah may be as great or greater than it is in other parts of India, Burmah is really more favourably situated if this threatened increase of taxation does not hang over her; is not that the case?—I do not perceive that Burmah has any immunity from the prospect of future burdens in comparison with any other province.

2010. But no new taxation has been imposed upon Burmah up to the present time?—No.

2011. But in other parts of India, as you admitted last time under this scheme of local taxation, there is not a single article of food or a single article of clothing, or a single commodity, which is of human use, which may not be subjected to taxation?—That is so with regard to commodities for use in towns.

2012. You are aware that certain reports were published some years ago from some of the leading officials in India, in which they described, did they not, that considerable migration was going on from some parts of India into native states?—Yes, but I do not think I can follow the subject out.

2013. You would rather not express an opinion whether that migration has discontinued, or whether it has been the case in the central provinces it has increased?—I do not know as a fact.

2014. Could you give a list of the new taxes that were scheduled in the Municipal Bill of Mr. George Campbell, which Lord Northbrook has just vetoed?—I will furnish that.

2015. This non-agricultural cess which has been imposed in Bombay you admit to be in the nature of an income tax; it is a tax really levied on incomes?—It is so.

2016. At the very time when the Central Government of India was taking great credit to itself for remitting the tax on all incomes of less than 75 *l.* a year, and afterwards 100 *l.* a year, they were allowing the local authorities to impose an income tax in Bombay on incomes as low as 5 *l.* a year?—Yes; but the weight of this tax was smaller than the general tax which was being levied at the same time.

2017. But as I understand, 1½ rupees can be taken from incomes of the third class, and in the first instance no lower limit was placed to those incomes, therefore you might have had a tax of 1½ rupees taken from an income of 20 rupees a year, and if that had been the case, that would have been an income tax of no less than 7½ per cent., which is as high an income tax as ever was imposed by the Government of India in India?—That is so as the law left the point, but that is not so under the rules of the Government, framed under the authority of the Act for carrying out the purposes of the Act.

2018. But now 1½ rupees is levied or can be levied according to the Act from an income of 50 rupees a year, and that represents an income tax of 3 per cent., which is about equal to the rate of income tax which is now imposed by the Government of India?—But this rate never was imposed.

2019. But if it never was imposed, is not a gratuitous amount of mischief done to the people of India if they are wantonly, as it were, threatened with onerous taxation which is never imposed upon them; would it not produce alarm?—It is certainly the case that the law provided for the imposition of a tax at a higher rate than was eventually levied.

2020. Then this Act has simply been suspended, it has not been repealed, and therefore a labourer, say in Bombay, who is only earning 2 rupees a month, feels that some day, or indeed at any moment, he may have, according to the existing law, an income tax imposed upon him of 3 per cent.?—It is true that the Act has not been repealed.

2021. It is as if an Act was allowed to continue in operation in England which told every agricultural labourer, or the poorest man in the country, that at any moment he may be liable to an income tax of something like 8 *d.* in the £.?—That liability exists.

2022. Now you admit that, with regard to these cesses, the utmost amount of complexity is involved in their levying, do you not?—That may be so, but there is not unnecessary complexity. The Act that proposed to deal with these questions dealt with a large variety of subjects, and required, no doubt, very complex arrangements.

2023. Now, with regard to the cultivators in Bengal, a cess has been imposed, one-half of which is levied upon the cultivator and one-half is levied upon the holder?—That is so.

2024. And then there is a provision in the Act saying that the holder shall not recoup himself at the expense of the cultivator for the cess that is imposed upon him?—I think it is the other

other way, that the holder shall recoup himself, to a limited extent, a limited proportion.

2025. Is that proportion defined?—One-half.

2026. Then, if that is the case, it comes to just the same thing as if three-fourths of the cess was levied upon the cultivator, and one quarter upon the holder, does it not?—No; the holder is liable for the whole, and is empowered to recover one-half from those who may hold under him.

2027. But then would it not be more simple at once to levy it direct from those from whom it can be recovered; what has been the object of that arrangement?—I presume facility in the realisation. It arises from the principle having been adopted of determining the full amount to be assessed upon the land, and then proceeding to distribute it between the different interests in the land.

2028. You have referred to an opinion which has been expressed by the Commissioner of the Central Provinces, and to other high authorities, who state very positively their belief that the amount spent locally will increase, and therefore a greater amount will in future have to be provided by local taxation?—That is the opinion of some of the officers at the head of the local administrations.

2029. And, therefore, if that is the case, one of two things must occur, either more and more articles must be made liable to taxation, or the rates at which the cesses are imposed must be increased?—It is not confined to those alternatives; the suggestion on the part of officers who have held this view and expressed themselves in this way is, that further contributions should be made in some shape from the future increase of the general revenue.

2030. That supposes that there will be an increase in the Imperial revenue which can be spared?—It does, of course.

2031. But it loses sight of this fact, that there are quite as many, or as I should venture to say, a great many more, causes in operation which are likely to increase the imperial expenditure then there are to increase the imperial revenue?—Not that, I think; it supposes an ordinary growth of imperial revenue. If the cost of the principal civil establishments is thrown upon local resources, what remains as imperial is the interest on the debt, which should not increase from the causes to which you refer; and the expenditure on the army, which is not necessarily a growing one.

2032. But the very same causes which increase local expenditure would operate powerfully, would they not, to increase the expenditure of the army, namely, through all materials and [illegible]ges becoming dearer in India?—No doubt, so [illegible] as that cause operates.

2033. That will be the case with reference to every item of expenditure, except the interest on the debt?—That is a very important one.

2034. How much do you estimate the interest of the debt at, roughly; the debt represents about 100 millions, does it not?—The interest may be taken at about 5,000,000*l*.

2035. That is only about 10 per cent. of the whole expenditure?—Yes.

2036. Therefore, without discussing the theoretical point, this increase in local expenditure, which many high authorities in India anticipate, will have to be provided for either by local taxation or by imperial funds; and if it is provided for by loca taxation, many fresh articles which are not now taxed must be taxed, or the existing cesses on the land must be increased?—It must be met from one of those two sources, or by burdens on some other interest.

2037. Sir *D. Wedderburn.*] With regard to those questions which you were asked about the emigration from the Central Provinces into Berar, I should like to ask if your attention has been called to a statement in this Report on the Moral and Material Progress of India, lately presented to the House, that "For some years past the population of the Nagpore and Bandara districts have been migrating in considerable numbers to the province of Berar, a rough census taken in 1870 showing, that since November 1866 their numbers had decreased by 35,000, or about 9 per cent., while Berar was under native rule the contrary was the case, and it is only since that province came under British management, and especially since the cotton crisis led to a development of its great resources, and to an enormous increase of cultivation, that the people have gradually been returning to their own country?"—My attention has not been drawn to that; and it seems to have a very important bearing on the point.

2038. It goes on to say that, "Other causes moreover have of late years given an impulse to the movement. A succession of bad harvests raised the price of food; the completion of the Nagpore Railway, and the slackening of road works, led to a smaller demand for labour." And then further on it says, "The good harvest of the year under review, on the other hand, had the effect of bringing back many of the labouring class, and when the Report closed, it appeared that emigration to any considerable extent had ceased"?—My attention has not been drawn to that; I was speaking merely from the information derived from the Central Provinces, the account which you have read, has been probably given by the officer entrusted with the administration of the Berar districts. The Chief Commissioner of Nagpore is not the same officer that administers the Berar districts, which are under British management, and the Chief Commissioner of Nagpore writing from his point of view, observes that a number of people have emigrated from the districts under his jurisdiction to the neighbouring districts of Berar, which are also under British management, but are not within his jurisdiction; and finding this fact, he states what appears to him to be the reasons for it. From the explanation which we have just heard, it would seem to be the view of the officer who administers the assigned districts of Berar, that this emigration is in fact a return of the population that originally belonged to the Berar districts to their own homes, in consequence of the transfer of Berar from native to British administration.

2039. You said, in answer to a question just now, that you did not consider the municipal council in Bombay to be in any way representative of those who bear the municipal burthens; did you imply by that answer that in other cases they were to be considered as representative?—In some cases provision is made either for an election or for a permissive election; how far it has been acted upon I do not know; but in the Bombay Act it appeared that they who were appointed by the Government became the governing body. If appointed, I think, however independent of the Government they may be,

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they cannot be considered as in any true sense representative.

2040. And you are not aware whether in other cases they have been elected?—No, I am not personally aware of any real election. I believe that experiments have been made.

2041. Mr. *Beach*.] More than one-fourth of the amount required for educational purposes is collected by an educational cess, is it not?—I do not think that I could state the proportion immediately, without a comparison, of the produce of these cesses with the total outlay for education; but it is a very considerable proportion.

2042. It is the exact amount in the province of Oude?—Yes, in Oude the proportion is somewhat more than one-fourth.

2043. And not very different in the other provinces?—I see that it is not widely different in the Central Provinces and British Burmah.

2044. About half the amount required for the educational cess is allocated from the Imperial revenue, is it not?—The proportion is greater than you mention.

2045. Is about the same proportion observed in the other items of local expenditure?—I think it would be very difficult to make that comparison.

2046. Sir *C. Wingfield*.] I think you said, in answer to Question 1745, that in the North Western Provinces the rate of 3 per cent. in the rental, which is levied for the payment of the village accountants, does not appear in the local fund account; does it appear in the accounts, or does it not?—It does appear in the accounts in certain cases, where it is levied through the Government agency. The fact appears to be this: the village accountants' fund is raised by a cess of 3 per cent. on the rental; that is in the old settlements. In four districts, the districts of Benares, Bijnour, Ghazepore, and Moradabad, there is no cess, the matter being left to the landholders; in Kumaon it is otherwise provided for by what is called the Sadabart endowment; but where raised through the action of the Government, it does appear in the account.

2047. You are aware, I dare say, or you have heard, that the people if left to themselves would never think of raising a rate of 3 per cent. to remunerate these accountants?—I think it is very probable that they would provide for the service in some other way.

2048. And although this is said to be a service performed to the inhabitants and owners of the villages, and which the owners of the villages ought to be very ready to pay, for practically you know that the levy of the cess for the payment of these accounts is a highly unpopular thing, and that people do appreciate very highly the liberty that is allowed them in Oude, of providing what remuneration they please for that service?—That is not a point on which I have had opportunities of forming an opinion of my own.

Tuesday, 25th March 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Eastwick.
Sir George Balfour.	Sir James Elphinstone.
Mr. Campbell Bannerman.	Mr. Fawcett.
Sir Thomas Bazley.	Lord Edmond Fitzmaurice.
Mr. Beach.	Mr. Robert Fowler.
Mr. Bourke.	Mr. Hermon.
Mr. Candlish.	Mr. Lyttelton.
Mr. Cross.	Mr. John Benjamin Smith.
Mr. Dickinson.	Sir David Wedderburn.
Mr. Grant Duff.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Sir CHARLES JOHN WINGFIELD, K.C.S.I., C.B. (a Member of the Committee); Examined.

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2049. *Chairman.*] WHAT were the offices that you held in India?—Different offices in the Civil Service. The last office I held was that of Chief Commissioner of Oude.

2050. Will you explain to the Committee what steps were taken to impose local cesses in Oude?—Perhaps I had better state, first, the instructions which were given before the settlement was commenced for the levy of cesses in Oude. I will read two paragraphs of those instructions. They refer to the levy of the Government revenue and cesses. The first is this; "The average gross rental [of an estate] having been determined after careful consideration of the capabilities of the estate, both present and prospective, and after duly weighing the circumstances which may influence the value of the staple product of the district, the [Government] demand will be fixed at the proportion of 51¼ per cent. [of the rental] as hereafter explained." Then some instructions are given with regard to the police fund and the fund for the payment of village accountants, and it was decided that the Government should not interfere in any way with them, but that those functionaries should continue to be remunerated as they have been from time immemorial by the voluntary payments of the villagers. For the police the villagers were required to set aside [illegible]e acres of land besides their customary dues; [illegible]he reason which I gave then for not inter[illegible]g with the payment of the village accountants [illegible]s, that the substitution of a cash salary, is [illegible]xtremely distasteful to the people themselves, and that I would prefer to see the village accountants continue to be remunerated as they had been from time immemorial. Then with regard to the other funds, namely, the road, school, and district post (those were the only three remaining funds to be dealt with), the instructions were these: "There remain the road, school and district post funds. Of these the road fund only has as yet been levied in Oude;" that is, under the temporary settlement made on the occupation of the province. "The levy of any cesses in addition to the Government demand proper is viewed with great suspicion by the people, who regard them as exactions to which no limit can be assigned, and by far the preferable course, in the Chief Commissioner's opinion, is to include all cesses in the Government demand, and to set aside, from the general revenues thus raised, a fixed proportion for specific objects. The people greatly prefer this course, as they then consider that the State, by devoting a portion of its revenue to the maintenance of institutions calculated to confer great public benefits, is performing its proper functions, towards which they should not be called on to contribute. The Chief Commissioner has therefore with the consent of the Government of India determined to fix the Government demand at 51¼ per cent. of the average gross rental, and of this sum 50 per cent. will be credited to the Imperial Government, and 1¼ per cent. will remain at the disposal of the local government, to be devoted to the purposes marginally noted." It should be stated 1¼ over and above the 50, because 1¼ on every 50 rupees of the Government revenue is 2½ per cent. Those were the instructions. Now my object was to give the proprietors of land security that their cesses would not be raised during the currency of the settlement, that is, for 30 years. When the assessment of an estate is fixed, a contract is drawn up, signed by the proprietors and by the Government officer, in which the terms are defined and the payment is fixed. Now, as the demand of the State was here fixed for 30 years, and the cesses were included in that demand, the cesses were also fixed for 30 years; and to raise them before the termination of the contract is, in my opinion, to modify the terms of that contract. I am aware that before the Act of 1871, which authorised the levy of 2½ per cent. additional from the proprietors of land, was passed, the consent of the talookdars (who are the great landed proprietors of Oude, like the zemindars of Bengal) to double the cesses, that is, to pay an additional cess of 2½ per cent., was obtained; but I also know very well that such consent is never voluntarily given. It is obtained through administrative influence, and it is given because they feel themselves helpless, and from the fear of provoking

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ing worse measures by resisting a request put to them in that way by the Chief Commissioner. And I also think that it is not a dignified thing for one party to a contract, and that the stronger party, to ask the other and weaker party to agree to a modification of the terms of the contract to his disadvantage; but, even assuming that the consent of the talookdars or great landowners was voluntarily given to the doubling of the cesses, still one-third of the soil of Oude is owned by peasant proprietors, and their consent was never asked; so that the terms of the contract were modified without the slightest reference to them, at the pleasure of the Government. Now, with regard to the views which I have stated with reference to the cesses, that the imposition of additional cesses after a settlement had been concluded, was excessively obnoxious to the people, who regarded it as a departure from engagements, they are views which many men of experience had been led to entertain by the mutinies; I for one. People who were fugitives during the mutinies, like myself, often heard many things which in other times would never have reached their ears, and I did know that the practice which had grown up in the upper provinces after the settlement, of getting the people by what was called their voluntary consent to pay an education cess, or some cess of that kind, which was not in their settlement engagements, was excessively unpopular, and was regarded as a breach of the contract entered into. I was so very much impressed with that, that I wished to give the landowners of Oude a security that the amount of cesses fixed at the settlement, should not be exceeded during the currency of that settlement.

2051. Did you make any remonstrance to the Government on this subject?—Yes, in England, long after I had left India. When I saw that this Act had passed, doubling the cesses, I extracted the passages which I have read to the Committee, and stated the views which I have now expressed to the Committee, and communicated them to the India Office. At this moment I cannot exactly recollect whether I sent it to the Secretary of State or to Sir Robert Montgomery, with a request that he would bring it before the council; one or the other I certainly did.

2052. Did you get any acknowledgment of the receipt of the paper?—No.

2053. Or do you know what has become of it?—No. That is all I have to say on the subject of the raising of the local cesses in Oude. There is one other point which I should like to refer to. In the examination of Mr. Harrison I said that the imposing of a road cess in Bombay after the settlement had been concluded, had been disapproved of by Sir Charles Wood, and declared by Sir John Lawrence to be a breach of faith. I took that from a Parliamentary Return, and I have referred to it now, and I find that it is a minute of Sir Frederick Halliday with regard to the imposition of local cesses on the landholders under the permanent settlement in Bengal. I am not going to refer to that question, but an argument had been drawn from the imposition of a cess in Bombay, and Sir Frederick Halliday meets that argument in this way. He refers to a cess in the district of Behar in which the zemindars voluntarily agreed at the time of the permanent settlement to pay a ½ per cent. for roads, and he also refers to the zemindars in Benares having been persuaded to agree to a special cess for education. He says, "In Madras no special cess is levied but by the voluntary act of the people. In all the other provinces named (but one) the cess is imposed," (he refers there to the road cess) "but only at the time of making the settlement, and never after it is made, as it is now proposed to do in Bengal. The knowledge that the cess is to be imposed, notoriously affects the amount of the Government share when the settlement bargain comes to be made, and whatever is taken from the zemindars is taken with their written consent. In Bombay, the only exception to this practice, the rule of making a cess before and not after the settlement, was very strictly prescribed by the Government of India and by the Secretary of State, Sir Charles Wood; and Sir John Lawrence went so far as to record his opinion that to levy under a cess after the settlement had been made (the very thing now proposed in Bengal), would be looked upon as a 'breach of faith.' Somehow or other, notwithstanding this, the Government of Bombay passed an Act last year, apparently, if not actually, in opposition to these pointed instructions." This minute was written May 1870, and therefore "last year" would be 1869. "It is the only part of India in which such a thing has been attempted, and it has not been long enough in operation to show whether the people there will fulfil Lord Lawrence's expectations by denouncing it as a breach of faith." Well, there have been many complaints of it. The Right honourable Chairman said the other day that the Bombay Act under which the settlement was being made, sanctioned the levy of this cess after the settlement.

2054. That it would sanction it?—The Act under which the settlement was made might have sanctioned the levy of a cess at the time of the settlement; but they apparently in Bombay had more than half concluded the settlement before they thought of levying this cess; then they thought that it was an omission, and they determined to levy it; and so they brought in this Act of 1869 to authorise the levy of it, although an engagement had been concluded under which the people were bound to pay only a certain sum for a term of years.

2055. You have made use of the expression that the settlement for 30 years is a contract between Government and the person on whom the assessment is made; but do you consider that that is a contract in the proper sense of the word "contract," or do you consider that it is the act of a Government regulating public impositions upon the individual taxpayer?—You take an engagement from him to pay that amount punctually, and so it is a contract on his p[art] because you hold him to it in this way: if a [land]owner complains that the calamities of the s[eason] have destroyed his crop, you do not let him [off] payment on that account; you say, "You a[re] bound for a term of years to pay this punctually, and you must make up the deficit of a bad season by the surplus of a good one."

2056. But is not the land assessment in India a branch of the public revenue levied on a particular form of property?—Yes; but the amount becomes a question of engagement and specific contract. The liability to pay some land revenue of course is not a matter of contract, but the amount is.

2057. Is not the amount prescribed by the Government Commissioner merely the amount of that particular tax fixed by the Government for a certain

a certain period; not a contract, but the execution of a public imposition?—It is so far regarded as a contract, that nobody has ever asserted that you can increase the demand fixed in the engagement.

2058. Is not the demand that is so fixed the limitation of the land revenue as a particular branch of revenue?—No doubt it is a limitation of the Government demand.

2059. But a limitation of the Government demand for a particular branch of the revenue, namely, the imposition upon the land for the purposes of the State generally?—Yes.

2060. Is not a road cess a different branch of revenue levied for another and a different purpose?—Yes; but in the case that I have given you of Oude, it is incorporated in the Government demand.

2061. Then do I rightly understand you that your view is that the Government have entered into an engagement on one side that there should be no kind of charge whatever on the land, and that they have on the other hand accepted any duty or responsibility to do anything in relation to the land; or do you consider that they are by that arrangement exempted, or rather almost prohibited from doing anything in relation to the land?—No; because in the case of the settlement of Oude they did fix the cesses for certain local purposes at the time of settlement.

2062. In that case their duty would be prescribed within the limits of the cess?—Yes.

2063. Then do you hold that they are not at liberty to perform any duty in relation to the land beyond the amount of that cess?—I certainly think that the maintenance of the public faith is of far more importance than getting additional funds for any purposes whatever.

2064. And is it your opinion that if there are no roads to enable the occupants or owners of the land to remove the surplus produce, the Government has put itself into such a position that by no contrivance can the inhabitants be relieved of that difficulty? — The Government advisedly thought that 2½ per cent. would provide all the roads that were needed for the wants of the districts; and it must be borne in mind that it was the act of the Government, by its decentralisation scheme, by which they reduced the grants to the local Governments on the aggregate by 350,000 *l.* and by 15,000 *l.* for Oude, which created a deficiency.

2065. But under the native Governments, was it the practice, in addition to the collection of the land revenue, if works of a local character had to be carried out, to have them carried out by forced labour?—Speaking to the best of my knowledge, I do not think that the native Governments ever carried out what I may call district works of purely local utility. If they wanted to build a palace, or a great bridge over a river, they would use forced labour, no doubt; I do not mean unremunerated labour, but they would compel labour.

2066. But so far as they had some local works carried out, was it not the practice to have those carried out by forced labour at unremunerative rates, imposing a considerable burden upon the inhabitants of the district?—I think it is very likely that they did not get the full remuneration; but they must have been kept alive while they were doing the works. But then I do not think that what the native Governments did is any authority for us, because there is no enormity which you cannot justify by reference to native usage; and if we could do nothing better than reproduce the native model of government, I do not see what right we have in India at all.

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2067. For the purpose of ascertaining the nature of the land revenue as compared with any special taxes for the purpose of improving the districts for the benefit of the landowners, I understand your view to be, that although the majority of the landowners of a district may wish works of local improvement to be carried on for the local improvement of the district, the Government by its proceedings, especially those which you have brought before the Committee, has reduced itself to a state of utter impossibility, and made the inhabitants share that impossibility of doing any good in the country?—There would be nothing to prevent the landholders subscribing among themselves to have a road made and asking the collector to make it; but I say that the Government deliberately said, only 10 years ago, that a cess of 2½ per cent. would suffice for local purposes, and they gave a distinct assurance to the people that that would be the limit of the cesses throughout the term of the settlement, and I do not think that they ought to raise it during the term of settlement.

2068. Then it is your view now that nothing can be done except by spontaneous benevolence on the part of the inhabitants, each person assessing himself to the extent he likes?—Yes, during the term of settlement.

2069. Is it your opinion that the proceedings of the Government in this respect have been politic or impolitic, that they have been beneficial or injurious to the general welfare of the country?—I think decidedly injurious; because to shake public faith, to make the people think that the Government is grasping and overreaching, and does not abide by its deliberate engagements, must be injurious.

2070. You think perhaps that it would have shown more foresight if the Government had intimated at the time the possibility or reserved the possibility of levying rates for carrying out works for the benefit of the inhabitants?—Perhaps if the Government had foreseen this difficulty, they might have reserved their right to levy cesses apart from land revenue, but at the same time that is a right which must be exercised with very great caution, because it is absurd to limit the assessment on the land for land revenue, and then to retain power to put on cesses to any extent, because for all practical purposes that amounts to an increased demand from the land. Whether you assess 100 acres of a man's land and take payment from him as owner of those 100 acres, or whether you put a cess or cesses upon him as owner of those 100 acres, it comes to the same thing. In either case the demand is from this land.

2071. Is not the difference this, that in the one case the demand of the Central Government may be defrayed wholly beyond the view of the person assessed, whereas in the other case the limit of the assessment is the cost of the work that is to be done for his benefit, and therefore the thing regulates itself?—No; because these cesses have been imposed not with reference to the means of the man assessed, but with reference to the value of the land which he holds; and on that he pays a separate land revenue demand.

2072. But if the money is to be paid exclusively for the benefit of his district in making roads, canals, or irrigation works for his district, surely

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surely that is a sufficient limit to the demand?—I do not see how that imposes any limit, because the ideas of improvement may be so very large. Certainly some rulers would have no scruple in taking any amount of money from the people for what they consider such beneficial objects.

2073. Do you think that they could be trusted with the power?—Most certainly not; and that is why I disapprove of the decentralisation scheme, because it puts the local governments more under a direct motive to screw as much as they can out of the people; and I know by experience what crochets and fancies local governors have.

2074. You think that, having regard to their permanent connection with the people over whom they rule, it is not desirable that the local governments should have the power which is given under this decentralisation scheme?—Certainly not, if the Government of India interposes no check, or places no restriction on their power of levying local rates; I think it would be most dangerous.

2075. Do you think it would have been a better policy if the Government had continued its responsibilities with regard to the taxation of the people, and had either assigned a fixed sum to the local governors to spend in their districts in local administration; or, as the other alternative, if they had left them the local taxes generally, and required them to remit to the imperial treasury a certain sum out of them?—I do not think the plan of giving them fixed assignments altogether a good one, because it offers no inducement to economy, and those who asked most would get most; but I approve of the plan of Sir Charles Trevelyan, to leave the local governments whatever surplus remains after defraying imperial expenditure and civil establishments.

2076. Without giving them any power to levy taxes?—They should have no power to levy taxes without the consent of the Supreme Government.

2077. That is to say, the responsibility of levying the taxes should be the responsibility of the Supreme Government, and the local governments should be left to make their economies in the best mode of administration out of the taxes levied in their district?—Yes; and if they had the spending of that surplus they would have a motive for economy. As it is, if an economical ruler saved money by reducing his establishment, he did not get the benefit of it; it would go to supply the demands of some extravagant province.

2078. Mr. *Bourke.*] With regard to the communication which you made to the India Office, in that communication did you apply any of your great local knowledge and experience in the province of Oude to the question as to whether the 2½ per cent. local cess that was imposed by the Act several years ago was sufficient, in your opinion, to carry out the local requirements of the country in regard to communication, roads, and so on?—No; but what I say is, you made, deliberately and advisedly, an agreement and stipulation, and, whatever the inconvenience might be, you are bound by it for the term of the settlement.

2079. You only, in fact, turned your attention to the question of what you considered to be the breach of faith?—Yes; because I have always held that the most important point to be attended to in our connection with India is, that we should preserve our character for strict observance of our promises; and I believe that in the earlier times of our history it was to the reputation that we acquired for this scrupulous adherence to our pledged word, that we mainly owe the establishment of our Indian Empire.

2080. Mr. *Cross.*] And you think that no expediency ought to induce us under any circumstances to break that faith?—Certainly.

2081. Mr. *Fawcett.*] The breach of faith which you describe I understand to be analogous to this: in this country the Crown has certain lands; the rents of those lands are devoted to the general revenues of the country; if the Crown promises a tenant to let the land on lease for 30 years, and, in addition to the fixed rent for 30 years, said, "I will charge you a certain sum for improvements, and I will charge you no more than that sum," and if afterwards the latter sum for improvements were arbitrarily doubled, you would consider that in that case there would be a very great breach of faith?—Certainly.

2082. And that is a case analogous to what has taken place in India, is it not?—Yes.

2083. And it is a breach of faith which would be just as bad as it would be if a private landowner disregarded the covenant of a lease, and charged a greater rent than the lease authorised him to levy, and then in those cases the tenant would undoubtedly have a remedy in a court of law?—Yes.

2084. And you, I suppose, agree with the opinion that there is really no difference in the breaking of a promise, whether the land is owned and let to a cultivator by the State, or whether the land is owned by a private individual and let by him to the cultivator?—No, certainly not; in the one case a man has a remedy, but in the other case he has none.

2085. Therefore it is all the more important, having no remedy, as he has no security except a moral one, that that moral right should be sacredly protected to him?—Yes; on that point there is a very remarkable passage in a speech of Mr. Fitzjames Stephen, lately legal member of the Governor General's Council. Having obtained the consent of the talookdars to increase the cesses, not the consent of the peasant proprietors, then they pass an Act to legalise this doubling of the cess. Now, of course the Legislature has the power to do that; you cannot dispute the legality; but, as Mr. Stephen said when he was meeting the argument that Lord Cornwallis, in making the permanent settlement of Bengal, had assumed a power of binding his successors, which he did not possess, and meeting also the argument that the permanent settlement of Bengal should be repealed, "It may be affirmed with perfect truth that your Lordship and the Council have the legal power to repeal the Regulation of 1793, which embodies the permanent settlement system, just as you have the legal power to do a vast number of other things, good or bad; but whether you have the moral right to do it is a separate question, which requires independent consideration. In considering the question of the moral right of the Government to alter the arrangements made at the permanent settlement, it appears to me that the leading consideration to be kept in view is as follows: we are not a representative government; with every wish on the part of every member of the Government to use his powers for the benefit of those whose interests they

they affect, it is impossible not to feel at every turn how great are the differences between the governors and the governed, and how supremely important it is for all parties that, whatever else the people of the country may feel about their rulers, they should feel perfect confidence in their good faith, and in their scrupulous observance of their promises. A really representative government may deal with the pledges of their predecessors in a very different way from a government like ours."

2086. *Chairman.*] Do you recognise in this preamble of the Regulation relating to the land revenue in Bombay, and in the clause that I will read to you, a clear definition of what the land revenue in India is. This is the Regulation of 1827, under which the land revenue is assessed in Bombay: "Whereas it is expedient with a view to the protection of the rights of the State, and of individuals, that the principles on which the public revenue is assessed, and its realisation secured and effected, should be made, knowing that authorised receipts on account of revenue should be regularly and correctly recorded, and unauthorised exactions promptly punished; and the powers and responsibility of subordinate revenue officers, of farmers, and of superior holders of land should be defined." Then it goes on to other details, and then the Regulation contains this declaration, "All land, whether applied to agricultural or other purposes, shall be liable to the payment of land revenue to government, according to the established principles which govern the assessment of that description of land to which it belongs, except such as may be proved to be either wholly or partially exempt from the payment of land revenue, under any of the provisions contained in Chapters IX. and X. of this Regulation: Provided, however, that nothing contained in the preceding clause, or in the enactments therein cited, shall be understood to affect the right of government to assess to the public revenue all lands, under whatever title they may be held, whenever and so long as the exigencies of the state may render such assessment necessary." Do you consider that with that definition of the land revenue, and that declaration, an assessment made under this Act could be held in any way to prevent the Government passing a law, if it were necessary, to make roads and bridges in the country, to levy a contribution from the land for payment of the expense of those roads and bridges?—The best proof that that was not alone sufficient was, that they brought in an Act to enable them to levy the cesses afterwards in 1869.

2087. Was not that the legislative mode of exercising the power of the Government in the same way that this regulation was made. It was not a question of the right of the Government?—The practice has always been, as was pointed out in Sir Frederick Halliday's Minute, to fix cesses at the time the settlement is made, when they are engaged for, with the rest of the revenue, and it has always been thought that you cannot levy a cess during the currency of the settlement after these engagements are concluded.

2088. Has not the difficulty arisen from the want of a reasonable foresight on the part of the administration of the Government of India in not declaring to the community the proper nature and conditions of the land revenue and the assessments under it, so as to prevent these questions arising, and which, in point of fact, were perfectly well foreseen by reasonable persons at the time that the assessment was made?—No; I think the right principle was always regarded as being that cesses should be fixed at the time when the land revenue is fixed; because if the Government of India in former times were to have laid down such a principle as this: "We fix your land revenue, but we reserve to ourselves perfect freedom to impose what amount of cesses we like," that would have neutralised all the benefit of the limitation of the demand, because there was no limit to be assigned to these cesses. When the permanent settlement of Bengal was made, the Government repudiated, on their own part, what were called the irregular exactions above the Government demand, and they ordered the zemindars to discontinue their irregular exactions from their tenants. In fact, it is the limitation of the Government demand that creates property in land. If the Government can take the whole rental, there is no property left. Property in land in India entirely depends on the moderation of the Government demand.

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2089. Mr. *Fawcett.*] The 30 years' settlement, in fact, becomes a meaningless farce, if, after you have made a 30 years' settlement, you can impose new cesses on the land simply at the free will of the Government?—So it has always appeared to me.

2090. And, according to this action which the Government has taken, the peasant proprietors in Oude have no security whatever, that if the exigencies of the Government increase, they may not find cess after cess to any amount imposed?—Certainly, none.

2091. So that, actually, in this indirect way, although the rent of the land was fixed by a 30 years' settlement, there is no reason why it should not be doubled?—None but the moderation of the Government of the day; their ideas of moderation, that is to say.

2092. And those vary from time to time?—Yes.

2093. And as far as the cultivators of India are concerned, they have no security with recent transactions before them, that these cesses on their lands will be in any way limited simply to carry out improvements on their lands, because cesses on the land have been imposed for education, have they not?—Part of the amount has, I have no doubt.

2094. And there is nothing whatever under this new decentralisation scheme, is there, to prevent these cesses on the land being devoted to any one of the purposes which have to be defrayed out of local taxation?—I should not like to answer that question without looking at the Act. The Act, I think, does contain some provisions saying what objects are to have a prior claim.

2095. Yes, prior claims; but still some of those that have the prior claim, are not by any means confined to the improvements in the land. For instance, great as the advantage of education may be, education does not directly carry out landed improvements?—I think the Act says that the bulk of it is to go to making roads; but, at all events, that is discretionary.

2096. You could not, for instance, assure a peasant cultivator in Oude, if this system is sanctioned, but what he might find that cesses were imposed on him for a great variety of purposes unconnected directly with effecting improvements in the land?—Certainly, that is the case. Sanitation, for instance, is one of the things; they may

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may take to filling up the cesspools in every village, or something of that kind.

2097. And, as far as I understand, a cess might be imposed on land for the sake of carrying out higher education, might it not?—I do not see anything in principle to prevent it, having once admitted the principle that you can impose cesses *ad libitum*.

2098. As I understand you, if it had not been for this decentralization scheme, which virtually deprives the local governments of 350,000 *l.* which before they had been accustomed to receive, a great part of the necessity of imposing this new cess in Oude would not have existed, would it?—No; I understand that the decentralization scheme is made the plea, and it has reduced the grant in Oude by 15,000 *l.* And in the Decentralization Order you will find it is particularly mentioned that the deficit must be made good by the local governments, and they refer to the local taxation that either has been or is now being introduced, and Oude is mentioned as one of the provinces in which it is being introduced to supply this deficit.

2099. Therefore I understand that you agree with the view which I believe was brought forward by the Chairman on the last occasion, that the Imperial Government, in order to relieve themselves from the responsibility of raising 350,000 *l.* by imperial taxation, imposed this necessity on the local governments, and the result of that necessity has been that all kinds of new cesses and other taxes have been imposed which have caused great alarm throughout India. And these new cesses, so far as your opinion is concerned, make our Government have to bear the charge of breach of faith towards the people of India?—Yes, wherever cesses have been imposed subsequent to the conclusion of the settlement engagements during the currency of those engagements. In fact the early part of the question which you have put to me, is identical with the question which I put to Sir Charles Trevelyan when I asked him whether it was not the act of the Government of India that has led to this creation of new cesses for local taxation.

2100. Sir *D. Wedderburn.*] I understand you to disapprove of the present decentralization system which hands over to the local governments the control of certain special services, and assigns to them permanent fixed grants from the Imperial revenue, leaving the balance, if any, to be met by local taxation?—I do not disapprove of their making over those services to the local governments, but to their reducing the grant for those services and then telling the local governments, "You must raise the balance somehow or other as you can." And it is worth noticing that those special services (I think seven in number) which the Government made over, are precisely the very services in which increase of expenditure would be called for—so that the Goveanment of India not only rid themselves immediately of a burden of 350,000 *l.*, but prospectively of a very much larger burden, because they are services that grow with the growth of the population.

2101. But you would approve of handing over the control of those services, if the local governments had an interest in economising, and were able themselves to reap the full benefit of that economy, by having the control over certain branches of local revenue?—I think that practically a great deal more fuss has been made of this decentralization order than it was worth, because what was it practically? Those services were not nominally under the control of the local government, that is to say, you had to put them into a budget and send them up to the Government of India for sanction. Henceforth the local governments will submit their estimates for these services as before; but they will be able, within the limits of the fixed assignment from the Imperial revenues for these services, to transfer funds from one head of service to another, whereas formerly to do this, they had to obtain the sanction of the Government of India. But practically to obtain this sanction was little more than a form; there is not much in it that I can see.

2102. *Chairman.*] There seems to be a great deal in it according to your view, but not of good?—I mean not much increase of independent control given by it. The amount of independent control given to the local governments by this scheme is not so great as it appears, because getting the sanction of the Government of India was a mere form before.

2103. Sir *D. Wedderburn.*] Nor have the local government any direct interest in economy; they do not reap the benefit?—In these services they do, if indeed any retrenchments in them are possible, but any other retrenchments that can be effected in the general administration, they do not get.

2104. Mr. *Beach.*] As there is no limit to the amount that may be raised in future by local taxation, that creates a feeling of uncertainty in your opinion?—I cannot imagine anything more calculated to disturb the public mind and make people uncertain what the future may produce, than the principle of novel and incessant taxation at the mere discretionary will of the Government; because the legislature after all is composed of Government nominees, and mainly of Government servants.

2105. What would be the interpretation in the minds of the natives which would be attributed to the term used in the Act "Exigencies of the State"?—Any pretext that the State likes to put forward, I should think.

2106. Would it be ordinary purposes or in time of war?—I should think they would attach the widest signification to it to make it cover anything.

2107. Mr. *Dickinson.*] This local cess is only intended to meet local expenditure?—Yes. Local expenditure; not imperial.

2108. As I understand, in districts where there is a local expenditure, the local authority raise the local revenue to meet that expenditure, education, roads, and so on?—That they raise at present, and all these different new taxes are for local purposes.

2109. Then the local expenditure limits the local taxation?—I suppose that they will not raise more money than they want to spend, if you mean that; except that they might try and set by money for some specific object at a future time.

2110. Local expenditure, then, limits local taxation?—Yes.

2111. Local expenditure is dependent on the local will, is it not?—That is to say, if you have representative bodies of ratepayers; but I am not aware that representative bodies of ratepayers have been formed yet.

2112. But in all municipalities and districts where there is this local taxation and local expenditure there is a local body to control the

the expenditure, is there not?—I am not prepared to say how far the formation of local bodies has gone yet; but, to the best of my belief none are representative yet. These local boards are composed of Government nominees, and I fancy the European officer, the collector of the district, is the paramount man in them, the man whose will really directs and rules everything. That was so in the rural districts. In some of the larger towns there are municipalities, but in the districts, the district funds were in the hands of what was called the local committee, which local committee was nominated by the Government, and the collector was at the head of it, and for all practical purposes he had his own way.

2113. If that local committee fairly represented the local opinion, you would then have a fair limit on local expenditure and taxation, would you not?—If that local committee fairly represented public opinion, they might possibly not levy any taxes at all.

2114. That would then be the limit of expenditure and of taxation?—At present it is entirely in the hands of the Government.

2115. The main objection you entertain, as I understand, is rather to the constitution of the spending body than to the system of allowing extra taxes to go upon land for local purposes?—It is the difference between the owners of land or other property voluntarily taxing themselves having a tax imposed upon them by executive authority, or legislative, which, constituted as the legislature is, is in their view much the same as executive authority.

2116. Taking, for instance, a municipality like that of Bombay, there I suppose you would consider that there ought to be a sufficient check on expenditure to justify the power of local taxation?—I do not know; I have heard that there were complaints against the Municipal Commissioner two or three years ago, of the way in which he had committed the municipality to debt. There was a great stir in the papers about it. I do not think that the municipality of Bombay is representative. The justices of the peace are the municipality, I think.

2117. Sir *G. Balfour.*] You have expressed opinions, and permit me to say very sound opinions, with regard to the importance of keeping good faith with the people of India. I would ask you also with regard to moderation in taxation, your opinion as regards the great importance of moderation in taxation as regards our military expenditure?—That is very important.

2118. With regard to levying cesses, there is no more difficulty as a matter of account in assigning the proportion of the general Imperial revenue for local expenditure, than there is in collecting it separately for separate heads?—No, there is no more difficulty in it of course. The object of the Government of India, as I understand in this decentralisation scheme, was to relieve themselves of the burden of supplying a certain amount of money, by throwing that burden on the local government.

2119. Then, practically, it is simply nothing more than levying additional taxation?—Most decidedly that has been the effect. In fact the exemption of incomes from assessment to the Imperial income tax, and the lowering of the Imperial income tax, while it has relieved a few, has subjected the many to new taxation. In fact it has brought hundreds of thousands under taxation who never paid income tax before. The honourable Member for Brighton was, I think, asking on the last occasion about this tax on the non-agricultural rural population in the Bombay Presidency, and referring to some notes which I have, which I extracted from the debates in the Bombay Legislative Council, I find that when the Act was under discussion it was estimated that it would bring 700,000 people under taxation. Now I do not think that when the Imperial income tax was at its lowest, that is to say, going down to the lowest scale of incomes, when it reached incomes of 200 rupees, much more than 1,000,000 of people were brought under taxation to the income tax; and here is one tax alone in Bombay which is estimated to bring 700,000 people under it.

2120. You also mentioned the importance of moderation in taxation, with regard to making the holding of land valuable to the people who hold it?—Yes, I think that property in land in India depends on that.

2121. Then you are, perhaps, confirmed in that opinion; I mention to you that in the Madras Presidency, millions of acres were left uncultivated in consequence of the excesses in the land-tax?—I have read a great deal about the Madras land revenue settlements in the Fifth Report of the House of Commons of 1812, and the Minutes of Sir Thomas Munro, and of other Madras officials. It was moderation in the demand, lowering the demand, that restored the prosperity of that country. All property in land has been nearly annihilated under the Mahomedan rule.

2122. It was computed that when Lord Harris lowered the cess, in one district alone upwards of 60,000 acres were brought under cultivation?—I can well believe it.

2123. With regard to the employment of people in carrying out public works, I may mention to you that the people of the Madras Presidency most heartily and willingly gave their labour for making all irrigation works. These works were immediately beneficial to the land, and they turned out in hundreds, and received remuneration, only at a very low rate. That would be an instance where people would willing contribute labour and time for carrying on their own public works?—Yes; and in some parts of the country where a cheap native system of irrigation could be carried on from streams running out of the hills, I have known the people there to come to the European officer, and say, "Help us to make an irrigation work from this point to that point," and they would give their labour.

2124. But you are aware that in the Madras Presidency the thousands of tanks upon which the fertility of Madras entirely depended, were almost entirely supported and kept up by the voluntary labour of the people?—I dare say that was so.

2125. Mr. *Candlish.*] As a matter of fact, will the increase of 2½ per cent. in the cesses add to the value of the land by making roads and bridges?—I can hardly say that it would appreciably add to the value of the land; I do not say that the money will not be well spent.

2126. Would not any increase of intercommunication tend to the value of the land to which roads pass?—If you assume a country destitute of roads, and then immediately make some, of course the effect will be very remarkably felt. But the country was very well supplied with roads. Additional funds would, no doubt, improve them;

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them; but the communications were at such a point that any very sensible increase in the value of land from improving them, was not to be expected.

2127. Would the improvements which this expenditure would effect, give an increased value to the land?—I should think hardly appreciable.

2128. Would you regard the money as wasted?—No; I do not say that it is wasted, because it is always better to have a very good road than a moderately good road, and additional convenience would be secured; but as to saying that it would have a direct effect on the value of the land, I do not think that things were at that point, that any very large advance in the value of land was to be expected by spending 2½ per cent. more upon roads.

2129. Better roads would give facility of intercourse, and would cheapen intercourse, would they not?—As a general principle that is so, but that is very much modified by local circumstances. No less an authority than Sir Charles Metcalfe said that the native road was as good a road as the country people wanted.

2130. That would not apply to bridges?—No.

2131. If bridges are an improvement, would not the people get value for that increased cess?—The money would be well laid out, but my objection is to the principle.

2132. I am asking you as to the matter of fact; do you think that they would get value for the increased cess paid?—I think that is a matter which might have been left to the people themselves; I think they are very good judges of what improves the value of their land.

2133. Are there any other instances in which the cesses have been similarly increased, in addition to Oude?—Yes, in the North Western Provinces they have levied a cess on the owners of land, an additional cess for roads and other purposes. In the Punjaub they have done the same.

2134. Is there a universal objection to this increase?—I should think, certainly, because I never knew a landholder in India like to pay more than he was bound to pay; I never knew any man voluntarily consent to pay one farthing more than he was bound by his engagement to pay; I know that what was called their voluntary consent was a mere farce; it was a demand made by a man who had a thousand means of annoying another, upon that other to agree to the proposals that he made to him.

2135. Sir *T. Bazley.*] When you speak of the value of property in Oude, do you mean the ownership of the Talookdars, or of the people?—I mean anybody who is a proprietor of land; I draw no distinction between the Talookdar and the peasant proprietor, I mean the owners, what we should call in England the fee-simple owners.

2136. Are not the Talookdars the chief owners?—The Talookdars are the men who have very great estates, who were treated separately as Talookdars by the Government. This is the only difference; the Talookdar is a great proprietor.

2137. Did the village system ever prevail in Oude?—Yes, as it did in the North Western Provinces. Under these Talookdars there may be village proprietors owning the village lands.

2138. Still, if the villagers are under subjection to the Talookdars, they have a superior claim, have they not?—But where there are village proprietors under a Talookdar, the amount payable by the village proprietors to the Talookdar is fixed by the officers of Government.

2139. *Chairman.*] When you use the words "village proprietors," do you mean proprietors of the whole village?—I mean the owners of the soil; they may have tenants under them.

2140. Do you mean the owner of land in the village, or the owner of the whole village?—The owner of land; of the whole village, or part of the land in the village. When I use the term "proprietor," I mean it as distinct from "tenant"; the owner of the land, and not the man who pays rent to the owner of the land.

2141. "Talook" is properly an aggregation of villages, is it not?—Yes.

2142. Sir *T. Bazley.*] Then the villagers sometimes have to pay as it were double rents; they have first to labour upon the land that they occupy, and at the same time to contribute the sum exacted by the Talookdar?—But he can make no undue exactions, because his demand from each village, where the land belongs to the village proprietors, is fixed at settlement. I think we have already gone into all this question; it is going into the nature of the landed tenures of Oude, which is a very long thing, which we have already considered. It is an intricate question where you have two properties in the land, an upper and an inferior.

2143. I will only trouble you with one question; which is the most beneficial to the people, the independent ownership of land by the people, or the ownership by the Talookdar who rents it to the people?—Where there is complete independent ownership under the Talookdar, which is often the case, the amount payable by the independent owners to the Talookdar is fixed by the Government, and cannot be exceeded. He is merely in that case a channel for the payment of the Government revenue, with a certain allowance to himself, which is also fixed; so that it is much the same to the village owners whether they pay to the Talookdar, or whether they pay to the Government.

2144. Mr. *J. B. Smith.*] Did I rightly understand you to say, that the forced labour which was common before this increased taxation was made has been abandoned?—It was abandoned, but they passed a Canal Act in the Punjaub the other day, in which they authorised the use of forced labour for the repairs of canals.

2145. I am speaking of Oude; what is the case there?—It was always abandoned under our system; we never had recourse to forced labour, except in the way of pressing carriage for troops, that right was always reserved.

2146. Was it not the custom in Oude to force labour to make roads?—By the common law of India it is held to be a duty of the village proprietors to keep village roads in repair, and it would be necessary for that to be done constantly. I have no doubt, in Oude, when the king, or any great man, made his progresses through the country, the zemindars were all ordered to put the roads in good repair.

2147. That was a custom of the country?—Yes.

2148. That custom has since been abolished?—We consider that the road cess that has been imposed is in lieu of the obligation to repair roads. The obligation is commuted into a money payment.

2149. Then, in this new settlement, there was no clause abolishing forced labour, if it was found necessary

necessary?—Putting in a clause to abolish forced labour would be like forbidding any act that is notoriously forbidden. It has always been contrary to our principles to have anything like forced labour.

2150. But there was nothing in the new settlement which prevented the employment of forced labour, if it became necessary, was there?—Well, I should say that the whole principle and practice of our Government prohibited forced labour.

2151. But we are speaking now, not generally, but of Oude?—But when we bring a country under British rule, we apply British principles to its administratjon.

2152. Even if you apply British principles in abolishing forced labour, may you not, instead of that, apply British principles in levying a cess for roads which were formerly made by forced labour?—So we did levy a cess, and we fixed it at a certain amount.

2153. Is there any reasonable ground to complain of this cess, it being for the benefit of those from whom it is collected?—There are no grounds for complaining of the cess levied at the time of the settlement, under the settlement engagements. The ground of complaint is against arbitrarily doubling that cess; that is to say, taking twice as much as was agreed upon.

2154. But although they take more than was agreed upon, they abolish forced labour?—The British Government might just as well claim credit for not having continued slavery in provinces where domestic slavery was in force, as for abolishing forced labour.

2155. Is there any analogy between the two cases?—I think so; both are repugnant to the principles of British administration.

2156. I suppose you are aware that it is not long ago since there was forced labour upon the roads in this country?—Well, I never heard of it.

2157. The tenants were obliged to send men for a certain period to repair the roads; and that in this country has been abolished, and in lieu of that we have levied highway rates. Is there anything unjust in doing the same thing in India, these highways being for the benefit of those who have to pay the rates?—My position has been not that there is an injustice in levying a road cess, but that having agreed to levy a certain amount of road cess for a given time, you ought not then, of your own motion, to go and break that engagement by levying a larger amount than you undertook to levy.

2158. Was it levied for the purpose of road cess only?—So much road cess, so much other cess; three cesses. I read out in the extract. That is the simple point that I am contending for; when you have made a compact you ought to abide by the compact. You regret perhaps that you did not levy more, that you did not provide for a larger contribution than you did. Very well, you must wait till the settlement has expired, and you come to renew it, before you can increase it.

2159. But as I understand it, the contract was that you should levy a certain cess, and you had also the right of employing forced labour?—I do not see that you had a right of employing forced labour. At all events, as to the obligation by the common law of India on landowners to repair roads, you commuted that for a money payment; I only want you to abide by that money payment.

2160. How would you prove that that was commuted by a money payment?—Because it was. I mean to say that that was the object of levying a road cess. The right to levy or the principle of levying a road cess was, that landowners were bound under native usage to repair roads.

2161. Lord *E. Fitzmaurice.*] Your objection then is to the increase and not to the levy itself?—Certainly, when the settlement expires and you come to make new engagements, if you think that the amount fixed at the last settlement is not enough, then propose double or treble, and if the zemindars agree, there is no objection.

2162. Are your present remarks applying only to Oude?—They apply equally to the North Western Provinces and to the Punjaub, where similarly they have imposed additional cesses on the landowners for roads; wherever, in short, the settlement engagements have been departed from.

2163. Then your remarks, in fact, apply to those three Provinces that you have mentioned; but do they apply also to Bengal?—That is a larger question, which I should hardly like to commit myself to an opinion upon. It has been a very controverted question. You have the highest authorities, who have given their opinion both ways; but Mr. Stephen supported the levy of cesses in Bengal, and said that it was not contrary to the permanent settlement on this ground, that the permanent settlement left the question of cesses entirely untouched. That is his ground; nobody thought of cesses in those days; nobody thought of education or district post, or anything of that kind; and therefore, he said, you cannot suppose that they precluded themselves from dealing with such questions at a subsequent time. But in these Provinces, the North Western Province, the Punjaub and Oude, the question of cesses was dealt with, and provided for. It is the breaking of this engagement by adding to the cesses that I complain of.

2164. You mentioned just now a sort of consent that was got from some of the owners to this addition; what form did that consent take?—The Talookdars have an association, what they call the British Indian Association, in Oude, and they had a meeting of the association, and they signified their consent to doubling the cesses; but, as I say, of course that was not done voluntarily.

2165. I understood you also to say that it was only the consent of the large proprietors, that is to say the Talookdars?—Certainly; the others were never asked.

2166. The small proprietors were never consulted at all, and so far as they were concerned it was perfectly arbitrary?—Yes.

2167. Mr. *Lyttelton.*] The word local is quite arbitrarily used in India, is it not; it may apply to areas as large as Oude or Bengal?—Yes; the term "Local Government," applies to each separate government.

2168. There is no analogy in that use of it, with our idea of local taxation?—No; our local taxation implies self-government and self-taxation, I think.

2169. Here it always applies to areas extremely limited in extent, whereas in India it may apply to Bengal?—Yes, but then the taxation in each district would be levied separately per district, and spent separately per district.

2170. Was not the road cess in Oude levied for

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the whole of Oude?—No; it was always the practice to let each district spend whatever it contributed as road fund.

2171. Of what extent were the districts?—They averaged, I suppose, about 120,000*l.* of land revenue apiece.

2172. Could the advantages derived from the road cess be brought home to the minds of the population in the same sense as they are in England?—I think that all classes of landholders acknowledge the benefit which has been produced by making good roads.

2173. Do you think that there is a difference in practice and in principle between adding to the land revenue for local purposes, and adding to it for Imperial purposes?—No; I do not see any difference at all; when you have once made your contract you are bound by that for the term. As I have said before, the reservation of that power to impose local cesses, may be so worked and used, as to take away all the value of the limitation of the demand on the land; I have known people who, I think, would abuse it.

2174. Do you think as far as its effect on the minds of the landholder is concerned, there is any difference between local and Imperial taxation?—Not the least.

2175. Mr. *Eastwick.*] When you sent up that Memorandum either to the Secretary of State, or to the India Office, to which you just now referred, what was your object I should like to ask; did you expect that they would withdraw this additional cess?—No, I did not expect that they would; but I thought it was due to myself, having given an assurance that that cess should not be increased during the term of settlement, to let the Secretary of State know that; and also I thought it was right that he should know the nature of what had been done.

2176. But I should like to ask whether you think it could have been withdrawn at that time, after our having imposed it; would it have been possible to have withdrawn it?—They had got the consent of the Talookdars, and they could always fall back upon that; but as regards the other people, whose consent was not asked, of course they might have withdrawn it.

2177. Do you think that it would have been politic to have withdrawn it?—I think it would have been politic to have withdrawn it there; and I think it would be politic to withdraw it in the Upper Provinces, and in the Punjaub, where they have done the same thing. And I say my view has always been that the first condition of our policy in India is to avoid giving the slightest colour to the imputation of not keeping our word.

2178. And you have said, I think more than once, that this decentralisation scheme was a scheme to relieve the Imperial Government of certain charges, and to throw the odium, if I may use that word, of raising certain taxation on the local governments, and to relieve the Imperial Government of it?—Yes, it seems to me so.

2179. Was it not also put forward as a part of the scheme, that in that way the local governments would have a wholesome responsibility, as they would have the means of spending their money upon local objects, and therefore they could exercise greater economy probably, and distribute the money more carefully than the Imperial Government, who had no local knowledge?—But I think there was a great deal of fallacy about that, because, as I was saying just now, the details of expenditure on provisional services, within the limits of the assignment for those services, were, before that, really left to the local governments; the only thing was that you had to get the formal sanction of the Government of India to your budget; but the Government of India, within my experience, at least, rarely interfered with the arrangements that you sent up. It was a mere form of getting their sanction.

2180. There were complaints as to the Bombay Government, were there not?—I will not say that it was a mere form in case of the Bombay Government, because we know that they did assume an extraordinary discretion in commencing expenditure on works before the sanction of the Government of India had been obtained, and thereby forcing its hands.

2181. I want to ask you now whether you do not think that some plan might be adopted similar to what Sir Charles Trevelyan proposed of having the punchi of the different collectors in the different districts, by which the local governments might be able, without any inconvenience or danger to the public, to raise larger sums, and at the same time to spend them more beneficially?—If you look at some questions which I put to Sir Charles Trevelyan, you will see that I quite agree in his view of representative bodies in each province (I have advocated it before), to whom there should be given, not merely a voice in the expenditure, but also in the raising of local taxes. And in fact, I would go so far, that I would leave them full discretion whether to impose a local tax or not. I would not let it be forced upon them by the Government.

2182. Then I would ask whether there is any necessity for imposing the cesses at all upon the land; whether it might not be advantageous to allow the local governments to raise the money that they require for these seven different objects and any other objects of a local nature in any way they choose; of course I cannot say what ways might be adopted, but I suppose taxation might be imposed in other ways without touching the land at all; and in that case the cultivator of the land would feel perfectly secure?—Yes, the effect of the decentralisation scheme has been, that the local governments have had recourse to the landowners to make up the sums that are wanted. They find it so very much easier to get money out of the landholders than they do out of anybody else, because the landholder is so very dependent on the forbearance of the local revenue officials. If he does not pay up his land revenue on the very day, a messenger may be sent to apprehend him and bring him to the office, and he can be annoyed in a thousand ways, and therefore these landholders cannot make any resistance. If you impose a tax on them, they may detest it; they may think it unjust, but their position in regard to their land, places them in such a state of dependence on the revenue officials that they submit without a murmur; and the local governments know very well that it is easier to get money out of them than out of anybody else.

2183. For that very reason, would it not be better to keep them perfectly secure and tranquil in their minds. We have this immense revenue coming in from the land; why should we not leave that safe, and the people who pay it satisfied, and if we are to raise additional taxation, raise it from other classes and in other ways?—I would not object to making the landowner contribute like any other person to any general tax. I object to his

his being singled out for local taxation; for instance, to an income tax, he, like every other holder of property, is justly liable.

2184. I think you said that these additional cesses are extending the income tax to a much lower class than those who were reached by the 203 rupees income tax?—Yes.

2185. Do you see anything objectionable in the immense masses of people who did not pay before, paying; for instance, the palanquin bearers, who make considerable sums of money sometimes, and whose wives have considerable ornaments?—I think it is a very dangerous thing to load the great masses of the people with taxation. It is very true that under native Governments they were liable to all sorts of capricious imposts; but then they expect something better from our Government than from native Governments, and a foreign rule must have some great advantages over a native Government, to be preferred to it; and our boast for years and years was that the lower classes were exempt from imposts under our rule, but we now are reverting to them.

2186. But I should like to ask you (because this is a very important matter) whether you do not think that the right principle of taxation is not to let any class entirely free; and whether, considering the enormous numbers of these lower classes, they might not contribute without at all inconveniencing themselves, sums of importance to the State?—But then the poorest classes are supposed in India to pay a larger share of taxation than the rich, because the poor man's consumption of salt is nearly as much as a rich man's. Then, if they dress in English cottons, they pay the duty on them. They also are the chief contributors to the excise revenue. That Bombay Bill for taxing the non-agricultural rural population went down, I believe, to incomes of 50 rupees. I think that that was cruel and most oppressive. I think that a man with an income of 50 rupees might very fairly not be subjected to direct taxation; indirect taxation he does pay already.

2187. Mr. *Candlish.*] Do you think that those landowners who have been subjected to this additional cess, have in any manner or degree received any equivalent?—Of course you cannot spend 30,000 *l.* more a year, or whatever the sum may be, on roads, without doing good by it.

2188. *Chairman.*] Would you recognise any distinction between a local rate levied as a local rate is levied in this country, and an Imperial addition to the land revenue levied under the Acts of the different Governments, which have been brought under our consideration?—Do you mean as far as its effect upon the people goes, as to whether one is more popular than the other?

2189. Or as regards the justice of levying it?—Do you mean between a local rate levied by the local Government, and one imposed by the Imperial Government?

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2190. No, I mean a local rate, levied as local rates are levied in this country; that is to say, by the people in some form or other agreeing to assess themselves for purposes in which they themselves have an interest; would you recognise a rate so levied, and under such conditions, as something different from the Imperial rates that have been levied under the Acts of the different Governments?—Certainly. If the time comes (and possibly it may) when representative bodies in each district will levy rates of their own spontaneous will, I consider that it will be a very healthy state of things.

2191. You would not consider that a breach of faith, as regards what you call the contract for the land revenue?—Certainly not; because all classes, landholders and others, will be represented in those local bodies.

2192. I do not mean a rate levied by individual consent, but a rate levied by a majority?—If it is done by a representative body, that makes all the difference.

2193. Mr. *Beach.*] With reference to local taxation in England, are you not aware that there is a very large amount of it over which local Governments or local representative bodies have no control at all?—Yes; but is not that looked upon as an abuse, and is it not proposed to amend it?

2194. Is it not the case that it is at present as I say?—It may be so; but is not it the object of local financial boards to meet that?

2195. *Chairman.*] Is there in this country any local rate that is not levied by the locality, though it may be for the performance of a duty which has been imposed upon the locality by Parliament; all the local rates in this county are levied, are they not, by the locality, though they may be for expenses arising from the performance of a duty imposed by Parliament?—Here is a passage which just answers that question; a passage in a Despatch from the Duke of Argyll, of the 11th of January 1869. It was with reference to a Bill which he vetoed to compel the people of a district in which a canal had been made to pay a water rate, although they did not use the water; in fact, to pay for the water, although they did not use it; and he said, "Here the guarantee is to be extorted compulsorily; the inhabitants of a district are not to be asked beforehand whether they desire irrigation or not. The Government alone is to judge whether irrigation is desirable. There is little analogy between a plan like this and that under which county cesses are levied in England and Ireland; for those by whom the cess is imposed, besides being themselves cesspayers, represent, theoretically if not really, the great body of cesspayers, who are assumed consequently to have given their assent by proxy."

2196. That is what you may call representation by selection and not by election?—Yes.

Colonel WILLIAM ARDEN CROMMELIN, R.E., C.B., and Lieutenant Colonel JAMES JOHN M'LEOD INNES, R.E., called in; and Examined.

2197. *Chairman* (to Colonel *Innes*).] WILL you be good enough to state what office you hold in India?—Accountant General of the Public Works Department, and Deputy Secretary.

2198. I wish to call your attention to the answers to Questions 203 and 299, with reference to the sum of about 9,000,000 *l.*, which, according to the Papers presented, had been spent in the construction of Military Works from 1864-65 down to 1871-72, inclusive; can you now give the Committee an exact explanation in reference to that amount?—I cannot explain that exact amount, because it does not include that portion of the expenditure chargeable to the Bombay Special

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Special Fund which was incurred after 1866–67, while our accounts do include that expenditure; and it includes expenditure in the Straits Settlements, which our accounts do not include.

2199. Will you state how you make up the amount?—£. 191,191 added to that make up our expenditure.

2200. What was that 191,000 *l.*?—A sum of more than 191,000 *l.* was expended from the Bombay Special Fund; and there is another sum, the deduction of which makes up the difference, which was spent in the Straits Settlements, of which we know nothing.

2201. But, subject to the modification, what is the sum that you have to deal with?—£.9,171,394 is the exact amount for that period.

2202. Now, can you give the Committee an explanation of the mode in which that money has been spent?—I could give the explanation of that amount, but the Papers which we had prepared include the expenditure for two years before that, and as you have also asked for information on other points, including the two previous years, we have prepared our returns accordingly.

2203. Will you give your view of the expenditure on military services, beginning with the year 1862–63, and carrying it down to 1870–71?—From the period from 1862-63 to 1870–71, both inclusive, the expenditure is in the total 9,311,957 *l.*

2204. Is this expenditure for the whole of India; the administration under the Government of India, is it not?—Yes.

2205. Can you give the various heads under which this expenditure has been made for military services?—First of all, on small works, costing under 250 *l.* each, 725,160 *l.* have been spent.

2206. What sort of works; are these minor works?—Every sort of work under the head of "Military;" they are all the works included under the heads, which I am now going to mention, that cost less than 250 *l.* each.

2207. Are those works of addition or of repairs?—Not of repairs; purely construction.

2208. It would represent small additions made to works?—No, they are small works which have nothing to say to the large works. If any small work appertains to a large work, it is charged in the accounts of that work.

2209. What is the next item?—The new barracks for Europeans in the plains, 2,592,205 *l.* Then the next item is improvements and additions to the old accommodation for Europeans in the plains; the amount expended in that is 1,920,737 *l.*

2210. Is there anything further for the barracks?—Barracks in the hills, new barracks, 222,484 *l.*, and old barracks, 149,020 *l.*

2211. These are additions and improvements?—Additions and improvements to the old accommodation for Europeans in the hills.

2212. What is the total expenditure for barracks on those four items?—£. 4,884,446.

2213. Can you state the expenditure under the same heads for 1871–72 for the barracks: what is the additional expenditure in the year 1871–72?—£. 371,856 in that one year on those four items.

2214. What is the next head of expenditure?—Fortified posts, 347,983 *l.*

2215. And what for the year 1871–72?—£. 31,648.

2216. Are these fortified posts the fortifications, or the fortified works round the barracks, or other fortifications?—They are distinct forts or defensive works; they do not include the works at Peshawur, for instance.

2217. What is the next general head?—The general work of cantonments, 389,828 *l.*

2218. And what for 1871–72?—£. 27,068.

2219. When you say general cantonment work, what are we to understand by that?—Roads in cantonments, wells, and drainage, and improvement of parade grounds, and every work of that kind that may be wanted in cantonments; gas works and water supply, for instance.

2220. What is the next item?—Temporary accommodation for Europeans, 188,787 *l.*, and in the year 1871–72 it was 1,871 *l.*

2221. What is the next item of expenditure?—Buildings for Ordnance and Commissariat purposes, 758,292 *l.*, and in the year 1871–72 it was 126,237 *l.*

2222. What is the next head?—Quarters for officers, 133,455 *l.*, and in the year 1871–72 it was 10,985 *l.*

2223. Is any rent paid for these quarters by the officers?—Yes, I believe so.

2224. What is the next item?—Shelter for native troops, 304,583 *l.*, and in 1871–72 it was 9,810 *l.*

2225. What is the next item?—Buildings for staff and general purposes (that includes the stud), 110,035 *l.*, and in 1871–72 it was 8,716 *l.*

2226. What is the next item?—Work connected with the Bhootan Campaign, 79,665 *l.*; there was nothing under that head in 1871–72.

2227. What is the next item?—Rest houses for European soldiers, 337,691 *l.*, and in the year 1871–72 it was 9,445 *l.*

2228. Are these built along the lines of communication?—They are generally at important railway stations.

2229. What is the next item?—Roads to the military stations in the hills, hill sanitaria for European troops, 78,857 *l.*, and in 1871–72 it was 38,279 *l.*

2230. But do you know what the cause of that very large expenditure in the last year was?—Two roads are being made; one to the station of Chuckrata, and one to the station of Raneekhet, new sanitaria in the North Western Provinces.

2231. What is the next item?—Works connected with the Navy, dockyard works in Calcutta and Bombay, 60,343 *l.*, and in 1871–72 it was 2,751 *l.*

2232. What is the next item?—Certain special and exceptional works, of which I have got a distinct list, 912,832 *l.*, and in 1871–72 it was 44,612 *l.*

2233. Can you give any general account of those special and exceptional works, and explain their character?—They include fortifications at Aden, the water supply at Aden, the harbour and town defences at Bombay, the Hog Island works, that is, for the hydraulic lift and defensive works there.

2234. Mr. *Fawcett.*] Why are the hydraulic lift and the defensive works classed together?—I was wrong in saying defensive works. They are the various works at Hog Island; there are six different works; I have a list of them.

2235. Mr. *Dickinson.*] What was the total cost of the Hog Island works?—To the end of 1871–72 it was 110,090 *l.*

2236. Is that the total from the beginning?—Yes.

2237. That

2237. That does not include the lift, does it?—No, not the lift.

2238. Mr. *Fawcett.*] What did the lift cost?—£. 236,000.

2239. (To Colonel *Crommelin.*) Why has this been included in the military works?—Because, I presume, it is connected with the ships for the transport service mainly.

2240. *Chairman.*] To lift them out of the water and clean the bottoms of them, and repair the bottoms?—Yes.

2241. Mr. *Fawcett.*] Is it in use now?—It has, I believe, just been completed. I have read a newspaper account of one corvette that has been satisfactorily raised and cleansed in one day.

2242. Sir *C. Wingfield.*] But I saw in the last number of the "Friend of India" that the lift has turned out an utter failure; you have not heard that?—The only newspaper report that I have seen (it is in one of the Bombay papers) speaks of the satisfactory raising of a corvette, its cleaning, and starting off to sea again in one day. "A 21 gun corvette, of 1,702 tons, has been successfully raised and cleansed in one day." (This is the newspaper report). "She would not have gone into dock for a fortnight, and would have been detained there for a month."

2243. Mr. *Dickinson.*] What did she pay for being cleansed?—That I cannot tell.

2244. Mr. *Candlish.*] There are graving docks at Suez, are there not?—I cannot speak as to them.

2245. *Chairman* (to Colonel *Innes*).] What is the next item?—The Lawrence Asylum at Ootacamund. There are three or four other small works; there are works connected with the arrangements at Umballa for the reception of the Ameer of Cabul.

2246. Mr. *Fawcett.*] Is that put down as a military work?—They involved preparations for a review and camp for him. Then a jetty at Rangoon, and a small sanatorium, a seaside sanatorium at Rairee, in the neighbourhood of Bombay; the soldiers' assembly rooms at Poonah; and the military buildings for the new Government House at Gunnesh Khind in the Bombay Presidency.

2247. How much is that last item?—£. 23,973.

2248. *Chairman.*] Can you state what is the average of this expenditure over this period?—For the 10 years the total is 10,059,051 *l.*, and the average would be 1,000,905 *l.*

2249. Mr. *Fawcett.*] May I ask whether you could give the yearly amounts, because I want to see whether it has increased?—Yes; I can give the amounts for each year.

2250. Will you have the kindness to do so?—The total cost in construction in 1862-63 was 379,133 *l.*, then 508,524 *l.*, then 643,695 *l.*, then 821,192 *l.*, then 1,322,129 *l.*, then 1,601,173 *l.*, then 1,938,379 *l.*, then 1,306,445 *l.*, then 791,287 *l.*; and for 1871-72 it was 747,094 *l.*

2251. (To Colonel *Crommelin.*) That shows that there has been a steady but a very great increase of this expenditure; in one year it is increased by sixfold, and even in the last year, when there seems to have been a temporary decrease, it is double what it was in 1862-63?—The expenditure in 1862-63 was before the commencement of the construction of the new buildings.

2252. Take 1863-64?—Still that was a very early period.

2253. Take 1864-65?—That also is almost too soon; the year 1865-66 should be taken.

2254. *Chairman.*] Then the construction of the barracks got into full force?—They were hardly in full force even then.

2255. Mr. *Fawcett.*] Are they in full force yet?—They have diminished since that time.

2256. But still they are increasing again; they went down; now they are going up again as far, as I understand?—No. In the year 1869-70, the expenditure was 1,306,000 *l.*, and in the year 1870-71 it was 791,000 *l.*, and there is still a further decrease in 1872.

2257. (To Colonel *Innes.*) But you do know 1872-73?—That is not over yet.

2258. (To Colonel *Crommelin.*) There is a charge of 23,000 *l.* for military works connected with the Government House near Bombay; do you know anything about that?—The works are as follows: lines with additional buildings for native cavalry escort; quarters for the band of his Excellency the Governor; guard-room and subsidiary buildings for native infantry guard; two blocks of Sycês quarters at Awund; latrines for body guard of his Excellency the Governor; bath-rooms and latrine for native infantry guard.

2259. To put it generally, accessories to add to the importance of the Governor of Bombay in India?—More correctly, the necessities of the establishment.

2260. But has the same amount of money been spent in Madras for the Governor of Madras, or for the Governor General, or for the Lieutenant Governor of Bengal?—Not of late days.

2261. But when this expenditure was returned, can it be shown from official documents that it was more necessary to spend this money upon the Government House at Bombay than it was at the Government House at Madras?—I am not aware that it can.

2262. Then this expenditure, which was sanctioned for Bombay, is one which was not sanctioned for the other Presidencies, and we have no evidence to show that it was in the least degree more requisite at Bombay than it was in the other Presidencies?—The works were for a new Government House, and therefore the expense was incurred.

2263. That is just the thing; one expense leads to another; this 23,000 *l.* is to be added to the 155,000 *l.* of which we have heard before?—It is an additional expense.

2264. So that really this country house for the Governor of Bombay, reckoning the furniture and all, has cost the people of India something like 200,000 *l.*?—The item I have here as the total cost of the Government House is 157,836 *l.*

2265. That does not include, as you are aware, the furniture; the 157,000 *l.* is simply construction?—I have nothing here to enable me to make any statement regarding the cost of the furniture.

2266. With regard to this enormous expenditure for a country house for a local governor, you are perhaps aware that it has been stated that the Government of India gave its consent to it in a weak moment, and no one is responsible for it?—The Government of Bombay is responsible for it.

2267. Primarily responsible, but would it not have been possible for the Central Government or the Secretary of State to have checked it or to

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have stopped it?—In the only letter that I have upon the subject, the earliest entry on account of the work is stated to have appeared in the Budget of 1865-66, when its expected cost was set down at 35,500 *l.*

2268. Including military works and all?—Including everything, I presume. This sum appears to have been fixed upon rather with reference to the receipts available from the sale of the Dapooree estate (that was the former residence of the Governor) than to the ascertained requirement of the new building. On the 3rd of October 1867, the Government of Bombay forwarded estimates for the edifice, showing an amount of 96,018 *l.* It was stated at the same time, that the works had already progressed too far to render any stoppage possible, with a view to a material revision of the design. The extravagant scale of expenditure, and the grave irregularities of procedure were severely animadverted upon by the Government of India on the 3rd of January 1868.

2269. *Chairman.*] Was there any revised estimate sent in after that?—In the Bombay budget for 1870–71, the work was entered at 130,000 *l.*

2270. Was any remonstrance made upon that by the Government of India?—It is not stated here how often the Government of India interfered in the matter, but I have no doubt that it did frequently.

2271. When did it appear that the final expenditure of 157,000 *l.* was arrived at?—On the 21st of October 1871.

2272. Mr. *Candlish* (to Colonel *Innes*).] Is it finished now?—I believe it is nearly finished, if not quite.

2273. (To Colonel *Crommelin.*) Do you know when the military expenditure was resolved upon of 23,000 *l.*?—The chief part of the military expenditure occurred in 1866–67 and 1867-68.

2274. Do you know by whom it was determined that the military expenditure was needed, seeing that the residence itself is not more than three miles from the great military station of Poonah?—The works are for the special guards of the Governor himself; body guard and escort.

2275. *Chairman.*] Have you any statement of the cost that will be requisite to complete and furnish the building?—No, no further statement.

2276. Mr. *Fawcett.*] Then the expenditure has been going on two years since; we know the fact that 157,000 *l.* has been spent, exclusive of the military works; that 157,000 *l.* was given in 1871, was it not?—Yes; the expenditure was 157,000 *l.* up to the 31st of March 1871.

2277. Then the expenditure, since it was 157,000 *l.*, has been going on, and, according to your evidence, is still continuing in a slight degree?—In 1870–71 it was 16,698 *l.*

2278. Mr. *Candlish.*] That is included in the 157,000 *l.*?—Yes. (Colonel *Innes.*) There was no expenditure on the Government House in 1871–72.

2279. Mr. *Fawcett* (to Colonel *Crommelin*).] Then it is clear from your evidence that what took place is this, that the Government of Bombay suggested this expenditure, and the Central Government sanctioned it, is it not?—The Central Government have never sanctioned any estimates for the building; they have allowed the work to go on, but they have not been steadily in possession of the Estimates.

2280. The point that I want to get at is this: would it or not have been competent for the Central Government to have said this, "We consider that you, the Governor of Bombay, are well provided already with house accommodation; we think this is not a necessary expenditure, and we forbid you to incur it"?—They might have said so.

2281. And they did not, but instead of that they allowed an imperfect estimate to be sent to them, and that estimate of 35,000 *l.* has been exceeded already by 600 *l.* per cent.?—Yes; the estimate was exceeded to the extent already explained by me.

2282. Although they have sent repeated remonstrances, the only result of these remonstrances sent to the Government of Bombay is, that the Government of Bombay seems to have taken not the smallest notice of them, but the more constant and severe the remonstrances the more reckless and extravagant the expenditure?—Certainly; the Bombay Government carried on the work in spite of the remonstrances.

2283. Therefore this shows that on any kind of extravagance that the Governor of Bombay chooses to go in for, he can set the censure of the Central Government at nought, and take no further notice of it; they censure and censure, and more and more money is spent; that is what has taken place here?—That is what has occurred in this instance.

2284. Have we, then, any security that what has taken place here has not taken place in other instances, and will not occur again?—If the Government of India does not see fit to interfere.

2285. This house, which I understand is a country house, away from the Central Government House, is to cost 200,000 *l.*; are you aware how many houses the Governor of Bombay has?—I am not; one at Bombay, I think.

2286. He has two at Bombay. Now I want to ask you some questions about another large item of expenditure, namely, the hydraulic lift; who suggested that expenditure?—In 1866 there was a representation of a great want of dock accommodation at Bombay, from the Government of Bombay, and the plans which had been prepared for a floating iron dock were forwarded by the Bombay Government to the Government of India, with a request that they might meet with early attention.

2287. This hydraulic lift, as far as I understand, is to be used by ships of Her Majesty's Navy, and also by mercantile vessels, is it not?—Yes.

2288. Do you know what arrangement has been made, or whether any arrangement has been made at all, as to the appropriation of any fees which may be derived from the use of this lift?—I do not think that there is any information here precisely upon the point; the lift has barely been completed or at work, but I believe that arrangements are being made in Bombay for certain fees to be levied.

2289. But the lift, as I understand, has been made from the general revenues of India; this money, this 230,000 *l.*, has come out of the general revenues of India?—I do not know to what it has been charged; but the works that have been carried on in India have been made out of the general revenue.

2290. But do you know whether the Government will allow the fees which may be derived from

from the use of the lift to be appropriated by Bombay, or will require them to be handed over to the Central Government?—I cannot say what will be ordered upon the point; but I presume that it will be carried to the credit of the general revenue, there is no order passed.

2291. Do you know when this large expenditure was sanctioned, whether the Government of India attempted to obtain an estimate as to the probable return from it?—No, I do not.

2292. I suppose no such estimate was ever made?—I think not.

2293. Then they rushed into the expenditure blindfold; they allowed 230,000*l.* of public money to be spent in a semi-commercial undertaking, without taking the trouble to ascertain what would be the return from it?—There was a great want of dock accommodation, and therefore this hydraulic lift was ordered by the Secretary of State, because it was supposed to be the best method of meeting that want.

2294. But still, as a matter of prudence, considering the time that the finances of India have been in a very critical position, would it not have been prudent to have known what return it was likely to yield?—I am not aware whether such a calculation was made; I have no information about it.

2295. Are not the returns of this hydraulic lift to be made over to the Port Fund of Bombay?—I cannot say.

2296. I believe that the Government of Bombay pressed the Central Government to spend this money; it was provided by India generally, by people living in Burmah and other places, and the proceeds of the lift are going to be handed over to the municipality of Bombay?—I am unable to give information as to that.

2297. Sir *D. Wedderburn.*] Does not the sum of 23,000*l.* for such military works as you have described seem very exorbitant, considering the nature of such constructions in India?—The sums do seem to be large, but everything at Bombay is very expensive.

2298. This was at Gunnesh Khind?—I mean all about Bombay.

2299. Who was Governor of Bombay at the time that these works were undertaken?—Whoever was Governor in 1865-66.

2300. Sir John Lawrence was then Governor General?—Yes.

2301. Mr. *Campbell-Bannerman.*] Is it the case that a great part of the increased expenditure on barracks within the last 10 years is due to improved construction, in accordance with the recommendation of a Commission, over which Lord Stanley presided?—It is due to the necessity of providing for the large increased force which has come to the country since the Mutiny.

2302. But in addition to that, is not part of it also due to sanitary considerations?—Part of it, as I have already explained in my former evidence.

2303. Sir *J. Elphinstone.*] I understand that it is objected to the lift at Hog Island, that it has been paid for out of the revenues of India; do you think that that is an unfair charge upon the revenues of India?—I do not think that that is a point on which I can properly give any opinion.

2304. I merely wished, as a matter of opinion, to know whether a work of such extreme utility as the lift at Hog Island is not a legitimate charge upon the resources of the country?—That is not a question for settlement in my branch of the Public Works Department.

2305. Sir *G. Balfour.*] On the last occasion you were not able to give us distinct information as to whether the barrack accommodation was for rank and file, or for non-commissioned officers, rank and file, can you tell us now whether the statement of barracks that you have shows the number of non-commissioned officers, rank and file, or merely the number of rank and file?—The Occupation Report, to which I alluded, distinctly states that the warrant and non-commissioned officers are not included in the statement.

2306. To what extent of rank and file have you got barracks there?—In new double-storied barracks for unmarried men we have a completed accommodation for 6,621, and accommodation in progress for 4,780; total completed, or in progress, in new buildings, 11,401. In old buildings we have accommodation for 25,554 unmarried men; and as for the married men, we have completed accommodation, in buildings of all sorts, for 4,650, and in progress 351. The total completed and in progress is 41,956.

2307. That accommodation does not include the accommodation in the barracks in the Bombay and the Madras Presidencies?—It does not include the barrack accommodation in those two Presidencies.

2308. Have you that statement?—I have not.

2309. Then that statement is for rank and file?—As far as it can be ascertained, for rank and file only.

2310. Are you aware of the strength of the rank and file of the Indian Army?—I am not.

2311. (To Colonel *Innes.*) Can you give us a statement of the expenditure on barracks in the different localities in India; in how many divisions is the military expenditure?—I think I have 15 different heads and 12 provinces or divisions of the country.

2312. *Chairman.*] Have you an account showing the total expenditure under each of the heads classified for the several provinces up to 1871?—Yes (*handing in the same*, vide *Appendix*).

2313. Sir *G. Balfour.*] You stated the expenditure for native troops; have you any idea what the accommodation that has been provided for that expenditure is?—I can in a general way say what it is. I have not a special list.

2314. Perhaps you will fill up in a general manner in your Return the nature of the accommodation?—Yes; in Bengal I am aware that there is shelter for them at Shillong, and also for a regiment at Alipore; in the North Western Provinces and in the Punjaub, I believe, for Goorka regiments; in the hills mainly.

2315. But in addition to that you have provided native places for arms and for the hospitals?—Yes, all accommodation of that kind, specially for natives, is, I believe, included in this accommodation for native troops.

2316. Where shall we find the expenditure in the Straits Settlements?—That I do not know.

2317. You are aware that it was very heavy 10 years ago?—No, I know nothing about it; we have nothing to say to it.

2318. The expenditure in British Burmah is all provided for in your statement?—Yes.

2319. Can you hand in a statement of the expenditure on account of repairs?—Yes; in 1862-63 it was 197,788*l.*, and in the following years it was 195,565*l.*, 214,183*l.*, 243,110*l.* 203,542*l.*

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203,542 *l.*, 232,939 *l.*, 249,397 *l.*, 203,705 *l.*, 201,710 *l.*; that last is for 1870–71, and for 1871–72 the amount is 231,327 *l.*

2320. Does any portion of your expenditure include barrack furniture?—None.

2321. You are aware that in the last year this expenditure has been transferred from the Military Department to the Public Works Department?—I am not aware of it, except from hearsay.

2322. Can you give us information as to the system on which the barrack furniture has been supplied to the troops?—It has not been supplied by the Engineer Department, but by the Commissariat Department. Whenever the Commissariat Department have felt themselves unable to supply those requirements, or when they have thought that the Public Works Department would be the most convenient agency, they have called on the Public Works Department to make or repair the furniture, and this has been carried out at contract rates fixed year by year.

2323. That has been going on for several years, has it not?—It has been going on for several years.

2324. For upwards of 10 years?—I cannot say how long; I think about 10 years.

2325. The Commissariat Department was practically the paymaster for the barrack furniture on account of the troops?—It was more than that; it was the responsible supplier, but it had the privilege of indenting upon the Public Works Department to help it.

2326. And the Public Works Department mainly carried out the work?—To a very great extent; not always.

2327. Does this expenditure on account of military works and repairs include the cost of the establishments and salaries?—No.

2328. Have we any means of arriving at a knowledge as to what the cost of the salaries and establishments was for the military works?—No, it is never divided off in that way. Establishments are paid and accounted for by localities. The way we arrange our work is in local divisions, and they, that is the establishment of a division, are employed on all the works of that division. In all military and civil buildings, in all ordinary public works, they are charged as the establishment of the division to which they belong, and their cost is not charged to the works.

2329. Could you give us any idea by how much the military works should be increased, if the cost of the whole establishment were rateably levied upon them?—Yes. I have got it for an average of years, and for three special years. I can say this, that the proportion of the whole cost of all the salaries to the whole outlay for the whole period from 1862–63 to the period 1870–71, has been 14·04 per cent. That includes all ranks from chief engineers of the highest grade down to the very lowest members of the establishment.

2330. *Chairman.*] That is on the whole outlay of 10,000,000 *l.*?—On more. Not only upon all military works, but on all ordinary expenditure, civil and military, and irrigation.

2331. Sir *G. Balfour.*] But considering that the amount expended on the whole public works, civil and military, has varied very considerably year by year, has the ratio of the establishments also varied?—It has varied very much; it has been very high in the years when the expenditure has been small, and has been low in the years when the expenditure has been greater. I can tell you what it has been in certain years. In the year 1862–63 the proportion of establishment was 17·36 per cent.; in the year 1868–69 it was only 12·21 per cent.; and in the year 1870–71, when the expenditure was reduced, and of course, establishment could not be reduced so rapidly, it was as much as 19·94 per cent.

2332. Could you state the absolute cost of the establishments in those three years?—No, I have not that here.

2333. We have the cost of the establishment given in this return before me; but in addition to that, there is expenditure for establishments in Public Works Extraordinary?—Yes.

2334. Did you include that?—No.

2335. Then that establishment for Public Works Extraordinary is exclusive of the others?—Yes, it is charged for separately, and is charged to those works; it is not charged in the same way as ordinary establishment in the general accounts.

2336. Then your per-centages are charged upon the expenditure for ordinary public works?—The whole of the ordinary public works of India.

2337. Mr. *Fawcett.*] But how can you separate the establishments in the two classes of public works?—They are kept separate in this way, that the extraordinary works are large works which have their own specific establishments; and the only establishments charged to them that are not thus employed solely for them, are the higher supervising establishments of the different provinces; and of these as fair a proportion as possible of the cost is added to the cost of the establishments which are specially employed upon those works.

2338. Take the secretariat, for instance, in the Public Works Department; a portion of that ought to be applied to Extraordinary Works, ought it not?—The Secretariat of India is not charged to the Public Works Department at all.

2339. I mean, for instance, the salaries of officials?—The salaries of officials that have anything to say to the Extraordinary Works are a portion of them charged to those works; it is divided off at the end of each year.

2340. Sir *G. Balfour.*] Does the secretariat, in the sense in which the honourable Member for Brighton referred to it, include the same kind of charges as the other secretariats?—Yes.

2341. Then is your salary and that of Colonel Crommelin included amongst the amounts upon which the per-centage is struck?—No; the Public Works Secretariat of India is not charged to the Public Works Department at all. The secretary to the Government of India, the deputy-secretaries to the Government of India, and the whole of that office are charged in the secretariat of India, and are not charged to any specific department.

2342. But the secretariat of the public works of India is much larger in proportion than the other secretariats, is it not?—That I cannot say. I have no means of judging.

2343. Mr. *Fawcett.*] The point that I want to get at is this: you have given a certain estimate of the expense of salaries proportioned to the whole outlay, but if the expense of the secretariat is not charged that per-centage would lead people to very erroneous conclusions?—The secretariat which is not charged is the secretariat of the Government of India. That would be a very small

small fraction of this amount; I fancy it would hardly affect more than the second place of decimals.

2344. You receive for instance a certain stipend, and other people like you, and one chief part of your work is in looking after the military public works and civil works, is it not?—Well, I have got to deal with the accounts of all public works in India.

2345. If public works were not being carried out it would not be necessary to employ you in that way, and your salary would be saved or you would be employed in some other way?—Certainly.

2346. Therefore it is correct, is it not, to charge the salaries of gentlemen in your position in estimating what is the expense of salaries proportioned to the outlay?—If a person inquires what have been the whole expenses of our department, meaning to include the salary of every person that has any connection with that department, and distinctly saying that that should be included, then of course ours should be included; but if we show in our accounts that the expenditure is distinctly exclusive of it, there is no misconception.

2347. What is the entry in the accounts that shows that?—Our accounts show the salaries and expenditure due to all the establishments of all the provinces and of every person connected with the Public Works Department except the Secretariat of India.

2348. Is that stated in the accounts; is it mentioned?—Distinctly; the accounts are by provinces, and they include every person that has got anything to say to the works of those provinces.

2349. I want you to read out to me the paragraph in the accounts which states that. It may be inferred from the accounts, perhaps, but is it so stated in any accounts presented before Parliament?—I have not got the financial accounts that are presented to Parliament with me.

2350. It does not appear to me now that it is stated in so many words in those administrative accounts; you simply have to infer it?—That is quite possible; I do not deal with those financial accounts which are rendered to the Houses of Parliament.

2351. But in giving that statement of the per-centage charges of salaries compared with the outlay, did you read that statement?—No; I mentioned that it was a memorandum of my own. I am giving this as my own personal evidence from my own personal knowledge, from a scrutiny of the accounts as to our outlay in India.

2352. Sir *G. Balfour.*] Would you look at the statement given in the Appendix of last year, at page 554, and see whether it bears out your statement?—That column is for "Establishment and other miscellaneous charges, tools, plant, stock, materials, &c." That covers a great deal more than our salaries; it includes a number of other kinds of charges. In the first place, the cost of all the ordinary tools and plant employed in the construction of the works, all contingent charges of every kind and sort, all travelling allowances and everything of that kind.

2353. Then the cost of military works which you have already given us is exclusive of all these various charges for tools, plant, and so on?—Entirely.

2354. Then have we any separate account of the amount of that stock and materials, tools, and plant?—Certainly; it has not arrived, but it is a distinct head of our account.

2355. Then the military expenditure has to be increased in proportion to the sum expended in tools, plant, and materials?—For military works, if they were exclusively so employed.

2356. But as we have no means of dividing that, we must take it proportionately to the sum expended?—Yes.

2357. *Chairman.*] You were asked a question with reference to the charge for the secretariat, whether it was in the expenditure for the work. Will you be good enough to look to the account of the expenditure on administration. You will find this item under the Government of India of Public Works Secretariat, 31,961 *l.* shown as a separate item?—It is quite clearly shown here in the accounts given to Parliament as a distinct item under the head of the Government of India. In the year 1870–71 this is 31,961 *l.*

2358. Sir *G. Balfour.*] That includes your salaries as well as all the establishments of the governor general?—Yes; and all the expenses of that office.

2359. Mr. *Fawcett.*] What was the whole expenditure that year?—The whole expenditure which we had to deal with included not only all our ordinary but our extraordinary expenditure. There was also our revenue, and the supervision of guaranteed railways, and of everything going on in the shape of public works. The total amount of public money that that establishment had to deal with, it is difficult to mention. All our own expenditure for that year was, I believe about 5,000,000 *l.* or 6,000,000 *l.*, it certainly was very much more than 3,000,000 *l.* But the Secretariat has to deal with matters ranging far beyond what is concerned with our own expenditure; for instance the guaranteed railways.

2360. *Chairman.*] For 1870–71 the total is 5,300,000 *l.* for public works, civil and military?—Besides that there is extraordinary expenditure, I think.

2361. No; this includes everything?—Our public works secretariat deals with the revenue and also with the guaranteed railways, and with all sorts of local funds.

2362. Sir *G. Balfour.*] Then, in addition to the Secretariat of the Government of India, we have the Public Works Secretariat of Madras and Bombay to add to the expenditure?—They are included under the head establishment in the Public Works Department; they are included in the establishments of Bombay and Madras, and similarly the establishment in Bengal, establishment in the North Western Provinces, and so on. They help to get at that per-centage of 14 per cent.

2363. Then you deal differently with the Secretariats of Madras, Bombay and Bengal, inasmuch as you include their charges in the amount on which the per-centage is struck?—They are included in the public works expenditure.

2364. (To Colonel *Crommelin.*) On the last occasion you gave an account of the average cost of three stations of barracks erected for European troops. Can you give us a more accurate and detailed statement of the cost of barracks per head, derived from the excellent accounts which Colonel Innes now has produced to us?—The differences are not sufficient to materially affect the rates that were then struck.

2365. In looking over the detailed statement of the expenditure on account of the accommodation for troops, I observed in the paper before me very specific statements of the number of men

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and the cost. It would be an advantage if we could get more detailed accounts of the cost in different localities?—But the book you allude to does not give the information exactly. It is impossible to say how far the numbers of men, quoted in the several items, absolutely apply to the figures of expenditure.

2366. *Chairman* (to Colonel *Innes*).] Will you explain a little more to the Committee how you arrive at the 14 per cent. for the general charges?—I took, as a basis, the whole expenditure and ordinary cost of salaries for a given number of years.

2367. But would that give you the 14 per cent.?—Yes.

2368. Because, if we take for example the years of which we have the returns of miscellaneous charges, in the year 1871 they appear to be 1,000,000 *l.* out of a net expenditure on Public Works Ordinary (which includes, I believe, all the public works) of 3,910,000 *l.*, including the charges?—I do not know what those "miscellaneous charges" are.

2369. These are the sole miscellaneous charges here for "Establishment," which I presume is represented by establishment with all its subsidiary expenses?—Establishment with all its subsidiary expenses, instead of being 14 per cent. for the whole period, would be 16½ per cent. The word I used was "salaries" only; that was in reply to the question that Sir George Balfour asked me.

2370. If we take the accounts ending the 31st March 1871, the item here is establishment 1,013,000 *l.*; tools and plant, 78,419 *l.*; profit and loss, 7,071 *l.*; those are the three items extending over all India, including the Government of India?—In the years 1870–71 the proportion of the outlay under establishment to the whole outlay is as worked out by me 23·29.

2371. What is your gross sum?—I have not got those amounts at all here. I have answered these questions because I happen to have this paper with me; and this gives simply my own personal evidence.

2372. Mr. *Fawcett.*] Do your figures show that the charge has increased. You give 14 per cent. as the average?—That is the average of 10 years.

2373. But could you give the separate years, so as for us to see whether they have increased or not, because you have mentioned one year in which they were 23 per cent.?—I have no memorandum of that kind; but as I have mentioned before, I have three typical years, I may say; 1862-63, which was when everything, so to speak, was going on as of old; 1868–69, which was the year of maximum outlay, and of comparatively cheap establishment; and the year 1870–71, when the outlay was very little.

2374. *Chairman.*] Not very little, but smaller?—Was not the outlay very considerably reduced in that year? at any rate it was an expensive year as regards establishments.

2375. The whole expenditure in the other Return is 5,381,000 *l.* for 1870–71, and then the whole salaries and establishments is 945,000 *l.* according to this return; the two accounts that I have been putting before you do not seem to correspond?—No.

2376. Mr. *Fawcett.*] Will you give the percentages for the years you have mentioned?—All establishment charges, as my memorandum shows, in 1862-63 were 20·16; in 1868-69 they were 14·48; and in 1870–71 they were 23·29. And I will now give you salaries. 1862–63 they were 17·36; in 1868–69 they were 12·21; and 1870–71 they were 19·94.

2377. Therefore that shows that one of the arguments to be alleged against Government carrying on industrial works, is that if they have to diminish the outlay, the establishment expenses and the salaries remain pretty constant?—That certainly is an objection; and there is a counter objection, that if increased expenditure should suddenly be required, you always have not got the establishment wherewith to carry it on.

2378. *Chairman.*] The difference of the large total of 5,000,000 *l.* and the item appearing in the Government account, net, 3,900,000 *l.*, would appear to arise from the larger sum, including the deficit on the State railways paid to the railway companies?—I do not know those figures which you are referring to.

2379. You have not included in the expenditure on public works the deficit on the guaranteed railways, have you?—No.

2380. In making your estimate of the percentage of charge, you have not included the sum paid by Government on account of the guaranteed interest of railways?—No; this account has nothing to say to those. It refers to ordinary public works. This memorandum was not an abstract matter; it was prepared with reference to an analysis of our establishment charges, and it excluded sundry items. For instance, it excluded the cost of any such institution as the Roorkee College, and odds and ends of that kind, which have nothing to say to the analysis of the cost of establishment.

2381. Sir *G. Balfour.*] Is your figure struck upon the net or gross expenditure of public works?—Upon the gross ordinary expenditure on military works, civil buildings, roads, canals, and so on.

2382. Do you add the cost of establishment, tools, and plant, to the total outlay, and then strike the per-centage?—That is the per-centage upon the total outlay.

2383. *Chairman.*] That total outlay including the per-centage?—Yes; it is the per-centage upon the total outlay.

2384. Sir *G. Balfour.*] I understand that the Public Works Department are sending home from India more detailed information connected with these establishments?—Yes, a full statement.

2385. When that comes you can give us the actual amounts as well as the per-centages?—Certainly: I have merely on the occasion taken the opportunity of giving what information I can. I wish it to be understood that the figures involved here compare like with like: that they compare the establishment with the works which that establishment had to deal with.

2386. (To Colonel *Crommelin.*) Will you hand in that occupation statement of yours with regard to the barracks?—Yes (*handing in the same*).

Friday, 28th March 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Cross.
Sir George Balfour.	Mr. Dickinson.
Sir Thomas Bazley.	Mr. Fawcett.
Mr. Beach.	Mr. Lyttelton.
Mr. Birley.	Sir Stafford Northcote.
Mr. Candlish.	Mr. John Benjamin Smith.
Mr. Baillie Cochrane.	Sir David Wedderburn.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Colonel WILLIAM ARDEN CROMMELIN, R.E., C.B.; Lieutenant Colonel JAMES JOHN M'LEOD INNES, R.E., re-called; and further Examined.

Col. *W. A. Crommelin*, R.E., C.B., and Lieut. Col. *J. J. M'Leod Innes*, R.E.

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2387. *Chairman* (to Colonel *Crommelin*).] In the answer that you gave on the last occasion to the Question 2263, you were under the impression that the expenditure for the whole building on the new Government House for the Governor of Bombay at Gunnesh Khind did not include the charge for the quarters for the guard; have you ascertained whether that is correct?—I have ascertained that it did include the cost of the guard.

2388. Have you ascertained also clearly whether it did or did not include the cost of the furniture?—It did not include the cost of the furniture.

2389. You stated that this kind of expenditure might go on if no steps were taken by the Government of India to check it. Are you aware whether any such steps have, in fact, been taken, or have you ascertained that they have?—In answer to Question 2284, I simply said that it might go on "if the Government of India does not see fit to interfere." But the Government of India have taken measures, which Colonel Innes, perhaps, can explain better than I.

2390. (To Colonel *Innes*.) Will you be good enough to give that explanation to the Committee?—Since the expenditure was so incurred at Gunnesh Khind, two arrangements have been made by the Government of India which have materially altered their control over what goes on at Bombay. One is that the Accounts Department, and the officer who has charge of the accounts, have been brought under the Government of India, and report direct to the Accountant General to the Government of India everything that goes on in the shape of expenditure, and especially report everything that is unauthorised and improper. The other is that the officers of the Finance Department, the local accountants general, who alone can supply funds, have now been given means of knowing how the expenditure goes on, and if the money that is supplied is being improperly used, or is at all liable to be exceeded, they can stop the supplies.

2391. Sir *G. Balfour*.] I want to fix precisely on whom rests the responsibility for the expenditure on military works, and I will read to you the following instruction which was issued on the 16th of November 1860, in the Financial Department, No. 119, paragraph 26. It is to be understood by all the departments concerned, that as a general rule, and except in special cases of emergency, and in cases in which the Governor General in Council shall otherwise direct, all proposals in the Military, Political, or Financial Departments bearing on questions of military finance, and all proposals in the Public Works Department for expenditure (other than that on ordinary repairs) on military public works, shall be sent for opinion and report to the Military Finance Department before the orders of the Governor General in Council are taken upon them. That is a resolution which was written by Lord Canning himself. Now I want to know to what extent you can show how far the expenditure is controlled by the Military Department now, as compared with that date 1860, when that resolution was issued?—The control or scrutiny that the Military Department has over the expenditure which is incurred by the Public Works Department on its account, that is to say, on account of buildings, and so forth for it, takes place in two ways. First, that every design and estimate for every work connected with the Military Department has to be scrutinised and approved by some officer of the Military Department; who that officer or office is, depending on the magnitude of the expenditure involved. The other is that the Budget allotment for the year on military works is fully examined by the Military Department, and all the arrangements for its utilization are examined by the Military Department before it is sanctioned.

2392. And can you say of your own knowledge, that that examination has been continued to be made since 1860 up to the latest date?—Certainly.

2393. Then has all this large expenditure for military works been subjected to that examination which you speak of?—The actual expenditure, after it has been incurred, is susceptible of being overhauled by the Military Department, inasmuch as the accounts are sent to them, or are received by them in ordinary course, and can be overhauled by them to any extent that they choose. Whether they do examine them, is not a question

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on which I can say anything positively. I believe they do so very fully.

2394. Within what time are you able to send your accounts of actual expenditure to the Military Department?—If the Military Department want to know the expenditure that occurs upon any building, or any one work, or any head of expenditure, it can always be given within about two months after that expenditure has been incurred. Our annual accounts of the whole year in full detail, are always ready to be seen by any person that wants to see them in two and a-half or three months after the close of the year, but they are not always published and closed perhaps, for a little later than that, in order to allow for any adjustments that may be required between the different departments of Government.

2395. But seeing that the English army of India has been very considerably increased by the change that has taken place in the large addition of European troops as compared with native troops, are you aware whether that expenditure on account of the military works has ever been subjected to review by the Military Department?—My impression and belief is that it is not only annually, but constantly being reviewed by the Military Department.

2396. The actual expenditure?—The actual expenditure. My belief arises from the constant references that are made to me to give information as to what the outlay has been in various ways on various works, and up to date under various heads.

2397. Although that expenditure on account of military works is inserted in your accounts, this expenditure virtually is entirely a military expenditure, in the sense that the estimates have been sanctioned by the Military Department and that the expenditure has been subjected to their examination?—In that it certainly is expenditure of the Military Department in the same way that all our expenditure, with the exception, I fancy, of railways, is overhauled by some other department, and requires to meet the approval of some other department.

2398. Considering that the expenditure on account of military works was up to 1866-67 invariably shown in the military expenditure, and seeing that the expenditure on military works is still shown in the Army Estimates of the Imperial Service, have you ever turned your attention to the propriety of showing, as a portion of the military expenditure, the sums expended on account of military works in the military estimates?—I have not turned my attention to the subject. It has been decided, and I know that it has been more thoroughly investigated than I have ever attempted to investigate it. It was last investigated, I believe, in 1864, when two gentlemen were sent out from here to examine into the system of accounts in India, and I believe it was then decided that whatever expenditure was incurred by any department should be considered as the expenditure of that department. Therefore any expenditure incurred by the Public Works Department, whether for military buildings, civil buildings, irrigation, or any other purpose, was to be recorded, kept, and accounted for as the expenditure of that department. Whether that is right or not right, is a matter of opinion. It is a matter on which I am not in any way qualified to give an authoritative opinion.

2399. Can you refer us to the papers wherein that opinion was expressed?—No, I cannot; but I am very certain that it was gone into at that time, and that was the decision.

2400. And you think that there was an actual report to that effect then?—Yes, I am confident that the principle was definitely laid down.

2401. Could you, as easily as you have furnished the Committee a statement of the expenditure for the construction of public works, furnish a detailed statement under the separate divisions of the repairs of these same works?—I could prepare a similar statement; but to do it I should have to go into every detail in this large book in my hand; I have done that for the works, and I could do it for the repairs; but to take out every single item that has been going on for 10 years, and allot it to its proper head, and so redistribute the expenditure, would be a great deal of labour.

2402. If the repairs on account of accommodation for the troops may be considered as nearly all, or wholly expended on account of European troops, this abstract which you have now got in your excellent accounts, would suffice?—I believe there is so little repair in any buildings for the shelter of troops, that that abstract would give you really the information which you want for all practical purposes.

2403-2415. *Chairman.*] Are you able now to give the statement of expenditure within the last few years on the Straits Settlements?—I can give the total outlay on military works in the Straits Settlements. The questions that I was asked on the last occasion were with reference to the construction only; I could not give that, but I can give the whole. During 1862-63, it was 9,134 *l.*, during 1863-64, it was 8,193 *l.*; during 1864-65, it was 4,790 *l.*; during 1865-66, it was 4,962 *l.*; and during 1866-67, it was 5,579 *l.*

Friday, 4th April 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Eastwick.
Sir George Balfour.	Sir James Elphinstone.
Mr. Beach.	Mr. Fawcett.
Mr. Bourke.	Lord Edmond Fitzmaurice.
Mr. Baillie Cochrane.	Mr. Robert Fowler.
Mr. Cross.	Mr. Lyttelton.
Mr. Charles Dalrymple	Mr. John Benjamin Smith.
Mr. Dickinson.	Sir David Wedderburn.
Mr. Grant Duff.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. JAMES MACKENZIE MACLEAN, called in; and Examined.

2416. *Chairman.*] HAVE you resided in India?—I have been connected with India for over 13 years.

2417. What has been your occupation, and where have you been?—Journalist in Bombay.

2418. Have you in that position directed your attention to the administration of affairs in India?—I have.

2419. And have you formed any views upon [illegible]e policy that has recently been introduced with [illegible]erence to what is called decentralisation?—I [illegible] had occasion during the last two years to [illegible]y a great deal of attention to that policy and [illegible] its results in Bombay.

2420. If you desire to express your views on that subject, perhaps you will state them now?—I think that the cardinal defect of this policy is that it takes away what you may call the only available check in India on the ambition of subordinate officials. It is as true now, perhaps truer, than when Mr. Shore wrote it forty years ago, that the greatest curse of India is often a zealous official. In that country it is the interest of every governor of a province or a town, and of every ruler of a district, to magnify himself and the Government to which he belongs by spending as much money as possible; and the only check that you can apply in a country where there is no real representation of the people possible, is a check from above, the check of somebody devoid of all local predilections, and able to reduce the demands of different provinces to a proper proportion, and to keep them in due relation to one another.

2421. Do you think that spirit which you have described finds its way into the Council of the Local Governor, or into the mind of the Local Administration of the Province?—In Bombay, decidedly it has done so.

2422. Do you think that there has been too great a disposition to embark in novel enterprises?—Yes; there has been great zeal for expenditure, and very little desire for reduction in any way.

2423. Do you find that in the Presidency town, where I presume you have resided, there is a great disposition to stimulate the Governor and Council to embark in all kinds of undertakings?—On the part of individuals, perhaps; not on the part of the community.

Mr. *J. M. Maclean.*

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2424. Then your observation applies more to those in the public service throughout the Presidency, each wishing to bring himself forward with new enterprises?—Yes.

2425. Do you think that that has been the main cause which has stimulated such large expenditure in the Presidency of Bombay?—Perhaps you will allow me to state what have been the actual results of the decentralisation policy in Bombay. The decentralisation minute was published about the end of 1870, and Sir Seymour Fitzgerald, the Governor of Bombay, in his budget speech of 5th April 1871, said the Government of India had left him with a deficit of 100,000 *l.*, which he must make good somehow. He did not attempt to do so by reducing expenditure, but he proposed to levy taxes to increase his revenue. He brought forward a tax on feasts, which was withdrawn afterwards; it was strongly objected to by the natives.

2426. Mr. *B. Cochrane.*] On what description of feasts?—Every kind; it would have included marriage ceremonies, and even religious ceremonies of some kinds, according to the native belief. But he succeeded in passing a measure for levying a tax, known as the non-agricultural cess, on the rural non-agricultural population, and also in fixing a contribution on the large and wealthy cities of the Presidency towards the general expenditure of the police. Now, with regard to this non-agricultural cess, the excuse given for levying it was, that there were a large class of people in the Mofussil who were not occupiers of land, and did not contribute to the land revenue, and whom, therefore, it was fair to tax; but the tax went down as low as incomes of 50 rupees a year; anyone who had 50 rupees a year of income was to pay a tax of eight annas; and the fee increased according as the income increased. This tax was introduced at a time when the Government of India was relieving all incomes of less than 750 rupees a year from the payment of Imperial income tax; so that, so far as regards this measure, the result of decentralisation in Bombay was to substitute an income

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tax on incomes of 5 *l.* a year for an income tax on incomes of 75 *l.* a year.

2427. Sir *C. Wingfield.*] Will you mention what number of people it was estimated would be brought under taxation by this tax?—The tax was to produce four lacs of rupees. I do not know how many people were expected to pay it; but practically it was to hit everybody in the Mofussil who did not pay land tax; because I suppose there is no household in the country where there is not as much as 50 rupees earned in the course of the year.

2428. If you had the report of the debate in the Governor's council with you, I think you will see the number stated there?—I have not it with me to refer to.

2429. *Chairman.*] Do you know whether there was any feeling of satisfaction or dissatisfaction at these proceedings of the Government of Bombay amongst the community?—I cannot say that there was any feeling amongst the community, because the tax touched a class whom one seldom hears from directly; but I know that the district officers generally were strongly indignant at the tax being passed, and very many of them personally made representations to me of the extreme injustice which it inflicted on poor people, and of the discontent which it was creating all through the Presidency.

2430. Without wishing to penetrate the secrets of Indian journalism, I may perhaps ask whether you get any communications from natives in the interior, or do they come from persons in the public service, the few Europeans who are resident in the interior?—Almost always from Europeans; more come nowadays from natives than used to come from them.

2431. But are they the English educated natives of the public service, or independent natives?—Independent natives. I have had some communications about the assessment of the land tax from natives who could not speak English at all, in North Canara.

2432. Do you mean that they write to you in the vernacular?—No, they came up and employed an interpreter.

2433. But I mean, did you receive any written communications?—Very seldom anything of that kind.

2434. You do not keep any establishment to translate letters written to you?—No; we get translations from the native press regularly, but nothing else.

2435. And in the Presidency town are the communications that are made to you from Europeans exclusively, or do the natives communicate to you in the form of letters, and otherwise?—Natives communicate in Bombay very freely indeed upon all subjects. There is a very large class of educated natives there who take a great interest in public affairs.

2436. Are the educated class of natives English educated, that is people who read and write English?—Mostly.

2437. I presume that your journal circulates almost entirely amongst Europeans, and to some extent, also among the natives who read and write English?—Yes.

2438. The chief circulation is among the Europeans?—Yes.

2439. And among the public servants?—I do not know that.

2440. I mean except in Bombay town, and there it goes amongst all classes?—Yes.

2441. Mr. *Fowler.*] It is entirely published in English?—Yes.

2442. *Chairman.*] When you speak of a control being needed beyond the local government, do you mean the control of the Secretary of State here, or the control of the Government of India?—The control of the Government of India. I think the Government of India used to exercise a very careful supervision over the different provincial budgets, and the tendency was, as a rule, in favour of economy. By this decentralisation policy, they shifted responsibility on to the provincial governors, and became less anxious to control expenditure.

2443. Can you give the Committee any idea as to what is thought by the community of the governor transacting his business in the legislative council; do they consider that he is as much responsible as if he had no council, or do they consider the legislative council responsible for what is done?—I think the governor is generally held responsible.

2444. What part does the legislative council which actually passes the laws play, in the opinion of the public?—They consider that it is simply to give advice, and express opinions on any measure; but there is always a majority of officials to carry any measure.

2445. As officials, they are not bound to obey the governor's orders, are they?—No.

2446. Then, in point of fact, he cannot do anything affirmatively unless they choose to consent?—No.

2447. Therefore you could not hold a man responsible for a policy, could you, which he could not carry out?—Well, if the Governor of Bombay comes to the legislative council, and says, "Here is a deficit; I am bound to make good; you must pass these measures," I think that the responsibility rests mainly upon him. They must supply money in some way or another to carry on the public service.

2448. But with regard to measures which very often lead to expenditure, and which create a deficit, can the Legislative Council deal with them; do the public consider the Legislative Council in any way responsible for what they do, or do they put it all on the governor?—I do not know what measures the Legislative Council passes that create expenditure; they have no power over expenditure, as I understand by the Council's Act.

2449. But measures of administration lead, do they not, to expenditure; supposing, for instance, they passed a measure to inspect cotton all over the Presidency, would not that involve the Government in expenditure?—Yes, that would do so.

2450. Mr. *B. Cochrane.*] Do you know how much money was raised by this tax on feasts?—It was never passed into law; it was withdrawn.

2451. *Chairman.*] Have you any other point to state on the immediate effect of the decentralisation?—There is another thing which I wanted to call attention to, and that is this: in the old days there was an imperial grant made by the Government of India towards the cost of the police in Bombay, a grant of a lac of rupees a year. When this decentralisation policy was carried out, Sir Seymour Fitzgerald withdrew this grant from the police, and told the municipality of Bombay to raise the money, and pay the police themselves. This was in the middle of a financial year, when the municipality was already in difficulties,

ficulties, and the practical result was to throw on the municipality the responsibility and the odium of levying fresh local taxes on the people to supply the deficit created by the reduction of the imperial income tax.

2452. Has the municipality the power of reducing the police establishment?—No; that is fixed by the Government; they have only the duty of paying it.

2453. That is a case, therefore, in which the expense of local administration is incurred by the Government, and the mere payment reserved to the local administrators?—Yes; it was looked upon as very unjust in Bombay, because Calcutta and Madras, I believe, still receive these grants from the Imperial Government; but it was taken away from Bombay, and there were great complaints at that time of the state of the municipality. There is another point which I would notice about the policy of decentralisation; namely, that it stimulated very much the zeal of the district officers in Bombay to increase the assessments on the land. Of course the members of Committee are aware that the land in Bombay is mostly let out on 30 years leases; the settlement there is for 30 years; these leases began to fall in a year or two ago. The land had been let on very low terms indeed, with a very satisfactory result in the first settlement, and now that these leases are falling in, so great is the demand for money, I may say, at head quarters, that it creates a very unwholesome zeal in the officials of the Revenue Survey Department to get as much revenue as they possibly can, and to screw up the land assessment as high as possible. One instance last year occurred in the talook of Madeh, [illegible] the Deccan. It was re-assessed at an increase [illegible]0 per cent., in spite of the opinion expressed [illegible]e collector of the district that such an ad[illegible]ce might give rise to some discontent. I give that as an example of what I think is the tendency of the Bombay Revenue Survey to reverse the very wise and beneficial policy introduced by Sir George Wingate and others, of letting out the land there on the lowest possible rental, in order to secure an increase of cultivation, and to make the agricultural population contented with our rule.

2454. Was that land, which was so much increased, in a very favoured position with regard to the railway station, or otherwise?—The Great Indian Peninsula Railway passes near it; but the rule on which the revenue survey went was, that prices had increased so much of recent years, and therefore the land could bear such and such an increase of assessment. They did not take into account what it seems to me is evident, that prices have begun to fall very heavily in the last few years in Western India generally, especially the price of cotton, and all other agricultural produce. Rents in Bombay are falling very largely indeed, and prices generally; so that this increased assessment may be coincident with a very heavy fall in prices really; and there is no uniform rule at all about this re-assessment; the Government of Bombay may increase it to any extent by an arbitrary decree, as it were; they have simply to say that the land is to be re-assessed at so much, and it is done. The land revenue is never brought under the consideration of the Government; it is the greatest part of the revenue of India, and yet it is never formally discussed; the Local Government can do almost what they like with it at their own caprice.

2455. When you say that it is never brought under the consideration of the Government, what part of the Government do you mean?—The Legislature; there is no mention of it in the annual Budget.

2456. Have you had your attention drawn to the administration of the Department of Public Works in Bombay?—Yes; we have had a great deal to do with the Public Works Department in Bombay, and I think that the general feeling of the public there towards it is one of very deep distrust on account of its action of late years.

2457. To what particular action do you refer?—Especially to its management of the foreshore properties of the island of Bombay. All round Bombay there are low-lying foreshores which are open to reclamation in one form or another, and there have been very many schemes for forming docks and piers there for the accommodation of the trade. The Public Works Department began now, I suppose, some 15 years ago, granting concessions to enterprising men, who proposed to establish wharves, and to make basins, for the trade. There was the Colaba land given in that way, and the Elphinstone land; this went on for some years, and then there was the celebrated concession to the Back Bay Company in 1864, which provoked a great deal of discussion, and very strong attacks upon the Government for its land policy. The Government then changed its views, and said that it would keep the site of Moody Bay, which is alongside the Elphinstone land; there is a very valuable site for docks there.

2458. That is a site in front of the Fort town?—Yes, it is just in front of the passenger station of the Great Indian Peninsula Railway. The Government said that they would reclaim this themselves, and make docks there for the convenience of the trade. Some money was spent on the Moody Bay Estate from year to year; a great deal, about 400,000*l.*, has been spent upon it altogether; but about 1867 the Elphinstone Land Company, which had carried on its works with great vigour and energy, and really had constructed a very excellent work, was anxious to get money to go on with; the money was not very easily forthcoming in Bombay at that time, and the first suggestion was that Government should make a loan to the Company to go on with these works. I think General Strachey proposed after that that the Government should buy up all the foreshore of Bombay, on the ground that it was not a right thing to let private companies have such privileges. This idea germinated, and was taken up by Sir Seymour Fitzgerald, and afterwards by Lord Mayo, and in 1869 the Elphinstone Company's property was purchased by the State for about two millions of money.

2459. Are you sure it was as much as two millions of money?—It was 1,800,000*l.*

2460. Sir *C. Wingfield.*] At its par value?—At the par value of the shares. The shares were 1,000 rupees, and they had fallen at one time to 330 rupees, and the Government paid 1,000 rupees, the par value of each share.

2461. *Chairman.*] What was the market value of these shares a twelvemonth before the purchase, or when the purchase was mooted?—It was about 1867, I think, that they went down as low as 330 rupees; it must have been a little before that, because it was in 1867 that it was first bruited about that the property might be purchased by the State; then, of course, the shares gradually rose.

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2462. They rose with the idea?—They rose with the idea; it was entirely owing to the idea that the State would purchase the property that the shares did rise.

2463. Then 330 rupees may be considered to have been the commercial value of the undertaking at that time?—Yes.

2464. Mr. *Fowler.*] But that was at a time of panic, I suppose?—It was at a time when the value of property was very much depressed.

2465. *Chairman.*] The 330 rupees would be the price arrived at upon the rental of the property; the price must have been based upon the rental of the property, I presume?—No; I think it was a speculative price altogether, because the property was bringing in very little indeed then; they were still spending large sums of money in reclaiming.

2466. Do you know whether in any access of speculation this property had been above the par value of the shares?—I think they were in 1864; everything was at a premium then.

2467. Mr. *Fowler.*] What was the highest point?—I do not know.

2468. *Chairman.*] That was a price arrived at by people who never paid for anything, was it not?—I should say so.

2469. Did not all those Bombay speculators who inflated prices, end by retiring into privacy without fulfilling their engagements?—A good many of them.

2470. Was the only ground for buying this property the vindication of a principle that people ought not to have poperty in Bombay on the sea shore; or had it any other object?—The object stated in the Administration Report of the Bombay Government last year was in order to prevent the foreshore of the harbour from becoming the monopoly of a private company. Well, they had it in their own hands at the time to prevent that by simply going on with the Moody Bay Works, and completing them. Perhaps you will allow me to contrast the actual expenditure and the results of what they have done with what they might have done. The amount spent by the Government was 2,800,000 *l.*, which they wished to fasten on the Port Trust,

2471. You speak of the Port Trust as if we knew it; what is the Port Trust?—The Port Trust is a body that the Government proposes to form (an Act has now been passed recently) to manage all the foreshore properties of Bombay, including the Elphinstone property and all those belonging to the Government.

2472. When you speak of it as a Trust, do you mean that it is a body of Commissioners appointed by the Government?—Yes, and including representatives of the mercantile community.

2473. Is this Commission under the control of the Government?—Practically it is; a Government official is to be at the head.

2474. You do not know whether the Government have reserved to themselves any absolute controlling power?—I think they keep the financial power in their hand; Sir Philip Wodehouse was very anxious not to give this to a Board. This Port Trust was to take over and be responsible for all the expenditure on the harbour foreshore of Bombay, including the purchase of the Elphinstone property; that amounted to 2,800,000 *l.*, I suppose about 2,000,000 *l.* of money was spent on the Back Bay scheme, and if you put down another 1,000,000 *l.* for the Mazagon and Colaba, and other properties, you have had an expenditure on the foreshore of Bombay, from one source or another, of nearly six millions of money.

2475. That is for the purpose of converting the sea-covered shore into dry land?—Yes; and of making wharves and docks. But not a single dock has been provided yet in any way. A number of wharves and boat basins have been built, but at the present moment I suppose Bombay is, with all its natural capabilities, the very worst harbour for landing and shipping goods that you can find all the way between England and India.

2476. Have any arrangements been made, as the result of this expenditure, by which a sea-going vessel can go alongside and unload its cargo?—Not at all; every ship in Bombay must be unloaded in small boats, and take its cargo on board by small boats, in spite of this lavish expenditure.

2477. Then what has been accomplished is only this: that the boats have a somewhat shorter journey, because the dry land has been brought a little further into the sea?—Yes, and all this expenditure, or the interest of it, having to be made good by the town of Bombay, the Government has passed an Act, called the Bunder Fees Act, estimated to produce 20,000 *l.* a year, and has actually begun levying, within the last year or two, a tax of 1½ *d.* on every single package taken on board a ship in the harbour, or brought ashore on any of the piers or wharves which used to be free to the public long before this Elphinstone property was bought.

2478. Now there is an Imperial Customs duty, and a local one also?—Yes, there are three sets of Customs in Bombay; an Imperial one; th municipality has its own octroi duties; and t Public Works Department has set up custom its own at every little place along the foresh poor fishermen at Worlee and Sewree, men w have had the prescriptive right in their families for generations of fishing there and landing their fish without any charge, now have to pay this tax to the Public Works Department for the purchase of the Elphinstone Company.

2479. Has it come within you observation that, where taxes of this kind are levied upon the people, there is a certain facility on the part of the immediate officers who levy them, of adding something to them for their own benefit?—Certainly; that is the great drawback on indirect taxation in India; I mean in dues levied on goods; I suppose it would be so with direct taxation also to some extent.

2480. It is direct as regards the goods of the people, but you mean indirect as regards the ultimate consumer?—Yes.

2481. Therefore there is a double addition as regards the consumer; first, the cost of the person to collect the small tax, and then the super tax which he puts on for his own benefit in the way of extortion?—Yes.

2482. Do you know whether these resources have been found sufficient to pay the interest on, I think you have made the account now, 5,800,000 *l.*?—That is only showing what the amount is that has been spent. The amount to be charged for the Port Trust was originally 2,800,000 *l.* The Government of India have reduced that very materially; they have reduced it until the income of properties, together with this Bunder Fees Act, will meet about the interest of the capital sum.

2483. Did you discover, from any communica-

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tion made to you, whether this theoretical view of the impropriety of people holding the foreshore was one that was strongly entertained by the community or strongly entertained by the people who possessed the property and sold it to the Government?—Well, I believe that the protest against letting the foreshore be monopolised by private companies was originally made by myself about the year 1864, when the Government had given its concession for Back Bay, and when there seemed to be a fear that the whole foreshores of the island would be bought up by one gigantic speculative company. It was then taken advantage of some two or three years afterwards by those who wished that the State should buy the Elphinstone Company's property.

2484. What I want to know is whether those who wished that the Government should buy the Elphinstone Company's property were the shareholders in the Elphinstone Company's property?—I suppose they wished the State to buy it or they would not have sold the property to the State.

2485. But you have spoken of a wish preceding the actual purchase; a wish that was expressed in Bombay. Do you think that you could trace that wish chiefly to the shareholders of the company?—Yes; I think the community was strongly opposed to it at the time.

2486. Did the general community see the necessity of adopting the theory of buying the property?—No, because the Government had, at the time, the very best site in the harbour in its own possession, and had been spending a great deal of money upon it. The Moody Bay site has been declared by the Bombay Chamber of Commerce to be the very best site for docks on the whole foreshore; I believe that was the opinion of the best engineers also.

2487. Was it the opinion of the railway companies also?—I believe it was the opinion of the Great Indian Peninsula Railway Company, because one part of the concession to the Elphinstone Land Company was to build them a goods station a little way higher up the harbour, and that they found useless.

2488. Apart from the particular transaction of the Elphinstone land, was the railway company itself desirous of using the Moody Bay?—Yes.

2489. Have you observed what has been done with this foreshore property since it has passed into the hands of the Government?—Since it was bought in 1869, the Government of India and the Government of Bombay have been engaged in quarrelling about which of the two was responsible for the purchase, and the correspondence was only brought to a conclusion last year; so that, really, three or four years have been wasted, and a million of money is still required to make any docks at all upon the estate.

2490. If it cost two millions of money, that would be a dispute which cost the people of India 100,000 *l.* for four years, for them to be edified by?—Yes; and I must say that the Bombay Government was solely responsible for it.

2491. You said it would cost another million to make it useful?—It will cost just about a million to make docks; that is Mr. Ormiston, the engineer's estimate. He proposes to cut a channel at right angles to the course of the tide, for large ships to come into these docks which he is going to make on the Elphinstone estate, and this is to cost another million of money. The same engineer estimates that the Moody Bay estate might have been completed, and docks made there, for a million and three-quarters, or just about the sum that the Government paid for the purchase of the Elphinstone property; so that, if the Government, instead of buying the Elphinstone property, had spent its two millions of money in reclaiming this property, and completing docks there, the public would by this time have had those docks finished, and been relieved from taxation which they are now paying; and at the same time if, as some of the shareholders of the Elphinstone Company say, their property was a good one, and they did not wish to sell it, they might have gone on with their work, and the estate would have been there, and the public would still have had the accommodation that they now have from the Elphinstone Company's property; they would have had both, in fact.

2492. I suppose the Government will only part with the use of the land to individuals at the best price they can get for it?—Yes; and there is no market for it at present.

2493. If it had remained in the hands of the company, do you think that the company could have done more than that?—No.

2494. Therefore, whether the land is owned by the company or by the Government, the result to individuals, and through them to the public, must be precisely the same?—Exactly the same.

2495. Now, to pass to the other purchase on the other side of the island, the Back Bay reclamation, what was done with that?—Well, the object of that reclamation was to give the Bombay and Baroda Railway Company an approach to Colaba, a terminus there on the harbour foreshore. The work of reclamation in Back Bay was completed as far as it has gone about the end of 1866; but it is only within this last year that this railway company has got permission from the Government of Bombay to complete its line down to this Colaba terminus; so that there have been these six years wasted without making any use of the land. After the failure of the company, the Government bought it back at a low price; I forget the exact sum now.

2496. What is the distance and quantity of land measured from the old shore that has been reclaimed; how many feet or yards from the former shore has been reclaimed?—I do not know the exact quantity.

2497. About how much?—I should say about a tenth of a mile. In some parts it may go out as far as that; in other parts it is a narrower strip. In some parts there is a good space of land outside where the railway will run until you get to the end of the reclamation.

2498. But was there not land all along the side of the island over which the railway could have been constructed?—Certainly there was sand.

2499. And so far as the railway was concerned the reclamation was not necessary?—No.

2500. Do you know whether that land has been turned to any account?—The Back Bay land has been turned to no account whatever; it is mere waste now.

2501. Was that land facing the sea called Back Bay, which is inaccessible to vessels on account of its rocky nature?—Yes, it is quite inaccessible.

2502. Therefore, it cannot be used for any mercantile purposes?—No.

2503. Only if anything for private residences facing the seashore?—Yes. And that is the only

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plan for using the land, making really a new esplanade down it on the outside.

2504. Do you know how much the Government has paid altogether on this account?—I do not know the exact sum.

2505. Has anything been done to give the railway company a station on the harbour shore, so as to enable them to connect themselves with the shipping of Bombay?—Now, at last they have got a place there, on the harbour foreshore of Colaba.

2506. But it is under water, I presume?—No; it is the old gun-carriage factory, I think, which has been made over to them now.

2507. Then have the Government bought up the land which you describe as the Colaba Company's property?—No; that still belongs to the Colaba Company; the gun-carriage land comes next; then beyond that there is a piece of land that Sassoons have bought, which did belong to the Back Bay Company, and on which they are now making a dock of their own, which will compete with the Government docks.

2508. Adjoining that; the gun-carriage land has been taken for their station?—Yes.

2509. Will the railway company there be in relation to the seaboard trade?—Yes.

2510. Then is the Government in possession of all the intermediate land, between that and what you have been describing as the Elphinstone land, the foreshore?—Yes; they have got the whole of that land now, from the Colaba up to the Elphinstone.

2511. Then they had that at the time that they made these purchases?—Yes.

2512. Is it as much as half, or more than half the sea-face of the Island of Bombay for commercial purposes?—It is by far the most valuable commercial part of the foreshore.

2513. Have you anything further to add, with regard to the land purchases?—Yes; I want to show why it is that so strong a feeling of distrust exists in Bombay, with reference to the action of the Public Works Department. The Bombay Government's reason for purchasing the property was this: they say, "in 1869, in the interests of the trade of the port, and to prevent any monopoly by private companies in an extensive portion of the foreshore, the property of the Elphinstone Land Company was purchased by Government." The correspondence which was printed last year, and given to the press, shows that Colonel Kennedy, the Secretary to the Public Works Department in Bombay, on 1st February 1869, wrote to the Government of India, estimating the value of the land on the Elphinstone Company's estate at 60 to 120 rupees a square yard, and declared that there could be no doubt whatever that this value would increase greatly. The Government of India then gave permission for the purchase on these representations. The principal condition mentioned in Colonel Strachey's Memorandum for the Government of India, 15th June 1869, was that the "whole sum paid to the Elphinstone Company, with the costs attending the transfer, should be placed to the debit of the Port Trust;" that is of the local body. The Government of Bombay concluded the purchase on this condition, and then spent a couple of years in trying to evade the fulfilment of it. There is a letter written on 21st June 1870, by Colonel Dickens, the Public Works Secretary of the Government of India, in which he puts the case very clearly. He says, "If it be now found that conditions, without the acceptance of which the Government of India would assuredly not have assented to the purchase of the Elphinstone property, cannot be complied with, a serious responsibility rests on the Bombay Government for having placed the Government of India in the position of having sanctioned the creation of a permanent debt of more than one and three-quarter millions sterling, which, if the whole of the facts had been fully represented, the Government would not have done." That is the case of the Government of India throwing the whole responsibility of this purchase upon the Government of Bombay; and so far from the land, as Colonel Kennedy estimated, being worth from 60 to 120 rupees a square yard, it is impossible to sell any portion of it now at 20 rupees a square yard. The Government tried it, put up some to auction, and the highest offer they got was 22 rupees a yard for some part, but the greater part is not saleable.

2514. They do not appear to have appreciated the commercial principle that, if they added enormously to the quantity of land in the market, they could not get the same price as they could have got for land when there was a limited quantity of it?—Just so. Again, a large part of this Elphinstone property, about 660,000 *l.* of the money spent, was spent in building a piece of property for the railway station, which the company was bound to hand over to the Government for nothing, as one of the conditions of its original concession; so that, practically, the Government, by paying off the shares at par, has paid for this land twice over.

2515. Do you wish to make any statemen[t] with reference to the proceedings of the Publ[ic] Works Department with relation to any railw[ay] in the Bombay Presidency?—If the Commi[ttee] care to go into the inquiry about the Ca[lcutta] Railway, I shall be glad to state the feeling abo[ut] that.

2516. Mr. *Fawcett.*] That scheme has been disallowed and stopped, has it not?—Not yet. I will state how the case stands. The railway was first recommended by the Bombay Government upon the ground that it would pay 8⅓ per cent. on the capital invested; that was the statement in Colonel Kennedy's despatch recommending that this line should be sanctioned.

2517. Sir *G. Balfour.*] Of what date was that?—The 21st of November 1871. The Government of India thereupon actually recommended the line, and sent the scheme home for approval to the Secretary of State. When the official papers were published in Bombay, there were very vehement remonstrances made by the press, and the Bombay Chamber of Commerce took up the question, and passed strong resolutions against forming the line. The Government then appointed a Committee of Inquiry to revise the estimates.

2518. *Chairman.*] Was that a railway on what is called the standard gauge or the narrow gauge?—It was the narrow gauge even at that time. A Committee was then appointed to revise the estimates, and they have lately published their report. I will just refer to that report. Colonel Kennedy's estimate of the net return was 8⅓ per cent. The conclusion come to by the Committee is "that taking the working expenses at 55 or 60 per cent. of the receipts, there would be a net return of 4·09 or 3·63 per cent. on a capital outlay of 110 lacs." That is the result of the Committee's inquiry as to what would be the net

net return. They have raised the estimate of the cost from 90 lacs of rupees to 110 lacs; but at the same time they say that the traffic return which is to pay this revenue of say 4 per cent., will not begin to come in for about three years; they say "within a reasonable period, say three years after the construction of the line;" and they make no allowance in their estimate of cost for interest on capital during the three years the line is to pay nothing, or hardly anything. If you add for that to the 110 lacs, I think that you may fairly say that the lower estimate of 3½ per cent. is as much as the line can possibly return, even according to the report of the Committee.

2519. Sir *G. Balfour.*] What is the length of the line?—About 140 miles. It is an isolated line, and the Committee take the average of the working expenses very low, at 55 or 60 per cent.; the average for all India is over 54, and that includes very long lines, where of course the working expenses are not so heavy.

2520. Mr. *Cross.*] The Government suggested that they could get the 8½ per cent.?—Yes.

2521. How do you account for that?—The report goes fully into the estimate of the traffic and the cost, and changes the whole thing. In fact what the Committee now recommend is a perfectly distinct thing, as I propose to show you from what they say.

2522. *Chairman.*] What do they propose now to do?—The Bombay Chamber of Commerce recommended an alternative line from a point on the Great Indian Peninsula running north and south through the southern Mahratta country to Dharwar instead of a short sea line from Carwar, they said that that would open up very important districts of the Bombay Presidency, which are now, practically, without railway communication, the rich districts of Sattara, Kulludghee, Belgaum and all the southern Mahratta country.

2523. Sir *C. Wingfield.*] It would be a communication with the Great Southern of India, would it not?—No, it was between Poona and Sholapore that the connection was to branch out. The line has not been actually surveyed yet; they only pointed out that, if a railway was to be made, that would be a better line in the interests of the country. The Committee say, on that point, "If it was proposed to make one railway only into the southern Mahratta country and if the practical alternative rested between a railway from Karwar to Gadak, or a railway from Sholapur or Diksal on the Great Indian Peninsula Railway to Hubli, or some point in the centre of the Dharwar cotton field, we are of opinion the latter or Deccan line is the one which, as a commercial enterprise, would best answer for Government to undertake, as an extension, if possible, of the guaranteed Great Indian Peninsula Railway, the receipts of which would be enhanced by the traffic therefrom. The chief reason against the Deccan line is that adduced by Colonel Trevor in the latter portion of his Report of 29th September 1869, 'That it would not be as beneficial to the cotton interest as a railway from the cotton districts to Karwar.' But on consideration of the two schemes, and after the full expression of mercantile opinion thereon, which has lately been given by the Chamber of Commerce in Bombay, it appears to us doubtful whether the Deccan line, on account of its greater certainty as a means of transport for cotton to market, would not really serve the cotton trade as well as the isolated Karwar line, while in most other respects, so far as we can judge, the Deccan line seems preferable to the isolated Karwar line." So that they give a distinct preference, as a commercial enterprise, to the line proposed by the Chamber of Commerce; but they recommend the Karwar line on new grounds altogether as a political and military line. They propose to make Karwar the great terminal point of a new network of railways, which are to connect the Great Indian Peninsula and the Southern railways together; and this just allows you to see how the mania for expenditure gradually grows as these schemes come on. This is entirely, I may say, a new idea; they say, in their report, "We gather, however, from the papers before us, that the Government of India, entertaining a larger view of the question, intends to design, and eventually carry out, a regular system of railways in the southern Mahratta country, starting from a fresh port on the Western Coast of India, and opening out a new railway route for trade and produce, from and to the centre of the Indian Peninsula. There can be no question of the general public benefit which would result from the completion of such a railway system, which would of course connect Karwar with both the Great Indian Peninsula and Madras railways; and the intimation that such a scheme is contemplated by the Government of India renders it less necessary to weigh the merits of different lines as alternatives, than to consider the order of priority in which Government might be advised to undertake those lines, for which a sufficient case exists." The only reference that I can find to any wish, on the part of the Government of India, to carry out such a scheme, is in a despatch of theirs, appointing the Committee, dated 3rd August 1872, in which Colonel Dickens says: "Although the Government of India, actuated by a sense of serious financial responsibility, have, throughout, expressed their belief that the new railway up the Ghauts, to Karwar, ought not to be built at present if it is thought unlikely to prove remunerative, the Government have never lost sight of the manifest Imperial benefits which would result from opening at least one efficient port on the western coast in addition to Bombay. A leading consideration in the alignment of Indian railways should be, and has been, their value as supports to the military position; and in this view it is not desirable to throw too much on one line of railway." This paragraph suggested to the Committee a way of getting out of the disagreeable duty of quarrelling with influential people out in Bombay, by opposing a line which they admit would not pay as a commercial scheme, and so they recommend it on political and military grounds. Here is a sentence from a despatch of the Duke of Argyll, dated 14th August 1872, within a few days of the despatch which I have just read from the Government of India, in which his Grace says, "The present case is not one in which the political and military considerations which have justified, irrespective of commercial advantages, the construction of many Indian railways, hold an important place. The proposed line was suggested and encouraged on purely commercial grounds, and must be adopted with regard to commercial results." So that, while the Government of India is suggesting or hinting at this new scheme for a great terminal port at Carwar, with a new system of military railways, the Duke of Argyll is distinctly stating that this line was

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proposed on commercial grounds alone, and must be judged by commercial results alone.

2524. *Chairman.*] And all these various forces, in opposite directions, have brought things to a state of rest now?—The Government of Bombay has now passed an extraordinary resolution that the vehement assertions of the press and the Chamber of Commerce to prejudice the railway have been completely disproved by this Report; and they recommend the Government to go on making the railway from Carwar to Bellary, right through.

2525. Would it involve a complete construction of everything to create a port of commerce at Carwar, in opposition to Bombay?—You would have to create the port, and trade, and everything.

2526. And to find European inhabitants, and everything else to carry on the business which is now carried on at Bombay?—Yes.

2527. It would seem to be very much like the Port Canning affair over again?—Yes, or Kurrachee; Kurrachee, of course, is different, because there is a dangerous frontier there, and there is all the Indus Valley behind it.

2528. Does Kurrachee get on very fast?—No, I do not think it is likely ever to supersede Bombay.

2529. Mr. *Eastwick.*] You are aware that Carwar was formerly a place of national importance; and that there are graves of Europeans there?—Yes, in the old days when the course of trade was different; when trade went round the Cape, it was more important I should say, that the Committee's estimates on the port of Carwar are not estimates for the expenditure of a million or two that would be required to make it a port, but only a wharf or two to provide for the convenience of a little isolated railway; so that practically they recommend an enormous scheme with these estimates only for a very small one.

2530. *Chairman.*] Do you wish to make any statement to the Committee on what is called in India the tribute that is paid to England?—I do not know how far the Committee have gone into that question, or if they have taken any evidence on that head.

2531. They have got before them the finances, as to the application of those finances; but what we want to know from you is the view, if there is any particular view taken in India with reference to the payments that are called tribute paid by India to England?—I wanted to give some little evidence in opposition to the conclusion which has been put in various ways, that there is a great drain of the wealth of India out of that country for the benefit of England, and that that is the result of the English connection. This argument is very often based on a comparison of the returns of the trade. The exports from India as a rule greatly exceed the imports, and it is said that this shows a very heavy balance of trade against India, and that the excess really represents the tribute paid by India to this country. Now it is not a singular case at all that the exports of a country should exceed the imports. If you compare India, for instance, with the United States, which can hardly be called a country that is being drained of its natural wealth, I think you will find that the excess of exports over imports in the United States is very much greater than the corresponding excess in India.

2532. Mr. *J. B. Smith.*] Do you mean the exports generally, or to England only?—Generally, to all the world; I have taken the figures for the six years, from 1866 to 1871, from the Statistical Abstract, and I find that the excess of exports over imports, against India, in those years, is about 48,000,000 *l.*, that is about 8,000,000 *l.* a year.

2533. Sir *G. Balfour.*] Direct to England, do you mean?—No, the whole trade; you cannot take it direct to England, because there are so many complicated transactions. If you take the six years of the United States, from 1867 to 1872 (I got these figures from the "Statesman's Year Book") the balance against the United States in that time is about 126,000,000 *l.*, that is about 21,000,000 *l.* a year. It might be said that the United States have been reducing its debt during that time very largely. Of course there are Members of the Committee who know better than I do; but I should think that the amount of American securities held by foreigners is as great now as it was six years ago; so that really the exports have exceeded the imports by that amount, about 21,000,000 *l.* a year; and I think there is a very natural reason for that, namely, that the United States is one of those countries where there is a great deal of foreign capital constantly employed in developing the resources of the country, and this capital is constantly bringing out large profits to the people who lend it to the States; but at the same time it is doing immense good to the States themselves. They borrow the capital that they want, and the trade returns only show the profits that go to foreigners for the use of this capital. As regards the trade returns of India, the same reason applies in a great measure. There is another thing to be said about the export returns, that cotton, for instance, has been systematically over-estimated in the Custom House returns in India; that is one cause of the excess being apparently greater than it really is. Then again, there is all the opium duty included in the export returns at the Custom Houses. Now the cost to India of producing opium is very small in comparison with what it gets from China; but all this duty, the revenue from opium, is paid in India, and thus included in the calculation of Indian produce sent out. About 8,000,000 *l.* of revenue a year is derived from opium, and that really wipes out the whole annual deficit on these trade returns.

2534. *Chairman.*] In point of fact the money that the Chinese pay for the opium to the Government is equal to all the money that the Government of India in any form pays to the home administration in connection with Indian affairs; is not that so?—Yes; it is equal to the money that India pays to all the rest of the world for the benefit of foreign capital and labour in developing its resources, and for the foreign forces that keep the peace in the country.

2535. Mr. *Fawcett.*] But how do you make out that; what are the figures that justify that statement?—Simply that the revenue from opium is 8,000,000 *l.* a year.

2536. And the expense of the army to begin with, which is to keep the peace, is 16,000,000 *l.* Your evidence goes to this, that the profit which we get from opium is equal to all the money that is spent in keeping the peace for India?—Equal to all which is paid out of the country.

2537. Then what are the home charges?—These are all included in these trade returns.

2538. Sir *C. Wingfield.*] We have never realised 8,000,000 *l.* net from opium; it is about 6,000,000 *l.* net?—Yes.

2539. Mr.

2539. Mr. *J. B. Smith.*] What are the exports that you refer to?—You will find them in all the statistical abstracts. I have added them together for the six years 1866 to 1871. The imports were 282,800,000 *l.*; the exports were 330,180,000 *l.*; balance against India 47,380,000 *l.*

2540. Sir *G. Balfour.*] And how about the treasure?—That includes merchandise and treasure.

2541. Mr. *Fawcett.*] But the exports consist of useful commodities which are produced by the people, whereas a great portion of the imports consist, for example, of warlike materials and Government stores, which the people have to pay for?—But they are of use to the people, are they not?

2542. It is not commodity received in return; it is not like sending out cotton, and the people receiving goods in return which they can use and consume. To give any fair estimate you ought to give the items of which those exports and imports are composed, ought you not?—The stores are a very small proportion of the whole.

2543. *Chairman.*] Supposing that the Government were a separate Government, altogether like the Government of Russia, the exports to Russia embrace all the goods whether sent for the Government of Russia, or for the consumption of the inhabitants of Russia?—Yes; and if India were an independent country, she would still have to buy most of her warlike stores from England.

2544. Mr. *Fawcett.*] That begs the important question of what her military expenditure would be under the circumstances; the persons whose theory you are now attempting to refute hold this opinion; that India annually sends out, say 40,000,000 *l.* of useful products, representing food and articles which can be consumed by the people, drawn away from India; and in return for that they only receive a very small amount which contributes to the wants of the people; and your figures taken in a lump sum do not disprove that theory at all; cannot you give the items?—Yes, the items are all given here in the statistical abstract; the total of merchandise imported in 1871 was 33,413,900 *l.*

2545. *Chairman.*] The point you were on was this; you were asked as to the expense incurred in England in connection with the Government of India, and you stated that it was about equal to the amount of the opium duty?—The point I want to make is this, that by the protection of the English Government, by English taxpayers paying the Navy to secure to India the trade with China, we put into the Indian Treasury a sum of 8,000,000 *l.* taken from the Chinese.

2546. Mr. *Fawcett.*] Six millions?—We will say 6,000,000 *l.* taken from the Chinese, and that that sum is really as much as the balance of the trade of India with all the world as shown by these returns. The protection of England makes up to India this amount.

2547. Mr. *J. B. Smith.*] But is there not besides this the payment for the capital invested in railways and other works?—No; that is all included. I was going to point out also, that, if this balance of trade does exist against India, it ought not to be attributed to the action of the Government, at least, not entirely. For instance, the Indian foreign trade is entirely in the hands of foreign adventurers; and supposing that the country were independent, she would still find it to her advantage to get English capital and skilled labour to employ the same as she does now. So long as we can build cheaper ships and show more enterprise in trade than other countries, other countries will always think it worth while to get these means of improving themselves, and carrying on their trade from us; and that would take place whether the country belonged to England or not. In the argument about the depletion of the wealth of India, I think it is often overlooked what an immense amount of individual enterprise there is concerned in India. If you just take the history of a bale of cotton from the time it is grown in the field:—It is cleaned by machinery brought from England and worked by Englishmen; it is brought down on a train by a railway made by English capital, and also worked by English skilled workmen; then when it gets to Bombay it is financed for by English brokers and by banks, working principally with English capital, and by English merchants. And then it is put on board an English ship worked by English people and brought home; so that the whole of that trade is entirely in the hands of foreigners from the time that the cotton leaves the field. That is not due in any way to the action of Government; and the profits made on business of that kind naturally come to England, but it is a legitimate and good profit. If the Custom-house returns on the other side took notice of all the skilled labour imported into India, I fancy that the balance would show considerably the other way.

2548. *Chairman.*] I can give you the figures now for 1870, which represent sufficiently the money spent in England, connected with the Indian administration; that money amounts to about 6,300,000 *l.*; and, in addition to that, there is a sum of a million and a half which is the interest of debt borrowed for the Indian Government; the general debt?—Yes.

2549. And the six millions and a half include 620,000 *l.* of annual dividend, paid to what are called the proprietors of Indian stock?—Yes.

2550. And the sum of 6,300,000 *l.* would be less than the annual revenue derived from the Chinese?—Yes.

2551. Mr. *J. B. Smith.*] I understand your argument to be this, that, in all those cases where India exports produce for the purpose of paying for the interest upon works which have been beneficial to India, it is no more a tribute to England than it would be for America to export produce to pay England for money which had been borrowed to make American railways?—Exactly.

2552. Then, as regards the charge for military purposes for India; if the Government were a Native Government instead of an English Government, the Native Government must levy something for the purposes of those expenses, must they not?—Certainly. The point of my argument is, that the English connexion is really materially very beneficial to India; that India has the advantage in it. Suppose she were independent, for instance, she would have to maintain a navy like Turkey. Turkey pays 3,000,000 *l.* a year for her navy alone, and has to buy all her ironclads in England, and get them made there. So India would do if she had a navy.

2553. The idea that the benefit England derives is in the way of trade, a tribute upon India, is a fallacy?—I think so. Another point in which we benefit India to a great extent is,

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enabling her to borrow money at a low rate. The credit of India is far better than that of any other country, almost, except England. You can borrow at 4 per cent. for India at the present moment. Look at Turkey and Egypt, and the rates at which they borrow. If India were left to herself, she might fall into the condition of the South American republics.

2554. Mr. *Eastwick.*] With reference to this last point, when you give these figures about the exports and imports, I want to know whether there is any information at all about the trade which takes place round that enormous frontier inland; these are merely the exports and imports of the Custom-houses by sea, the foreign trade?—Yes.

2555. But is an immense trade going on all the way from Kurrachee round to Chittagong or Rangoon which we have no figures for?—Yes. I do not pretend to limit myself to these returns. I only took them up as having served for the foundation of an argument.

2556. I am aware that the controversy has been carried on in India, and also in this country, but I believe it is impossible to arrive at an accurate statement of the matter; is not that so?—I think so, because you must take into account so many other things, the movement of Government paper, and so on, which are not included in these returns.

2557. To go back now to the beginning of your evidence, you did not tell us what was done with that 10,000 *l.* a year which was taken away by Sir Seymour Fitzgerald?—There was a deficit of 100,000 *l.* a year, and he made up that partly by taking away this Imperial grant of the police. He got a lac of it by taking it from the city of Bombay.

2558. Then he applied it for public works, I suppose, roads, and so on?—Yes, for the general expenditure of the province.

2559. Do you object very strongly to this decentralisation scheme altogether?—I object to it altogether, except in those very few cases in India where it may be possible to apply a check from below instead of from above. If you can get hold, as I believe you can in Bombay, of a real living community with public spirit and energy in it, I think you might safely trust the representatives of the people there with the control of the finances of that city. I think it would be a great experiment, and a very wise one for the Government of India, to try in those great cities to give such communities the control of their own affairs; but, as regards India generally, I do not think that there is any possibility of getting a check on the financial expenditure of ambitious officials, except from above, by means of the Government of India.

2560. Supposing, for instance, that Bombay was the only possession that we had in India, is there any reason why its finances should not be as well administered as they are now, with the control of the Supreme Government?—I think that you cannot give absolute power in finance to governors ruling a province or a city in that way. You must have some independent check; such a check as that of the Government of India, which has no local ambition, and no desire to make a name by spending money on fine buildings.

2561. But that, of course, cannot exist in any country, except one like India, which is made up of vast provinces subject to a Supreme Government?—It is a very wise check to apply there; it is unwise to remove it, unless you apply the check from below; and if you give the taxpayers the power of the purse, you may trust to their not spending too much. It might be necessary for the Government to interfere to compel them to spend money in sanitary matters, for instance; they would never be too lavish in expenditure.

2562. Supposing these cesses were levied through committees of the natives themselves, do you think that would take off the cause for dissatisfaction; supposing these extra cesses were submitted to bodies of the natives, and they were consulted?—I do not know enough of the interior of India to give an opinion upon that; I think it would be advisable in a community where a great deal of progress has been made, and where the natives have been to some extent Anglicised.

2563. You told us about the enormous waste of money, 5,800,000 *l.*, on the foreshores of the Island of Bombay; I want to ask was any reason ever given why none of these separate works were completed. Why, for instance, was not this Moody Bay work completed; is there no statement to show why it was not completed?—I do not know that there has been any statement made; I can only state the facts, and leave the Committee to form their own conclusion as to the motives which induced the Public Works Department and the Government of Bombay to spend money in such a way.

2564. Was not the enormous waste of money shown in the most decisive manner by the Abyssinian Expedition, owing to there being no places for landing goods; was not that a most flagrant proof to everyone in Bombay of the need of piers and landing places?—Yes.

2565. I suppose some notice was taken of it in the press, after that?—The Government has been frequently urged to go on with these works; it has been a constant subject of complaint by the mercantile community and the press that they did not make docks on their own ground.

2566. Then the fact is that India has been suffering to the extent of about 240,000 *l.* a year, owing to the misapplication of this vast sum of 5,800,000 *l.*?—Yes.

2567. I should like to ask a question about that Carwar project; is it not possible that there is a certain amount of jealousy on the part of the Bombay community which made them oppose this new port?—I do not think so; this last report of the Committee even confirms the statement of the Bombay merchants, that if Carwar is made a port it must be subsidiary to Bombay; there will never be any direct trade with England there of any great extent. Now that commerce is carried on so much in large steamers running through the Suez Canal, it never will be worth the while of anybody to run a line down to Carwar alone for direct commerce with Europe; steamers will always prefer to go to Bombay.

2568. The cotton would be brought from Dharwar direct to Carwar, and shipped there, and there would be a great saving through the cotton being brought over that short distance, instead of being carried all the way from Dharwar to Poonah and Bombay?—No; it is admitted by this Committee, to which I have referred, that nearly all the cotton, even if the railway were made, would still be brought down to the sea at Carwar, and then carried by sea to Bombay, because freight would be cheaper at Bombay than anywhere else. The tendency of commerce everywhere

where is to make large ports larger, and to extinguish the smaller ones.

2569. Then we must not put out of consideration altogether, must we, the advantage to all the coasting trade of having another port along that coast?—They have the ports already; I do not see that there would be any advantage to them in having a short railway up to the interior, and Madras has already a port on the western coast, Beypore.

2570. I believe none of the ports are very good except Goa?—No.

2571. Sir *G. Balfour.*] You mentioned a district in the Deccan which has had its assessment largely increased; but was not that district very lowly assessed by Sir George Wingate when he had the revenue survey made?—No doubt it was assessed at a very low rate. Sir George Wingate went on the principle of assessing lands at the lowest possible rental; the whole country had really been wasted by the Peishwah's agents. The Mahratta Government was just an organised system of brigandage, and it was necessary to assess land low in order to get people to take land into cultivation again.

2572. Are you not aware of the fact that, before you went to Bombay, even the Bombay Presidency pointed out the exceeding lowness of Sir George Wingate's assessments?—I am not aware of that.

2573. Are you not aware that the great object which he had in view was to extend the Government area?—Yes.

2574. And that the Government in those days willingly sacrificed revenues for that object?—I daresay his policy was objected to. I discovered last year, in some old papers, that Sir George Wingate was originally an advocate of the permanent settlement in Bombay. When he first began his work he said that a permanent settlement was the best of all settlements for India beyond a doubt. It is only in later years that he has changed, having been infected by the zeal of the Revenue Department. The policy of his earlier days was wiser.

2575. I am not advocating the increase of assessment, because I consider lowness of assessment giving satisfaction to the people of India to be of great importance; but I merely wish to bring out the fact that the land was very lowly assessed?—No doubt it was.

2576. Could you give us any idea what the assessment was of that district that has had 80 per cent. added to it; the average rate per acre?—I could not give it now.

2577. Could you give us any idea as to what amount it was raised per acre?—No.

2578. Could you give us any idea of the quantity and value of the produce raised per acre?—I have not those figures by me. There was another talooka of most fertile land in Guzerat, for instance, the Soopa-talooka, Mr. Beyts proved, that the net return to the ryot there was 3 *l.* 14 *s.* an acre.

2579. You mentioned that the Government of India were exceedingly economical in former years in the plans for public works?—They exercised a very wholesome control, I think, over expenditure, or tried to do so.

2580. And that they had no local influences at work to induce them to be extravagant?—No.

2581. You are aware, with reference to the expenditure in Burmah, the Central Provinces, and the Punjab, that it was not by any means small?—I cannot speak about those provinces.

2582. But you can say, with reference to Madras and Bombay, that the expenditure there was exceedingly economical?—It was not exceedingly economical in Bombay, but that was because the Government of Bombay systematically set the Government of India at defiance.

2583. I am speaking of the period before that took place; in the old days?—There was very little spent in Bombay or in Madras then.

2584. But the expenditure was lavish beyond measure in the Punjab and Burmah?—Yes, that was in the days when the Government of India was a Bengal Government. It is now fairly constituted, and represents the different provinces.

2585. As to Carwar, you know that 20 years ago this project was publicly discussed and gone into?—Yes.

2586. And that it was considered a great object 20 years ago to bring Dharwar into connection with Carwar?—Yes.

2587. And that the expectation was that an export of cotton, direct to England, would take place from it?—Yes.

2588. And that a railway up the Ghâts was considered to be a great project, both commercially and in a military point of view?—I am not aware of that.

2589. You are aware that this question was fully gone into when Carwar belonged to Madras?—I have not seen any papers so far back as that. I know ever since it was transferred to Bombay there have been projects of this kind.

2590. With reference to the financial position of India and England; do you think that we have any statistics sufficiently accurate to enable us to say what have been the relative advantages of India in the present day as to the imports of treasure and as to the wealth of the people?—Perhaps it is hardly possible to pronounce a definite opinion as to the relations. All I can do is to point out some counterbalancing considerations to those so frequently urged, to show that India pays to England a heavy tribute.

2591. But you are aware that India, since 1833, has had a vast amount of bullion imported into it?—Yes.

2592. That since 1833, the flow of bullion has been into India, and not from India?—Yes.

2593. And that we have never yet ascertained what has become of that enormous quantity of bullion?—No.

2594. But you are aware that the people's ornaments have become much more numerous in the last 20 years?—Yes; and that the standard of living has improved.

2595. And that the people have shown great symptoms of being well-to-do?—Yes.

2596. Mr. *J. B. Smith.*] As regards the condition of the people, are you aware that in some districts where cotton was grown and the people used to be in the most wretched condition, their women are now covered with silver ornaments?—There is a great deal of wealth in the districts.

2597. That in some cases they have such a profusion of wealth, that they even made their ploughshares of silver?—I have heard that story.

2598. *Chairman.*] You have never seen any of those?—I have not.

2599. Mr. *J. B. Smith.*] Are you aware that Mr. Rivett Carnac states that in his report?—I am aware that he reported the story.

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2600. Is there any reason to doubt it?—I do not know that there is.

2601. And that some of them had silver wheels to their waggons?—I think he mentioned it as reported to him, not as having seen it.

2602. Is not that sufficient evidence of the improvement?—It is a slight exaggeration, perhaps.

2603. *Chairman.*] Do you think it was a mistake for the metaphor that the plough and the cart produced silver to the cultivator?—Yes, perhaps so.

2604. Sir *C. Wingfield.*] You say that this so-called decentralisation scheme has led to the local Governments imposing fresh and increased taxation on the people; but you are probably aware that that was the wish and the object of the Supreme Government, because the Supreme Government, in their decentralisation order, expressly stimulated them to put on additional taxation. They said: "We diminish your grant by 350,000*l.*, and you must supply that yourselves; we point out that local taxes might be levied here and there"?—No doubt the Government of India rid itself of the responsibility, and the local Governments in their turn threw it on to the municipalities and local officers.

2605. It was the aim and object of the Supreme Government that the local Governments should have recourse to new and increased taxation?—Yes; and generally speaking to local cesses on land. They could not have that in Bombay, because they had one there before.

2606. Mr. *Beach.*] Do I rightly gather from your remarks that the action of the press has been to excite the Government to new works?—In Bombay I do not think so; rather to restrain the Government.

2607. You stated, I think, that it was particularly pointed out by the press that various new works were required?—That new docks were required for the improvement of the harbour; but the press, I think, has taken generally the line of urging the Government to do this work themselves.

2608. To do that they must levy new taxes?—We say it would have been better for them to do that than to pay another company a sum of money for a piece of property not worth having; and now it will have to be done by a Government board.

2609. Sir *D. Wedderburn.*] Your objections to the decentralisation scheme would be removed, you said, if there were anything of a representative check upon the local Governments?—Yes.

2610. In the case of the non-agricultural cess, did not the native members of the Bombay legislature protest against the reduction of the minimum income assessable to 50 rupees?—I think Mr. Tucker protested against it; I do not know that anybody else did.

2611. Were there not native members who also protested?—I daresay.

2612. They were overruled?—Yes.

2613. They are not in any sense representatives of the natives?—Not at all; they are nominated by the Government of the day, and are not representatives really.

2614. With reference to the withdrawal of that grant from the Imperial Government for the police of Bombay, I suppose the Bombay Government simply carried one step further the principle of decentralisation, and threw the odium of supplying the deficiency upon the municipality?—Yes. A system of decentralisation, in fact any system, is very good where you have a safe man to deal with; but the object of these checks is to prevent a man, who has not much public spirit or principle, from taking advantage of his position to go in for lavish expenditure, without caring for the interests of the people.

2615. I should like to understand exactly how you attribute the advantage, such as it is, of the opium revenue to the action of England; is it because of our having forced opium upon the Chinese that we are to claim the credit of giving India this large additional revenue?—Certainly; I am not speaking of the morality of it, merely of the financial result.

2616. Then you drew a parallel between the United States and India; is it not the case that the United States are a country of great wealth and vast undeveloped resources, only requiring capital in order to develope those resources, and where capital is certain spontaneously to find its way?—So is India to a large extent.

2617. That is just what I was going to ask; is it not the case that in India, capital does not find its way there in order to create great public works, such as railways, unless the security of interest is made safe by a Government guarantee?—I do not know. I think there is a very great deal done in India by English capital, without any connection with the Government. For instance, English capital and skilled enterprise have given India her coffee plantations and her tea plantations in Assam, and all along the Himalayas. Then the indigo factories to a great extent are worked by English money, and it is Englishmen who have taught Western India to prepare cotton for the English market, and they also taught them how to make cotton yarn by machinery.

2618. Take the railways, hardly one of the railways is a commercial success; but they have been made by British capital, and a certain rate of interest has been guaranteed upon them by the Government, while the balance between their commercial earnings and that rate of interest has to be made up by the Indian taxpayer?—Yes.

2619. Surely that balance may be regarded as something in the nature of a tribute?—No; I do not think it is; it is what the Government pays for the military and political advantages of the line.

2620. Mr. *Fawcett.*] You are intimately acquainted, as I judge by your evidence, with the circumstances immediately preceding the purchase of the Elphinstone Land Company by the Government, are you not?—Yes.

2621. The Company was an ordinary joint stock company, the shares having a market quotation?—Yes.

2622. Do you remember what the value of the shares was; 100*l.* shares were they not?—They were 100*l.* shares.

2623. Am I correct in stating that just at the time when the negociations began for the purchase of this company, the shares were at about 50*l.*?—Yes, my impression is that they went down at one time as low as 33*l.*; but a Member of the Committee, Sir Charles Wingfield, stated this morning that he bought them when they were at the lowest rate for about 50*l.*

2624-5. Then the capital of the company, you stated, was 2,000,000*l.*, did you not?—Yes.

2626. Then in buying these shares at par, in the

the first place, as to the fortunate shareholders, there was a million of money distributed amongst them, abstracted compulsorily from the unfortunate Indian taxpayers?—Yes.

2627. Now, was there ever in Bombay a list of the shareholders in this Elphinstone Land Company published so as to enable the public to obtain some idea of the kind and nature of the pressure that was put upon the Government in order to induce them to carry out this transaction so favourable to the shareholders?—No; no list was ever published.

2628. But it was again and again stated, was it not, that a considerable amount of private influence was brought to bear upon the Government?—Certainly.

2629. Are you prepared to state (of course, if you would rather not answer the question I will not press the point) your impression, or the impression of the Bombay public, as to the nature and character of that private influence?—I am not prepared to say. I should say that the influence principally used was a social influence to a great extent; and there is no doubt that the people principally concerned in the sale of the Elphinstone Land Company were the Messrs. ——— & Co. and ——— of London, and their influence was used both at the India Office and in Bombay, that is the general impression.

2630. And have not the same parties (it has been stated as to one of them, at any rate) been very instrumental in getting up the Carwar Railway scheme?—Certainly; their influence has been at the bottom of the whole scheme.

2631. Have the circumstances which led to that prodigal purchase of this Company ever been investigated; has a list of the shareholders, for instance, ever been published?—No.

2632. Was it known, or was it not known, to what extent the shares were held by people officially connected with the Government?—No; there were rumours, but that was all. No facts have ever been ascertained.

2633. Still those rumours have floated about, and they have never been either contradicted or proved?—No.

2634. Then, as I understand your evidence, to get at the exact nature of this transaction, a million more was paid to the Elphinstone Land Company than the market value of the shares?—Yes.

2635. But that does not represent the entire prodigality and waste of the transaction, for in addition to that I understand you that the Government paid 630,000 *l.* for what the Com- [redacted] bound to hand them over for nothing?

[redacted] that really what took place was this: [redacted]rn, the market price of which at the [redacted] million, the Government gave out of [redacted] of the Indian taxpayer 2,630,000 *l.*; [redacted]at it really comes to?—Well, I do not [redacted] you can reckon it in that way. If the [redacted]ice of the property was 1,000,000 *l.*, [redacted]for the property irrespective of the [redacted]nging to the Government, which the [redacted] bound to hand over; that already [redacted]e Government.

[redacted]hen there is no doubt about twice [redacted] paid as the market value?—No [redacted].

[redacted]*man.*] As I understood you before, [redacted]the market price rose with the [redacted]he intention of the Government to purchase, and that at the actual time of the purchase the market price had reached the equivalent of the sum which the Government gave?—It had not reached it even then; but when the question of purchase was first mooted, the Government might have bought it certainly for half the money.

2639. Mr. *Fawcett.*] Would you give similar information, if you can, to that which you have just given with reference to the Elphinstone Land Company, with reference to the Back Bay Company?—That was an entirely different scheme. The great objection to that was that the Government gave a concession which they really must have known was intended to be used for speculative purposes only; because it was a very wild and impracticable scheme, the reclamation of Back Bay. It could not be turned to any profitable use. They gave that at a time of the wildest excitement in Bombay, at the beginning of 1864, when the shares went up to a fabulous premium, and an immense deal of money was lost, but not of public money; it was subscribed by shareholders; and after the collapse of that scheme the Government brought back the whole reclaimed property, in 1866, I think, for a comparatively small sum of money. They took it off the hands of the shareholders in order to enable them to wind up the affair.

2640. What did they give for it?—I think a third of a million.

2641. But still, considering what desperate straits the Government of India are often put to to raise small sums of 20,000 *l.* or 30,000 *l.*, a most vexatious and worrying tax being sometimes imposed, the net result of which is only about that, you can scarcely speak of a third of a million, spent upon what you describe as a bankrupt scheme, a trifling sum, can you?—No.

2642. But it was trifling in comparison with the enormous amount spent on the Elphinstone Land scheme?—Yes.

2643. As I understand, the Government, first of all, fanned the flame of speculation mania there, by giving a concession which never ought to have been given to speculators?—Yes.

2644. I suppose the transaction was a public one, and, therefore, I presume there can be no harm in putting the names of the persons to whom the concession was made, in evidence; do you know them?—The principal promoter was Mr. Michael Scott, now dead.

2645. Were the directors of the company known?—Yes; Mr. Michael Scott, and Sir Cowajee Jehangier, and Mr. Gavin Steel.

2646. Do these instances exhaust the list of the commercial transactions into which the Bombay Government entered?—There was the Mazagon case.

2647. Will you describe that in the same way?—I do not know that I can give that so accurately as the other.

2648. Can you give, roughly, the figures?—The Government had a piece of land at Mazagon; the only action which they took in the matter was selling it to any bidder; it was bought at public auction by some men, I believe the same who afterwards started the Back Bay scheme, and they afterwards sold it to another set of projectors for double the money, and these projectors also brought it out again at double the price which they paid for it as a land company. I think that was the history of it.

2649. Who has got it now?—It belongs to a company

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a company still; the Government has not taken it back.

2650. With reference to this Carwar Railway, as I understand you, the finances of India you cannot say are safe yet from that transaction, it may be carried out, judging from your evidence, on a greater scale than originally threatened?—Just so; the Government of Bombay has strongly recommended it now a second time.

2651. Has it not again and again been asserted in Bombay, and has not the assertion been made so positively that, if the transaction is entered into, it ought to be most carefully investigated; that, again, in this case, as in the cases of the Back Bay and Elphinstone Land Companies, there were private speculators at the bottom of it?—Yes; there is the Carwar Land Company, which is almost entirely in the hands of Messrs. —— & Co.

2652. Therefore you think, as a matter of precaution, that the utmost care should be exercised in order to see how much of the pressure which has been brought to bear on the Government to undertake the railway does not arise from interested motives of private speculators?—Certainly; that was the object of my opposition to it in the first instance to bring that out. I hope the Committee will allow me to say that I do not of course charge anybody with anything. I do not say that ——— & Co. are not justified in making the best bargain they can for themselves with the State; but I only raise an opposition to the State making a bargain with private people against the public interest, as I consider.

2653. Naturally enough private business men will make the best bargain they can; but, judging from the past commercial transactions of the Government of Bombay, you think it of the utmost importance that they should exercise in the future far greater care than that which they have exercised in the past?—Yes, I think the present officers at the head of the Public Works Department, at Bombay, were far too closely bound up personally, and have had too close connection with reference to this Elphinstone business, with this firm, for them to be fair judges of a matter of this kind.

2654. Therefore you think an inquiry should be conducted by people who have had no connection whatever with these past commercial transactions?—Yes.

2655. Have you formed any estimate, or has any estimate been formed, of what would be the whole outlay; supposing a great network of military railways, which is contemplated at Carwar, is carried out?—No, I do not think any estimate whatever has been formed.

2656. Of course it would be many millions?—It must be many millions.

2657. Do you know anything of the nature of that transaction which led to the enormous expenditure on the country house of the Governor of Bombay?—You mean at Gunnesh Khind. No. I only know the history of it, that Sir Bartle Frere had permission from the Government of India to sell the old house and land, and to build a new one for himself, on condition of not spending more money.

2658. But can you, as an independent member of the Bombay community (we have had official evidence on the point), give us any clue to the fact that a local governor can spend, as it appears he did in this transaction, six times more than he ought to have spent; how was it that he was able to disregard every check?—A governor can really disregard every check, if he is so inclined; he has the control of large sums of money, and he can simply spend money, and then say that the deficit is so much.

2559. But you have spoken of a time when the Bombay Government was a frugal Government, when they were kept in check by the Central Government; you have contrasted those times of frugality with the times of great prodigality, including the last 10 years, when I think you used the expression that the Government of Bombay freed itself from all control from the Central Government. How is it that 20 years ago the Government of Bombay could be controlled, and how is it that now the Government of India, or the Secretary of State, seems powerless to exercise any control over it?—Well, all I can say is that I think that the influence of the Government of India has been used of late years in the direction of economy, and that this Decentralisation Minute was a step in the wrong direction on that account; but the previous efforts of the Government of India in the direction of economy were no doubt thwarted continually by the Government of Bombay. There was a standing feud between the two Governments, and it was taken up as an inheritance by Sir Seymour Fitzgerald when he went out, and was carried on with much more bitterness than in Sir Bartle Frere's time.

2660. But the point I wish to get at is this, whether you can tell how it happens that 20 years ago the Government of Bombay could be controlled by the Government of India, and how it has happened that it cannot be controlled in later years; what checks have been relaxed?—My recollection does not go back 20 years ago; that was mentioned by a member of the Committee, I think.

2661. *Chairman.*] As a matter of fact, in the meantime has there not been a separate legislative council set up at Bombay?—Yes, and the great tendency is to make the subordinate governments more independent.

2662. Mr. *Fawcett.*] Then the result of this setting up of local councils, and the attempt to make them more independent, has led to greater extravagance?—Yes, and we have had more money to spend too.

2663. The local council in Bombay exercise a very small control upon the Government, do they not?—Very small.

2664. Its meetings are not as well attended as they might be, are they?—No; the councillors as a rule do not show any independent spirit. I think they do not take that interest in affairs that they might take. I am n of the council of the last six months, there have been changes.

2665. Without entering into a theo cussion, do not you think, in estimati vantage which a country gets from trade, it is very important carefully t that portion of her imports that cons vernment stores?—As bearing on t whether India is materially better rule than if she were independent must take into consideration whet have to buy the stores when she w or not.

2666. But without comparing have to do under a different simply treat it as a trade questio put this illustration to you: Sup

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exported 50,000,000 *l.* and she imported 60,000,000 *l.*, it would appear that she got an enormous amount of wealth in exchange for her exports; but it may happen that only 20,000,000 *l.* of that were imports which really represent commodities to be consumed by the people, and that 40,000,000 *l.* represents warlike materials or materials for public works, which would prove unproductive, and which were purchased by the Government, and would ultimately have to be paid out of the taxes of the people, and therefore it is very important to ascertain, is it not, of what the imports consist?—Yes, certainly.

2667. And without doing so, a rough statement of the figures gives you no accurate idea of the advantages which a country derives from foreign trade of any particular kind?—No.

2668. Mr. *R. Fowler.*] With regard to the question of the Elphinstone Land Company, could you give the Committee any statement of how the shares of the Company rose in different years; at one time they were at a premium and another at a discount?—They were at a premium in the years 1864 and 1865, and, I suppose, up to 1866. Then they fell in the collapse of all shares in Bombay, but the price was a purely speculative one in those years.

2669. You do not think that the Government could have any ground for thinking that they were really entering on a good commercial transaction?—I do not think they possibly could.

2670. Then as regards the Carwar Railway, was that urged on the Government on military grounds?—No; I read an extract from the Secretary of State's despatch of last year, refusing to give his sanction until some further inquiry had been made. He says distinctly that the present case is not one in which the political and military considerations are of any importance.

2671. Mr. *Grant Duff.*] As a matter of fact, you do not expect to see that railway made, do you?—I do not know what is going to be done at all. I only speak on this last recommendation of the Bombay Government.

2672. But you have no reason to suppose that it will be made?—I have no reason to suppose that the Government will sanction it.

2673. Mr. *Fawcett.*] Is the recommendation of the Bombay Government since the despatch of the Duke of Argyll?—Yes.

2674. Mr. *Grant Duff.*] You have not heard anything to lead you to suppose that the view of the Secretary of State in Council has changed?—No, nothing at all. I believe that the recommendation of the Bombay Government has not yet formally come before the Secretary of State; it is so recent as that; it was only published last month.

Mr. WILLIAM GIMBER GOODLIFFE, called in; and Examined.

Mr. *W. G. Goodliffe.*

2675. *Chairman.*] HAVE you held any office in connection with the administration of Indian affairs?—I was Accountant General at the India Office.

2676. How long ago was that?—I was appointed to the India Office in 1860, in consequence of the recommendations of a Committee appointed to inquire into the India Office business. This was a committee appointed by Sir Charles Wood in December 1859, "to examine into the system pursued in the India Office as to the grant of authority for incurring expenditure at home to be provided for out of the revenues of India;" and also "to examine into the system of audit under the 51st and 52nd clauses of the Act 21 & 22 Vict. chap. 106." That Committee made a report; at the same time an office committee had recommended, for "the introduction of changes in the system of book-keeping, and for other reasons, that a person from some other Government department, or from some other quarter should be selected by the Secretary of State to fill the office of chief clerk accounts branch and assistant to the Accountant General;" and my appointment to that post, upon the recommendation of Mr. Foster, followed; I was thus first appointed chief clerk in the accounts branch of the Accountant General; and on the retirement of the Accountant General in 1866, Sir Charles Wood, now Lord Halifax, appointed me Accountant General, which office I continued to hold until its abolition at the end of 1871.

2677. Then it was your duty to see the manner in which accounts were kept in the India Office?—My duty was principally in connection with the home accounts; I had the general control of the home accounts.

2678. Do you think the accounts were kept in a satisfactory manner while you were in office?—The home accounts were entirely revised after my appointment, and by degrees they were brought into a satisfactory system, but not as completely as I should have desired.

2679. In what respect do you consider that they were incomplete when you left the office?—They were defective in two important points, first in connection with the guaranteed railway companies, in regard to which I considered the accounts were defective, and also in regard to the "remittance" account, that is the "Account Current" between England and India.

2680. In what respect do you consider that they were defective?—The railway accounts did not exhibit sufficiently clearly the funds applicable to the different railway companies, their revenue earnings and their working expenses.

2681. You mean that there should be a balance sheet exhibited for each railway company with the Government, appended to the account?—Yes, and absolutely subsidiary to that account.

2682. Have you any other respect to name in which you thought the accounts were incomplete?—Another important matter was, as I have said, in connection with the remittance account between India and England. That account had been transferred from the Accountant General's Department to the Department of the Financial Secretary, which was in my judgment a very bad arrangement, preventing that complete control over the accounts which ought to have been exercised by the Accountant General; and I am not at all sure that it did not open the door to considerable possible malversation, because there was no efficient audit, I consider, of the sums passed through the account current.

2683. How could there be any malversation. I suppose some one examined the accounts?—The items passed through that account were treated as final payments, and being passed by the auditor, he then dismissed them altogether from his view, and they had to be taken up and followed upon a separate set of books.

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2684. Do you mean that the money which was raised by drawing bills on India was taken to a separate account?—Entirely; a separate set of books altogether, a fictitious set of accounts was created.

2685. You do not mean fictitious, do you?—I mean fictitious in the sense of unnecessary, that is to say unreal. I will explain more particularly why I call them unreal. Take the accounts, for instance, of the Government of Bengal, bills are drawn upon the Government of Bengal and sold at the Bank of England. For these bills the money is received by the Secretary of State, and the amount is paid in India on the presentation of the bills.

2686. The amount for which the bill was drawn is paid by the Government of India?—Yes.

2687. But was not the amount paid by the purchaser of the bill paid into the Bank of England to the credit of the Secretary of State's account?—Yes; the perfectly simple and straightforward arrangement therefore, would have been to have given the Bengal Government credit for that amount in the India Office ledger, and to have subsequently ascertained that a corresponding entry was made in the Indian books; but instead of that being done, the accounts were transferred to a different set of books.

2688. What was this other set of books kept for?—They were kept with the intention originally, I presume, of obtaining a division of labour; but it was an entirely improper way of obtaining that division of labour, and, as I had pointed out, it led to considerable additional trouble.

2689. It was for the purpose of entering in it some accounts, I presume; for what particular accounts was it kept?—The whole of the transactions between England and India, which were matters of account current, were taken out of the general ledger of the office, and transferred to this new distinct set of books, called "Remittance Books;" and therefore the labour was multiplied instead of being simplified.

2690. But what the Secretary of State had to take care of was to account for the cash which he received as the price of the bills, was it not?—No; I think, also, he had to see that the Government of India did not pay a great deal more out of their Treasury than he received the money for.

2691. But the Government of India could only have paid the bills drawn on them?—But I desired to know that the amount paid by the Government of India corresponded with the amount that the Secretary of State received.

2692. Do you mean that the Government of India did not send home periodically an account of the bills drawn on them and paid in India, so as to compare the numbers and amounts and dates?—They did latterly send home some sort of account current; for many years no such an account passed. When I joined the office, these remittance accounts were 12 or 14 years in arrear.

2693. According to your view, seeing how skilfully forgeries are done now, a forged bill might have been presented in India and paid, and it could not have been discovered till 14 years afterwards?—No doubt of it; and I say that now there is no security that it would be discovered at all.

2694. The security now would be, if the Government of India would send home an account exhibiting every bill, with its date and amount, and number, and then that would be compared with the issue of those bills brought into the finances in this country?—No; because, in consequence of there being two sets of books, it is quite possible that different figures might be transferred to the second set of books from the real figures, and the consequence would be, that when the transactions came home from India, they might correspond with the fictitious set of figures, whereas with one set of books, they would be compared with the transactions in England under a systematic and proper mode of book-keeping. Under the present system two distinct officers look after the two sets of books, and therefore they are not brought into that simple adjustment that would occur if there were only one set of books. This is a subject to which I devoted a good deal of attention, and I had always intended, on assuming the office of Accountant General, to put an end to this second set of books, and to establish a sound and systematic method of book-keeping; but a day or two after my appointment as Accountant General, the Financial Secretary produced to me an order signed by Sir Charles Wood, the then Secretary of State, directing that the whole of these accounts should be taken from under my supervision, and transferred to the Financial Secretary.

2695. But surely these accounts are under the direction and care of some responsible person in the India Office, the separate accounts which you have spoken of?—They were under the Accountant General's direction.

2696. But you were the Accountant General, were you not?—No, not at that time. I was in a subordinate position; but as soon as I became Accountant General, I intended that these books should be put an end to.

2697. Do I rightly understand that both these sets of books were under your inspection and control?—They were under the control of the Accountant General until transferred as I have stated.

2698. If you had both sets of books under your inspection and control as Accountant General, how could there be any fraud committed in that case; you could see it?—Yes, at very great additional labour; and it was a very unsound and complicated system of book-keeping, and such as no merchant would think of allowing to exist.

2699. Then sometimes a Government keeps duplicate accounts for the purpose of manifesting transactions under certain aspects, bringing out special results; you are aware of that?—Yes, I am quite aware of that; but in this case, instead of any advantage arising out of it, I represented, in a report to Mr. Stansfeld, the impolicy of maintaining a double set of books.

2700. Have you any other observation to make as to the mode in which the accounts were kept at the period that you left the office?—Not as regards the home accounts.

2701. Was your attention, as Accountant General, directed to the Indian accounts?—Yes, it was my duty to add to the finance accounts sent from India the home transactions, so far as they affected revenue, and so to complete those accounts.

2702. Did you find anything objectionable in that?—I had sometimes occasion, more particularly in connection with the remittance account, to examine a good deal into the books of account sent from India to this country.

2703. Transcripts of the originals, do you mean?—I do not know how far they were literal transcripts or not; they were large volumes; some tons weight of books are sent to this country.

2704. Did they appear to be transcripts of the Indian accounts, or statements of accounts sent to this country drawn from other accounts; you could tell that from the character of the account? —I think, from the character of the accounts, they were made up for the purpose of being sent to this country.

2705. Did you find anything objectionable in them?—I came to the conclusion, from a careful examination of the accounts, that the account system of India was a thoroughly unsound system of accounts.

2706. But how could you tell that if they were not original accounts?—I am basing my statement upon the examination of the accounts, and particularly with reference to the annual accounts presented to Parliament.

2707. Do you consider that they are also objectionable in their form?—I consider that they are bad and incomplete in form, and unreliable as statements of the receipts and payments of the year, and that the account system of India is unsound in principle, and not calculated to give the finance minister and the Government of India that control over the expenditure which ought to be exercised.

2708. Can you give us any illustration of these general views by taking some particular item of the accounts?—Perhaps it would be convenient to the Committee if I take each statement in its order; let us take, first, the bad and incomplete form of the accounts.

2709. What year are you going into?—The year 1869-70; that is the last year which I saw much of; I will ask the Committee to try by this account to know anything of the public debt of India.

2710. What page are you looking at?—Page 57; you will find there a "General Abstract Account of the sums paid and payable for interest on India debt, in the year ended the 31st March 1870, showing also the amount of the debt at that date." Now on the right hand side of this account you have the amount of the debt, headed, "Registered Debt," therefore it appears that the whole of this statement is registered debt. Well, I do not know, I am sure, whether "Treasury Notes" and "Miscellaneous Deposits" are to be considered as registered debt, except that a record must, I suppose, be made of every debt. But what is the amount respectively of the funded and unfunded debt of India?

Friday, 25 *April* 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir George Balfour.
Sir Thomas Bayley.
Mr. Beach.
Mr. Birley.
Mr. Bourke.
Mr. Steven Cave.
Mr. Cross.
Mr. Charles Dalrymple.
Mr. Grant Duff.
Mr. Eastwick.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Robert Fowler.
Mr. Hermon.
Sir Stafford Northcote.
Mr. John Benjamin Smith.
Sir David Wedderburn.
Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. WILLIAM GIMBER GOODLIFFE, re-called; and Examined.

Mr. *W. G. Goodliffe.* 25 April 1873.

2711. *Chairman.*] YOU were giving evidence when we left off on the last occasion, on the account of page 57 of the Finance Accounts for 1869-70?—Yes, I was upon the form of the account. I stated that in my opinion the Indian accounts were bad and incomplete in form, and I proposed to illustrate that by first of all speaking of the public debt of India. I said that if you look at this account on page 57, and endeavour to ascertain from it what is the funded and unfunded debt, it does not show that at all. There is a statement to be seen on the right-hand side of this account, which is headed "General Abstract Account of the sums paid and payable for interest on India debt in the year ended 31st March 1870; showing also the amount of the debt at that date." The right-hand side of the account shows the amount of the debt; and it is there headed "Registered Debt;" but that is not correct, because a portion of it is in the form of Treasury notes and deposits.

2712. Have you anything to add with reference to the entry regarding the debt?—Yes; on the left-hand side of this account is the amount of the interest paid in the year, and the total in India is represented to be 3,400,681 *l.* Now, a page or two further on, at page 61, will be found a "General Abstract Account of the Receipts and Disbursements of the several Presidencies and Provinces of India, for the year ended 31st March 1870, showing the local surplus or deficit at each Presidency or province," and the first two items of the expenditure in this General Abstract Account are "Interest on Funded and Unfunded Debt," and "Interest on Service Funds and other Accounts." The first item of "Interest on Funded and Unfunded Debt," under the head of "General and Political Government of India," is 2,773,414 *l.*; but when you look at the previous account to which I have called attention, you will find the interest on loans stated to be 2,865,063 *l.* The interest on the service and other funds in the second of the accounts is stated under "Government of India, General and Political," to be 401,115 *l.*; but in the previous account it is 309,466 *l.*, if you take the two items together, the Treasury notes and the deposits, that is to say, the interest on other monies excepting loans. The two aggregates agree, 3,174,529 *l.*; but I am quite unable to explain, and I think anyone who looks at these accounts will be quite unable to explain how it is that this discrepancy arises between these two statements of account.

2713. If you turn to the Account No. 33, which is also an account of the expenditure for interest on the debt, you find that the two items, "The Interest on Funded and Unfunded Debt" and "The Interest on Service Funds and other Accounts" taken together amount to 3,174,529 *l.*, do not they?—Yes.

2714. That is precisely the same sum as is shown in the Account No. 29 divided into three heads, thus: "Interest on Loans," "Interest on Treasury Notes," "Interest on Deposits on account of Service Funds, Military Savings Bank, &c.?"—Yes; but I want to know the cause of this discrepancy between the interest on loans being stated in one account at 2,865,063 *l.*, and in the other at 2,773,414 *l.*

2715. Does it not occur to you that the discrepancy as you call it arises from the fact that some of these funds are invested and some are not, some of the service and other funds; and therefore in one place they are classified more accurately as funded debt, and in the other they are differently classified?—That is the possible explanation, but you do not learn it from the Finance Accounts. The next point to which I wish to call attention is, that on the right-hand side, at page 57, you will find "Madras Loans," 15,400 *l.* at 8 per cent., and 8,050 *l.* at 6 per cent. But these two loans are part of the "registered debt" of India, and therefore the interest upon these amounts together, which is stated upon the other side of the account to have been paid, namely, 4,550 *l.*, it appears to me should not be classified under the head of "Interest

on

on Service Funds and other Accounts, in Account No. 33."

2716. Would not that depend upon the nature of the particular accounts kept in India, separate or otherwise, for some particular purpose?—Yes; but I say it is difficult to understand from these accounts what is really the funded and unfunded debt of India; and giving my own impression, and speaking with reserve, I doubt very much whether there is an accurate account in India of the public debt in India.

2717. Do you understand that what is called "Registered Debt" has a technical meaning in India with regard to the operation and mode of keeping the accounts?—Yes, that it is distinguished from the amount of miscellaneous deposits and Treasury notes.

2718. Do you not know that it has a technical meaning as to the particular issue of debt called "Registered Debt"?—I am not dwelling upon the point of registered debt. I should wish to see what was really the amount of the funded and unfunded debt of India.

2719. But that is not the phrase used in Indian finance, is it, funded and unfunded debt?—In Account No. 33 you will find that that is the precise term used, "Interest on Funded and Unfunded Debt." I say there is a difficulty; I do not say that it is impossible of explanation. I propose next to ask the attention of the Committee to the revenue side of the account, Accounts 2 and 3, at pages 8 and 9. We find here assessed taxes put down for 1,025,799 *l.* net at page 9. There is not a figure in these accounts to show on what property, persons, or things these taxes are assessed. Take Customs, again; they amount to 2,166,000 *l.*; there is nothing to show how much is export or import, or on what articles it is levied. Again, take opium, 6,132,387 *l.*; there is nothing at all in these accounts, not a line, to show how much of the tax is paid in India and how much of the tax is got from China; how much is duty, and how much profit. The Committee have taken a great deal of evidence on the Opium Revenue, but what a key to the whole question it would have been if the receipts had been exhibited in such a way as to show how the whole amount of that duty is obtained! Now let us go to the expenditure side of the account, and we will take, if you please, any of these accounts, which may be called Service Accounts; we will take, for example, the Marine Account at page 42. Can anything be more thoroughly unsatisfactory than the way in which the payments in England are added on to this account? The payments in India are classified with care and distinctness, amounting to 934,044 *l.*; but here you find at the bottom an amount equal to one-third of that expenditure, put down in two lump sums, "Stores," 109,000 *l.* odd, "Other Payments," 249,000 *l.* odd, making together 359,000 *l.*

2720. Mr. *Cross.*] "Other payments, as in Home Accounts"?—Yes.

2721. Does that refer to some other Table in these Finance Accounts?—No; it refers to dictinct accounts. And 136,690 *l.* out of this 249,000 *l.* is for the construction of two iron-clad monitors for Bombay. But these are the only service accounts that Parliament has at all in connection with the marine charges, or that the Government of India publish; and therefore I submit that this expenditure for these iron-clad monitors in Bombay should find its place under the head of Bombay, where, possibly, other expenditure of he same character is going on.

2722. Who is responsible for ordering that 136,000 *l.* worth of goods?—I do not know myself the principle on which the indent comes from India. I only speak of the fact of the payment. As Accountant General it was my duty to make the payment when it was duly authorised, and it appears in the Home Account.

2723. I want to understand this: who ordered the goods for the 136,000 *l.*; if they were ordered in India, why did they not appear in the accounts in India?—Because they were paid for in England, and instead of being added on in their proper place they are put in a lump at the bottom of the account. Again, to take a second item, "Contributions towards the Expenses of Her Majesty's Ships employed in the Indian Seas," 51,521 *l.*; that is also a portion of the 249,130 *l.* It appears to me that that is also an item which should be classified as is the Indian expenditure. The whole expenditure is incurred by the Home Government upon application from the Government of India with reference to services which are set forth in detail here, and therefore, it appears to me, it should find its place properly classified with the expenditure in India.

2424. *Chairman.*] Let me understand the exact nature of your suggestion with reference to this account. The account of the expenditure in India states, that there is an addition under the head of Marine, of 359,000 *l.* spent in England for that head of service; and when you turn to the account of what was spent in England, you find Marine Charges stated precisely the same sum, 359,000 *l.*, and then you find that the details of those charges are "Pensions and Retired Allowances, Furlough and Absentee Allowances, Commutation of Pensions of Officers of the late Indian Navy, on account of Contracts for Construction of Two Iron-clad Monitors for Bombay, Contribution toward the Expenses of Her Majesty's Ships employed in the Indian Seas," that is at page 3 of the Home Accounts for the same years, and that with the "Stores for India," amounts to the same sum?—Those are the details given in the Home Accounts of this expenditure; but my view is, that this expenditure being on account of India, should be classified in these accounts under the heads to which it relates, and under which similar expenditure, if any, in India is classified. If it belongs to Bombay, it should go to Bombay; there is nothing in the Home Accounts to show whether the expenditure is for the Government of India, for Bengal, Madras, or Bombay; but the Home Treasury must know, of course, for which Government the expenditure is incurred, and it should therefore be properly classified in these Finance Accounts, in order to make them complete.

2725. I suppose it is quite consistent with a system of accounts, when the accounts profess to give a general abstract account of the marine charges of India for the year 1870; and it is subdivided under the head of the country or district in which the expenditure is made, British Burmah, Bengal, Punjaub, Madras, Bombay; consistently with that classification, if the expenditure is made in England, England would be the head; that is the system on which the account is made out, by localities?—Yes.

2726. And therefore it necessarily follows, that England being the locality, the expenditure in England must be so classified?—No; I think

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that the Home Government act as agents for the Government of Bengal, or of Bombay, as the case may be, and they make certain payments on their behalf, and when their payments are made, those payments should fall in their place; of course in a different column, so as to preserve the distinction of how much is paid in India and how much in England.

2727. Are you aware that in all these accounts each Government is acting as an agent for another Government in various services, and yet the account of the services performed in a particular Presidency may form a part of the accounts of that Presidency, without reference to whether it was done by the desire of the Governor General, or any other Governor?—My view is, that the accounts for Bombay should show the total expenditure for Bombay.

2728. Mr. *Cross.*] But these ships do not belong to Bombay?—That is exactly the question, whether they do belong and properly belong to Bombay or not. If they do not, then I say that the expenditure should appear under the Government of India, or whichever may be the proper head.

2729. I do not quite see what your objection is. If these ships belong to the general service of India, why should they appear in the Bombay account?—I say that it appears to me that the expenditure in England on account of India should be classified in the same way as the expenditure in India is classified, so that you may know what is the total expenditure for each service. But we will come to an account in which the services are exactly the same. Let us look for a moment at page 47, stationery and printing, 253,325 *l.* paid in India. In England they have paid on account of these several Governments 121,841 *l.* I submit that that 121,841 *l.* should be classified under the Governments on whose account the expenditure was incurred.

2730. Mr. *Eastwick.*] You find it all classified I think in the Home Accounts. Is your object simply to save a reference to the Home Accounts?—Not at all. I do not find it classified in the Home Accounts at all.

2731. Mr. *Fawcett.*] Your contention is, that as the figures are presented you cannot tell how much was spent for Bombay and how much for Madras for stationery?—Yes. I will take a stronger case still, Account No. 25 for superannuations, at page 51. The total payments in India amount to only 592,752 *l.*, which is all classified under a great variety of heads; but we find payments in England put down in a lump, 739,763 *l.* without any classification at all, and a great portion of that is for services identically the same in both countries.

2732. Mr. *Cross.*] And in looking to the Home Accounts you cannot find out the facts that you want to know?—No; and even if you could, you want the information complete in these Finance Accounts. I will take one case more, that is the Public Works Extraordinary; the account will be found at page 60, Account No. 32. Now, surely the Public Works Extraordinary Expenditure is expenditure that should be carefully classified. This is the expenditure stated to be carried on out of loans, specially borrowed for the purpose; but we find here more than a million of money put down in a lump sum thus, "Other payments as in Home Accounts," without any attempt to put it under special works or governments.

2733. *Chairman.*] Your view is that the expenditure made in England should be re-classified, so that it may be the correlative of the expenditure in India?—Yes.

2734. So that each separate head shown in India may have its complement of expenditure in England added to it?—Yes.

2735. Mr. *Fawcett.*] Then those statements that are made in India, for instance, the things which you constantly see stated in official reports; that, for instance, Bengal spends so much in stationery, and Bombay spends so much, and Madras so much, are quite untrustworthy, because the main larger sum behind represents the Home Accounts, which is not divided at all; that is the case, is it not?—It requires some care, if anyone wants to ascertain the expenditure, that he is not mislead into taking the expenditure put down in India as the total expenditure.

2736. *Chairman.*] If you want to go into it minutely you must always have regard, in fact, to some supplementary item in the Home Accounts in connection with that particular service into which you are examining?—Without going into it minutely, if you want to go into it in the broadest possible way, you must do so.

2737. No; because in that you have the totals in the English expenditure, as the supplement of every head of Indian expenditure in a general way?—Not as regards the Governments.

2738. Mr. *Fawcett.*] Taking those figures that you have alluded to, 500,000 *l.* was spent in India in superannuation allowances, and 700,000 *l.* in England. You know into what portions the 500,000 *l.* spent in India is divided; for instance, 200,000 *l.* of it may be spent in Bengal, 200,000 *l.* in Bombay, and 100,000 *l.* in Madras; but there is nothing to show that the aggregate expenditure, so far as Bengal is concerned, may not be twice as great as that of Bombay, though they appear to be equal. Therefore it is not a question of minute detail?—It is not.

2739. *Chairman.*] If you turn to the account of the Revenue of India at page 8, you will see against every head that the expenditure in India is so much, in England so much, total the sum of those two items?—Yes; but there we have got away from the Presidencies.

2740. Mr. *Fawcett.*] The point that you want particularly to bring out is this, as I understand, that you object to the expression "minute detail," because it does appear that in many cases the expenditure in England which is not classified is considerably larger than the expenditure in India which is classified; therefore it is not a minute detail, but a thing that affects substance?—Yes. With regard to this account at page 51, where there is this expenditure of 592,753 *l.* in India, and in England 739,763 *l.*, I have very strong reason to myself suspect that the Government of India and the India Office are at cross purposes on a portion of this account; because, while the payments in England are stated in gross 739,763 *l.*, and include the payments on account of the military and medical funds which have been assumed by the Government of India, the subscriptions on account of those funds received in this country being brought to account as receipts in Accounts 2 and 3; I am strongly inclined to think that considerable abatements are made on the payments in India, and that the net amounts have been stated in the account there. I do not speak positively on that subject, but I make the statement in order to show

to show how necessary it is that clear accounts should be presented of these military funds; so, that, although they have been assumed by the Government of India, we may know the exact position in which they stand.

2741. *Chairman.*] What item do you refer to now?—Take the item of Madras, on page 51. Pensions of the Military Fund are put down there at 29,873 *l.* Now, so far as I could understand the books that came home from India, it appeared to me that a very large receipt had been taken off that amount, and the net amount only entered; but that would not affect the surplus for the year, because, if it were so, a larger proportion would be put on the other side of the account. I point that out chiefly with the view of stating how necessary I think it is that clear accounts of these military funds should be presented, notwithstanding that they have been assumed by the Government of India.

2742. Mr. *Fawcett.*] Speaking with reference to these funds, have you, as Accountant General, ever been able to discover what has become of them; are they invested, or has the money been spent and is what is represented as money in these funds really a part of the debt; can you throw any light upon that?—It is not a matter that came under my notice as Accountant General, but on a transfer of the funds I saw a dispatch which went to India on the subject directing what course should be followed with regard to taking over the funds, and the appropriation of a portion of the capital fund to meet the surplus payments in each year, and I rather think that I disagreed with the course that was followed, but I was not consulted upon the subject; it did not fall within my province at all. I made a memorandum at the time on the subject, and I should not object to tell the Committee what my view of the case is.

2743. I want to find out is it possible from these accounts (of course the whole accounts of India have been carefully looked into by you) for any one to discover where these funds are?—Not from these accounts.

2744. Then from what official documents; what document is there in existence which would tell us?—I am not aware that there is any document.

2745. Then we do not know whether these funds exist or not?—I do not know that we do. I suppose they are part of the debt of India; that the funds were invested in the debt of India, and that the debt was taken over.

2746. Is it not rather extraordinary, considering that this represents a portion of the capital of India, that it is impossible to find out from any statements of the accounts where the money is, whether it has been invested or not?—Yes, I only assume that it is part of the debt of India. Now, for example, in the Home Accounts there was a pension fund at the India Office arising from abatements made from salaries and other sources; the amount is a large one, and is invested in capital stock; that capital stock stands in the names of trustees, and the interest upon that stock is brought to account every year in aid of the payments made on account of pensions; and in that case it is quite clear exactly how much is held on account of the funds. And so I apprehend, in regard to each of these military and medical funds, it is clearly known how much of the public debt relates to these funds which have been assumed by the Government, and the account should show it.

2747. The accounts in India, although there is such an enormous amount of printing, do not show that fact; it is impossible to find out from any accounts in India how much money in these funds is invested, and whether any interest is derived from the investment to meet the charges on that account?—I do not think that there is any account that gives any satisfactory light on the subject at all.

2748. *Chairman.*] Do you mean no account in the books of the Government of India or England, or no account printed and laid on the Table of the House of Commons?—That no account has been printed and laid on the Table of the House of Commons. I think that there is probably a most accurate account in India.

2749. Mr. *Fawcett.*] I suppose the object of these Finance Accounts, which are laid before Parliament, is to give Parliament and the country a true and accurate idea of the financial position of India?—And I think more than that, that they should give some control over them.

2750. Now in your opinion, in your experience as an accountant, is it possible for us to obtain an accurate knowledge to enable us to exercise a judicious control as long as that information is wanting to which you have referred?—I think it is not; and I think when I come to the question of the reliability of the accounts, you will see that neither the House of Commons nor the Secretary of State has any possibility of control. I am going now to ask the Committee to look at the balances of Public Monies Account, No. 34, pages 62 and 63. This account shows, in the last line but one, a cash balance in the Treasury of 13,940,451 *l.* Now, when we speak of public balances in this country, we all know that we are talking about the balance under the control of the Treasury, and that it does not include departmental balances of the army and navy and other services; they are quite distinct. But here is a balance which is the aggregate balance of all the monies of all the services and of all the departments apparently; and, I think myself, it is very doubtful whether it is correct.

2751. *Chairman.*] As you make this comparison, will you tell me what you understand by the public balances in English finance?—The balance under the control of the Exchequer, that is, of the Treasury, and which is distinguished from the departmental balances of the army and navy and other public departments.

2752. You say that the public balances here are the balances in the Exchequer, and that they do not include the balances in connection with the several services. Do you mean that they do not include the balances unissued in the Votes in Supply of the several services?—No; I mean that they do not include the monies which have been issued to those departments, and have passed to the control of those departments. Now here, in this account, this is the whole balance of the whole of the Indian Services.

2753. Is there any Exchequer in India?—I am not now speaking of the system of accounts in India; I am only pointing out the defect in the form of the accounts, and I point it out at this moment because I consider that a large portion of this money is not public money at all in the true sense of the word; it belongs to the Guaranteed Railway Companies, and belongs to trust funds and other funds, and therefore I should say that the accounts ought to

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show how much belongs to each of the guaranteed railways, and how much to trust funds.

2754. You began by saying, as I understood you, that this account is improperly framed, because it is not like the Exchequer Account in England?—No, that is not now my point; but that when we speak of the public balances in this country, we all know that we mean balances in the Exchequer, and not the balances that have passed out of the control of the Exchequer to the different services, which are very considerable of course. But I say that a portion of this Indian balance is not strictly speaking public money at all.

2755. This does not profess to be an account of the public balances in the sense of an Exchequer Account in any way, does it?—No; it is the balance on this account, or rather, in fact, it is the difference between the one side of the account and the other.

2756. But what is the objection if the account itself does not profess to be what you think it ought to be?—I am pointing out a defect, the result of which is that no one can tell how much of this balance belongs to the Government of India, and how much to guaranteed railways and trust funds.

2757. Is it your idea that there ought to be an Exchequer Account in India?—I prefer to come to that later in my evidence. The defect in form in this case I take to be that you do not know how much of this money belongs to the Government of India, and how much of it to railway companies and other trusts. My point is that the departmental balances are all included here along with what would be the Exchequer balances if there were such an account.

2758. Is not that because there is no Exchequer Account in India?—That is the reason.

2759. Is it your view that there should be an Exchequer Account?—It is my opinion that there should be an Exchequer Account in India.

2760. Mr. *Fawcett.*] But even supposing that there was not an Exchequer Account, you think that the accounts could be presented in a different form from what they are?—Yes, unquestionably. The defect of these accounts is that although the whole receipts and payments in England affecting the revenue are brought on to these Finance Accounts, yet the balance of the Home Treasury is not brought from the Home Accounts; you cannot say, therefore, how much of the aggregate balance belongs to the railway companies and the other trusts. But I wish most strongly to protest as an accountant against accepting an account which is signed by officials who are not responsible for the balances shown in the account. Now no one will pretend for a moment that the Comptroller General of Accounts in India and the Deputy Comptroller General are responsible for this 13,940,000 *l.*

2761. *Chairman.*] Is there one person, or can any one person be responsible for the receipt and expenditure of public monies?—Undoubtedly the accounting officers should be responsible; those who are responsible for the money should submit accounts showing what money has passed into their hands and what has been done with it.

2762. Does not everybody in India sign his own vouchers?—I am not speaking of what is the practice in India, but of what is a sound system of account, namely, that those personally responsible for the expenditure of money should render the account, and sign the account, and know where the balance is.

2763. Do you know whether that is not done in India?—I say it is not done by these accounts.

2764. Mr. *Cross.*] Are those accounts signed anywhere?—Yes; this account is signed at page 65. I am not at all saying that there is not a great deal of account keeping in India, and in my opinion, probably much more than is necessary; but I am speaking only of these Finance Accounts.

2765. *Chairman.*] Do you make any suggestion that is practicable?—I maintain, that it is perfectly practicable, and should be insisted on.

2766. Is not this a summary of the accounts of a great number of persons?—Yes.

2767. And can anybody sign it except one who takes the entire accounts together?—That is because these accounts are based upon a thoroughly unsound principle; the principle of accounting is radically and fundamentally wrong, in my judgment. But now I am only pointing to the defect in the account, because I should object, as an accountant, to accept such an account.

2768. Sir *George Balfour.*] Is not this the aggregate of about 450 treasuries?—I dare say it is.

2769. How could we arrive at the balances, except by one officer being appointed to sum them up?—That is exactly what I object to.

2770. *Chairman.*] Are you not confounding this summary of the accounts rendered with the accounts themselves, which it is not necessary, for this particular purpose, to present?—Of course it is for Parliament to determine what accounts they wish to have; but I was speaking of them as Finance Accounts, and in the point of view in which it strikes me that they are defective, and fail to give the information which it would be useful to have. What I submit is that they on the one hand fail to give a great many particulars which it would be very valuable to have, while on the other hand, a great deal that is given is valueless from the way in which it is furnished, even assuming the figures to be correct, and the natural consequence is that few persons take the trouble to look into these accounts, and those who do, find their labour for the most part fruitless.

2771. Would it not occur to you that if people do not take the trouble to read these accounts, which are not very long, they would take less trouble if they were much longer?—My suggestion would be to make them much shorter and simpler so as to give them more interest.

2772. Have you any other point in regard to these accounts on which you would like to offer a suggestion?—Not as regards the form of the accounts.

2733. Sir *G. Balfour.*] Your contention is that the Indian Accounts should be complete and perfect in themselves, including the cost of stores purchased in England?—All payments in England on account of India I think should be properly classified under the Government on whose account they were supplied.

2774. And that the sums expended on account of stores should be exhibited where?—Under the proper head of the Government who had called for them.

2775. Then in the Home Accounts, in what form would you represent the monies laid out for the purchase of those stores?—I think that there is not any fault to be found with the classification of the Home Accounts. It appears to me to be stated

stated sufficiently clearly there for the purposes of those accounts which are merely the accounts in a certain degree of an agency.

2776. Then the practical conclusion we come to is that the final charge on account of stores supplied to India ought to appear in the Indian Accounts, and not in the Home Accounts?—They must be final payments, and they are final payments in this country. I only submit, when the Service Accounts are made up for India, that the payments in England should fall into their proper place.

2777. I used the word "charge," not "payment," and I want to see that we understand the words in their exact and proper meaning. The word "charge" is a different thing altogether from the word "payment"?—My opinion is that the payment should be the charge; that the payments made between the first day and the last day of the year, should be the charge for the year.

2778. I will draw your attention to the fact that the system of charging the account of stores was changed more than once in the Indian Accounts. I will go back to one account which I have got here by which the expenditure on account of stores for India appeared in the Home Accounts in the account current between England and India, and the final charge on account of the stores actually supplied appeared in the India accounts?—The charge eventually did; the payments were a matter of account current for the time between England and India, and eventually were brought to charge in India.

2779. Since that you are aware that that system, for reasons which satisfied the authorities, was changed, and that they excluded the stores from the charges in India, and exhibited them as a final charge in the Home Accounts?—No, that does not exactly describe the case as I understand it; the payments for stores were excluded from the account current between England and India, making them a final charge in the Home Accounts, and that final charge is transferred to the Indian Accounts, so that it becomes a charge against the revenue of the year.

2780. *Chairman.*] Is that added as part of the Indian expenditure, or is it added merely to show the expenditure in England in connection with the expenditure in India?—Added as a charge and against the Revenue of the year, to complete the charges against the Revenue of the year.

2781. Is it added as an Indian charge or as an English charge for the purpose of showing the total expenditure under that head?—It is added as an English charge, as a payment made in England.

2782. Sir *George Balfour.*] Then if it is a charge in the Home Accounts it ceases to form a charge in the Indian Accounts?—I do not say that it is wrongly treated in that respect, but that it should be brought to charge in a separate column, and be properly classified. A portion of the expenditure occurs in India and a portion in England; I wish them to be brought into juxtaposition.

2783. Then we come back to the same thing as existed formerly, namely, that the whole charge on account of stores purchased in England was exhibited in full in Indian Accounts?—As I understand, the former practice was not to bring to account in India the payments made in the year, but stores made use of in the year.

2784. No; the practice of India was clear and distinct that whatever stores arrived between the first day of the year and the last day of the year, these stores were most carefully and exactly tabulated, and whatever the value of those stores which arrived in India had been, that value was put into the Indian Accounts as a charge against the revenues of India?—Yes, and that is a totally different thing from the payments.

2785. But your statement I think was that the sums expended were brought to charge, which is a different thing?—In one case the actual payments within the year were brought to charge, and in the other case something, not the actual payment, but the stores that arrived, or stores that were used; I do not know which it was.

2786. I will call your attention now to one objection which you have raised. If you observe the Indian Accounts of 1856 and 1857 you will see there a classification of the heads under the different kinds of stores and the different presidencies (*handing the accounts in question to the witness*)?—Yes; this is the account of stores exported to India in the year 1857.

2787. In that year no monies on account of stores so exported were exhibited in the Indian Accounts; the whole sum expended on account of stores supplied to India was exhibited in the Home Accounts?—The change I am speaking of is this: That the payments in England for stores are now brought to charge from the Home Accounts; that is to say transferred from the Home Accounts to the Finance Accounts, and brought to charge against the revenues of the year as being the payments of that year.

2788. In the year 1857–58 following the year 1856-57 an entire change took place, by which the value of the stores arriving in India then became a charge in the Indian Accounts against the revenues of India, and the expenditure previously shown in the Home Accounts as a final charge then ceased to be shown; are you aware of that?—I am speaking with reference to what is actually the case now; and what I understood, what I know in fact, was the case when I entered the India Office in 1860.

2789. Will you tell me the change made in 1866-67?—When I entered the India Office the course was this: The stores paid for in England were treated as part of the Remittance Account between England and India, and what amount was brought against the revenues of India I cannot say; I know nothing about it whatever, whether it was the amount of stores received, or whether it was the amount of stores issued, or whether it left out half that ought to have been brought to account. All I know is that it was a matter of account current between London and India. But on looking into the Remittance Account, the first point that struck me was that this was an unsound system. In my judgment, whatever has been paid in the year ought to be brought to charge against the revenues of the year, whether it is paid in England or whether it is paid in India. That was the conclusion which I formed.

2790. Will you describe the change that subsequently took place in the year 1866-67, with regard to these very stores?—It became the practice to omit these stores from the account current between India and England, and to transfer them from the Home Accounts as final payments to the Finance Accounts, and make them part of the charges of the year against the revenues of the year in the Finance Accounts.

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I do not know in what year precisely the change was made, but that is the system now. The payments in England on account of the stores are transferred from the Home Accounts to the Finance Accounts, and are made a part of the charge against the revenues of the year.

2791. *Chairman.*] Your view is, that in the Indian Accounts the English Home expenditure in connection with services in India should be analysed into a number of details, so that for every item of the Indian Accounts shown, there should have the correlative English expenditure shown against that; the total expenditure in England and India for that particular head of service?—That is precisely my view; but General Balfour is under the impression, as I understand him, that the payments in England on account of stores, between the 1st April and 31st March, are not made a charge against the revenues of the year for that period.

2792. The question was whether it was brought to charge as a final payment in England or in India. According to the accounts laid before us it is brought to charge as a final payment in England, and for the purpose of showing the total expenditure, the two are brought together in the accounts not as a charge but merely as a statement of account?—I say that these Finance Accounts should agree with the Indian and Home books.

2793. If you look to the Account, at page 8 you will see the totals stated "Expenditure in India" and "Expenditure in England," and these are brought together in the totals to show the whole expenditure both in England and in India in one statement; but the charges that are represented as expenditure in India are brought to charge in India as final payments, and the charges described as expenditure in England are brought to charge in England as final payments in England; the two are added together to show a statement of account?—Yes.

2794. Mr. *Fawcett.*] But making the statement of the account in that particular way renders it impossible to gain an accurate idea of the true financial position of India in any one year, as I understand you?—You do not ascertain the real expenditure on account of each Government.

2795. *Chairman.*] If you want to go into detail, to know the details for any head of Government or Service, it is necessary to rip up the expenditure in England and see how much is to be attributed to that particular service?—Yes.

2796. Sir *G. Balfour.*] Taking stores for India, for the Army for instance, in the year 1869-70, at page 11 of the Home Accounts, they amount to 878,491 *l.*, and we have no statement of how that sum is apportioned to Bengal, Madras, and Bombay; that is your point?—Yes. Of course I apprehend that these payments being final payments, and brought to charge in this country, do not come on to the Indian books at all.

2797. You mentioned as the system of our Home Accounts that the Exchequer Balances are kept distinct from the Departmental Balances. You are aware that the Drawing Accounts of the different departments are not included in the Exchequer Balances?—The balances of departments form no part of the Exchequer Balances.

2798. Then it is quite possible that these accounts, technically known as the Drawing Accounts of the departments, may be largely swelled on the last day of the month, so as to decrease the Exchequer Balances?—Yes; the balances in the departments are quite distinct from the Exchequer Balances, and they may be larger than necessary.

2799. And they may be increased on the last day of the month so as for the department to have a very considerable sum in hand on the first day of the new year?—Each department has power to draw within its estimate for the whole amount of its estimate.

2800. But inasmuch as all sums ought to be relinquished by the different departments, and all monies unexpended by the Home Departments are so relinquished at the end of the year, it follows that they can have no other balances excepting those sums which stand to their credit in the Bank of England on the Drawing Accounts?—The balances of the departments which stand to their credit in the bank on their cash accounts or drawing accounts.

2801. And that these sums could be very considerably increased, and the Exchequer Balances very considerably decreased?—No question they can draw to the full amount of the Vote.

2802. Then looking at the cash balances here of the Indian Government, is it not a great advantage to have the whole sum of the cash shown, both that which is in the hands of the departments and that which is in the 450 treasuries of India?—No; I think that that aggregation of the balances prevents that knowledge of the position of the services which ought to be obtained; but I think I should deal with that better when I come to speak of the principle of the accounts.

2803. Mr. *Fawcett.*] With regard to these cash balances, unless you know of what elements those cash balances are composed, it is quite impossible to form any accurate opinion of the financial position of the country, is it not?—I think that the financial position of the country is ascertained from the statement that is exhibited of the revenue and expenditure of the year; but what I want is security for this large amount of balance.

2804. But my point is this; last year it was stated that the cash balances were 13,000,000 *l.*; as far as we know nearly the whole of that 13,000,000 *l.* might represent money belonging to guaranteed railway companies, or, in other words, may consist of property not a shilling of which the Government can properly devote to ordinary revenue?—Undoubtedly.

2805. It may, however, consist to a large extent, say 10 millions or five millions of money, which represents balances in various public departments, money which has been devoted out of public revenue to ordinary public works, but not spent; and consequently it may happen that Government really has 5,000,000 *l.* to spend?—There is no explanation where that 13,000,000 *l.*, or whatever the amount may be, is, or in what form it exists.

2806. And unless you know in what form it exists you cannot possibly tell how much money the Government of India really begins the year with, and what it has to spend?—No.

2807. Therefore unless you know how much money the Government has to spend, it is impossible for you to tell what is the true or financial position of the Government, and therefore what taxation ought to be imposed for the current year?—I daresay it is known sufficiently well in India.

2808. But

2808. But I am referring now to the knowledge that is given to us?—The accounts do not give the information that is necessary for anyone to form a judgment upon them.

2809. For instance, the accounts tell us (I refer to the information laid before us as Members of Parliament) nothing whatever about the elements of which the cash balances are composed?—No.

2810. And unless we know something about the elements of which the cash balances are composed, it is impossible for us to form an opinion of the financial position of the country?—I think not; and also that it is impossible to feel that the cash balances are secure.

2811. You think that the information which you consider to be desirable to enable Parliament to form a proper opinion of the financial position of India could be given if the accounts were presented in a different form, and arranged upon a different principle without making them more voluminous?—No question but that they might be far more simple.

2812. Now with reference to the public works, as the large amount that is spent for public works is not divided or allotted to public works ordinary and extraordinary, all that division we hear so much about, ordinary public works being paid out of revenue; extraordinary public works being paid out of borrowed money, becomes of course absolutely meaningless and perfeetly useless?—You cannot follow any distinction; you cannot trace it.

2813. In fact when we are told that it has been carefully decided that extraordinary public works should be paid with borrowed money and ordinary public works should be paid out of the ordinary revenue, as far as the accounts are concerned, which we as Members of Parliament have, it is absolutely impossible for us to know whether that has been carried out or not?—The same state of things exists now, as when Lord Halifax stated in the House of Lords that some two millions of money had been raised for extraordinary public works, in the time of Lord Dalhousie I think, and somehow or other it had been spent on ordinary public works.

2814. And you cannot trace it in fact?—No.

2815. Sir *G. Balfour.*] And that loan was raised particularly as a public works loan?—So I understood Lord Halifax's argument.

2816. Sir *C. Wingfield.*] Perhaps you are aware that in the accounts of the cash balances of the last year it was admitted by the Financial Member of Council that upwards of 2,000,000*l.* was money that had been borrowed for State railways, and had not been employed, and lay idle there?—Yes.

2817. Sir *G. Balfour.*] You think that these monies borrowed both for public works and the money lying to the credit of the railways ought to be exhibited separately, and are special funds that ought not to be mixed up with the ordinary transactions?—I regard it as a most serious defect in the Finance Accounts to add on the extraorninary expenditure in the way that is done, and so to discredit the finances of India, by constantly exhibiting a deficit when a surplus exists.

2818. All this system of borrowing for the [illegible]pose of executing works and mixing of these [illegible]sactions renders it impossible for anyone to [illegible]rstand the real nature of the transactions?—[illegible]or the expenditure that takes place upon [illegible]ork.

Your contention is that whatever service funds should exist, the capital of the funds and the cash payments should be shown distinct?—The service accounts of the extraordinary public works should undoubtedly show what amount had been allotted to each work, how much had been issued and spent, and what was the balance.

2820. Then, with regard to the military funds, the civil service funds, and the medical funds, your contention also is, that the capital of these funds, as well as the receipts and the payments on account of these funds should each be separately exhibited?—There should be separate accounts of each of the funds.

2821. Does the fact of the Government having taken over these service funds at all change the form of the accounts?—It only renders it more necessary that separate accounts should be rendered now that they are managed by public officers. Before, they were private trusts, and were properly looked after.

2822. Sir *C. Wingfield.*] But now the Government undertake to pay a man a pension of a fixed amount, irrespective entirely of his own contribution to the fund, whereas before, he got his pension proportionally?—I am speaking only of the account system; I say, that now that the Government of India has taken over these funds, an enormous capital, two or three millions has been taken possession of, and, as I understand the system, the payments in the year form a charge against the revenue of the year, and the subscriptions form a part of the receipts of the year, and whatever deficit is required is made up from the *corpus* of the funds. I want to see an account to show that the Government of India has not altogether made away with the *corpus* in one year.

2823. But the intention of the Government of India now in taking over the funds, is no longer to treat any account at all, but that the pensions should be a charge against the revenues of India, and a uniform pension is to be given, whereas, formerly a uniform rate of pension could not be given?—I do not think that that absolves the Government of India from showing an account of how the funds stand.

2824. Mr. *Fawcett.*] What I understand you to wish to express is this; now that the Government has taken over these service funds, two things it is essential to show; in the first place, what becomes of the capital, and secondly, what amount of revenue is required by the subscriptions, and what, on the other hand, the Government has to pay in superannuations and payments?—Yes.

2825. And as far as the accounts are presented to us, we do not know whether the capital exists at all, whether it may not have been spent in some year when the Government was hard up as ordinary revenue, and whether the payments to these funds do not come to more than one-half of the amount which the Government have to pay, and before the money, and therefore they made a bad bargain; none of these things can we find out?—No.

2826. Sir *G. Balfour.*] Then as to superannuation, do I understand that you would also desire to see the superannuations at home divided geographically into Bengal, Madras, and Bombay?—No, I should desire to see parallel columns; and so far as the payments in England relate to payments in India, the payments in England set beside the payments in India.

2827. Mr. *Eastwick.*] This would very much

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increase the volume of the accounts, would it not, because you would have a separate account for the funds?—I should have a separate account for each service, and therefore when you were examining the Army Account you would have the Army Account only to examine, and then the Public Works Account, and so on.

2828. Sir *G. Balfour.*] Then you made objections with regard to the opium revenue not being sufficiently shown; would not that item, as entered at present in the account, be made clear by having an appendix to show how that sum is made up; how much is made up from the cost of manufacturing opium, and how much by profit?—I do not know precisely what is the course in India, but I apprehend that there is some department or officer chargeable with the control of the collection of that revenue.

2829. The opium revenue is composed of two descriptions of revenue; one is entirely the revenue from the Bombay opium, which is a transit duty; and then the Bengal opium is manufactured by Government, and the expenses for the manufacture are borne by the Government, so that the actual sum is not made up in a uniform manner?—But I apprehend that there is some department responsible for the control of that revenue, and which knows the amount collected. I want that department to submit an account, to say what is the total amount collected, and to see how that corresponds with the amount brought to account in the Financial Accounts.

2830. Would an appendix answer the purpose?—I think it would in part.

2831. And the same with reference to Customs, to exhibit reports?—I do not precisely understand what these Finance Accounts are, whether they are cash accounts or to a certain extent service accounts. Take the Post Office, for instance; it is impossible that all the Post Office receipts should be paid in on the 31st of March from all the collectors of the Post Office. All these officers must have balances more or less in their hands; I want to know therefore how much that is at the end of the year, and where it is. If this is an account of all the money collected actually up to the last stroke of the hour, of the last day of the financial year, then the balance is in the Indian Treasuries, as it is stated to be. But if it is not, then it is in the boxes of those charged with the collection of the money. I want to know how much that money is. Taking our own Finance Accounts at home it will make it plain at once what I mean. If you look at the Customs in this country you will find that here are the gross receipts, 22,575,463 *l.* 13 *s.* 5 *d.*; these are cash accounts. These accounts of India are not cash accounts at all, merely an aproximate statement.

2832. Have we any reason to doubt that the Treasury system to which you are referring is in force in India, so that the actual payments within the year and the receipts within the year are brought to account?—I think unquestionably they are in force, and I want to see them exhibited in the Finance Accounts.

2833. Have we any reason to doubt that the Indian accounts represent the real facts of the actual payments and receipts within the year?—I want to show what is done in India. As regards the Customs in this country. Here is the gross receipt, 22,575,463 *l.* 13 *s.* 5 *d.*; then come payments out of the gross receipts, and then we have the net produce of 20,238,879 *l.* 14 *s.* 8 *d.* That is signed by a responsible officer in the Customs, who is responsible for that money.

2834. But that receipt is simply the actual sum received in the year, and the deduction you see there is the sum paid away in the year?—Not paid away but allowed.

2835. The transactions close with the 31st of March?—Yes. There is the gross receipt, and there is the net produce.

2836. You do not mean to say that the whole sum due on account of the Customs duty is represented by the sum you have quoted?—That is the actual money receipts of the year.

2837. But not the money dues of the Government within the year?—As I say, these are the gross receipts of the year. Here is a department which is responsible for that money, and how do we find it account for it? "Balances" on the 31st of March, 586,297 *l.*; "Gross Receipts," as I have quoted them from the account, "Repayments" so much; "Net Receipts," 20,238,879 *l.* Then we find "Payments with the Exchequer," 20,191,000 *l.* Turn now to the Exchequer Account and there is the 20,191,000 *l.*, while the Customs Department is responsible for the balance; and any one can follow the receipts from the tax-payer into the Customs Department, and eventually into the Exchequer.

2838. Then if we had an Appendix to the Finance Accounts of India, similar to what you have there, and if the sums making up the whole of the receipts on account of the revenues of India agreed with the sum made up from the different departments, you think we should have a clear account then?—I wish to see some department responsible for what is not brought into the account of the revenue of the year, that is to say, for the monies in the hands of the collectors at the time that they make up their accounts for the year, namely, to the 31st of March, but they cannot have paid in all their receipts.

2839. But that Customs account to which you have referred is made up of all the different collectors of Customs throughout the kingdom?—Yes.

2840. What is the difference between that united sum and the united sum of India?—The balance here is stated to be in the Indian treasuries. If it includes the gross receipts up to the 31st of March the amount cannot be in the Indian treasuries, unless the Customs' Collectors' balances are regarded as part of the balances of the Indian treasuries.

2841. But the 450 separate treasuries which are in India are part and parcel of the great treasury?—Then I apprehend that it is the duty of those persons entrusted with the collection of public money to pay into those treasuries the money that they collect.

2842. Have you any doubt that that is done?—Not at all; I only wish the accounts to show how much has reached the Exchequer.

2843. *Chairman.*] You wish to see the audited accounts of which this account before us professes to be a summary?—Yes.

2844. Mr. *Birley.*] Will you inform the Committee how the account current is kept between the Home Government and the Indian Goverr ment?—I gave some evidence on that last ti and I should like to give some further evid with respect to it on a future day. When the India Office I consider that it was do most unsatisfactory manner.

2845. *Chairman.*] What point do you to take next?—The reliability of the

accounts. I wish particularly before entering on this portion of my statement to state very clearly how far it is from my intention to cast any reflection upon the gentlemen who are charged with the laborious duty of keeping the accounts in India. I know the tremendous difficulties they must have to contend with under a bad system, and it is the system that is in fault and not the officials; and I should be most sorry and grieved that any evidence I should give should at all bear the impression that I desire to cast any reflection upon the officers in India. I will ask the Committee to look at the military charges of India for 1869-70 at page 52. Now, without stopping to speak of the utter inadequacy of this account for an expenditure of 12,828,750 *l.*, consisting of some 20 items, I would just remark in passing, that the account of miscellaneous charges for instance, amounting to 754,207 *l.*, has four times as many items. But my object is now to show what light the Secretary of State has to walk by when he attempts by the aid of these accounts to deal with a question of such vital importance as the military charges in India.

2846. Do you know from the position you have held in the India Office that the Secretary of State has no further accounts of the military expenditure than the Summary laid before Parliament?—I believe that the Secretary of State has no further knowledge of the actual expenditure in India than these Finance Accounts. I am going to ask the Committee to look at Parliamentary Return (No. 467 of 1871) moved for by the honourable Member for Brighton called "A Copy of all Correspondence which has taken place since 1869, between the Governor General of India in Council and the Secretary of State for India in Council in reference to possible Reductions in the Indian Military Expenditure." That Return opens with a despatch from the Secretary of State, dated the 26th of January 1869, and states as follows: "In considering recently in Council the present state of taxation in India, my attention has naturally been drawn to the question of the practicability of effecting reductions in any of the branches of Indian expenditure;" and the second paragraph says that there has been an increase of about "15 millions, in the income, which is nearly counterbalanced by augmentations in expenditure;" and then paragraph 5 goes on to point out that, "It is therefore mainly to the military expenditure that my attention has been directed." We find then the next page set forth the military expenditure in each of the years from 1862-63 to 1868–69, taken from the Finance Accounts, and paragraph 8 says, "Combining the military charges in India and England, and excluding military buildings, the increase in 1868-69, as compared with 1862-63, was 1,277,690 *l.*, and this, notwithstanding the strength of the European army in India, for which the capitation rate is payable, has been reduced since 1862-63 by upwards of 7,000 men." The despatch then goes on to make a minute comparison between the Estimates of 5-66, and those of 1868-69. Now, the first pur vation I have to make upon this account, trai e which will probably occur to the unde ittee: how is it that the Secretary Yes, te departs from the actual, and makes any w arison of the Estimates? The actual ex- may be tens or hundreds of thousands of pounds, more than the Estimates; and therefore how unsafe it is to make a comparison between the Estimates.

2847. In what year is he speaking of the Estimates?—1865-66 and 1868-69 are contrasted, with a comparison as regards the cost per man, "I have therefore directed certain statements to be prepared from those Estimates, copies of which are transmitted herewith." The second observation I have to make is, that the Financial Department in the India Office in setting out this expenditure in the margin of this despatch, has pursued two different and quite opposite principles in stating the Indian and English expenditure; the Indian expenditure is stated in gross and the English in net, a difference in one year of upwards of 200,000 *l.* Now let us turn to India. At page 17 of the Return will be found an important despatch from the Governor General in Council, stating that the subject of military expenditure has been "searchingly considered" with a view to ascertaining what reductions are feasible; and page 24, paragraph 70, of the Return states, "In a separate despatch to follow this we shall allude to the course of military expenditure during the last few years, and of the measures we have taken and shall take to keep it down, irrespective of reductions in the actual strength of fighting men." At page 109 we find this promised despatch; it is dated 11th of October, 1869, inclosing reports by the Controller General of Military Expenditure on the subject of the cost of the Army; and paragraph 2 says, "These contain a clear and comprehensive review of military expenditure since the year 1862, and do not admit of condensation." Now, the first of the enclosures in this despatch is a memorandum of the Controller General, dated the 23rd of February 1869, to paragraph 33 of which I would refer; and it is not a little remarkable that at the very time that the financial department at the India Office was occupied in bringing under review the military expenditure, the Controller General in India was engaged on the same duty for the guidance of the Governor General in India. But what is the conclusion that the Controller General in India draws from his examination? We find it in paragraph 36 page 112. He says, "From the foregoing statement it will be seen that the ratio of expenditure as compared with revenue is steadily decreasing, although occasional fluctuations must be expected." That is the conclusion that he comes to on the subject. But the principal cause of this wide divergence of views between the Secretary of State and the Controller General is, that the Controller General bases his calculations on the expenditure in India alone, as if the expenditure in England were not a charge on the revenues of India at all. There are, however, serious discrepancies between the total charge in India and England as set forth in the India Office despatch, and as shown in the statement of the Controller General of Military Expenditure although they are described by that officer in a subsequent memorandum (10th March 1869, page 115, paragraph 3) as "slight variations;" and he instances the year 1863–64, where the difference is 158,130 *l.*; and then, in paragraph 15 of this memorandum, he demonstrates "the fallacy of the conclusions drawn from the system of averages" adopted in the Secretary of State's despatch; and in paragraph 16 he points out

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"the unreliableness of the data" on which certain other averages are based; and he maintains, in paragraph 9, that the results he obtains "do not exhibit any very remarkable increase of expenditure." The first memorandum of the Controller General was dated 23rd of February 1869, but on the 24th of March in the same year, with another memorandum in continuation (page 118), he submits a more detailed report of the military expenditure in years each from 1861-62 to 1868-69, the totals of which in the earlier years from 1861-62 to 1864-65 differ from his previous statement, as do his statements of annual receipts differ from the Financial Accounts. Now, I say, can anyone be at all surprised when we find this occurring, that the Duke of Argyll, in his speech in the House of Lords on the Finances of India, should find himself obliged to declare, after setting forth the causes of increases that had taken place upon a number of heads of expenditure, that there was still a million of the increase that he could not account for at all? But there is a particular point that I want to ask the attention of the Committee to in this despatch, because it has a bearing upon what I shall show subsequently. The Financial Department of the India Office, upon the receipt of this despatch from the Controller General, gives up altogether any further attempt to come to an agreement as to what the real expenditure has been; it considers that no advantage would follow from doing so. But there is a method devised of avoiding any controversy of this kind for the future, and this is to be found in paragraph 7 of the despatch of the Secretary of State to the Governor General, dated the 24th of February 1870 page 250, which directs as follows: "With reference to the differences between the military charges, as quoted in the enclosures to your letter, and in my financial despatch of the 26th of January last, it is only necessary for me to observe that the sums stated in that despatch were taken from the Finance and Revenue Accounts presented to Parliament which, so far as relates to expenditure in India, were furnished by your Government, the expenditure in England being added here. They are consequently the most authentic statements of income and expenditure obtainable, and it is important that you should require that they be adhered to in all comparisons prepared in India for transmission to this country." Now, there is a declaration of what these accounts are, and how they are to be adhered to; and therefore I maintain that it is of the utmost importance that these accounts should be reliable; but I submit, also, that if it is found upon subsequent examination that the accounts are not reliable, they should not be adhered to, and that it should be clearly set out where differences occur, what is the cause of them. I venture now to ask the Committee to look at a Public Works account. Perhaps the Committee have never seen such an account as a detailed balanced statement of the public works expenditure for a year. This balanced account which I have before me was published in the "Gazette of India;" it is for the year 1867-68. I never saw any actual account of public works expenditure but this one account. I only examined this account as Accountant General of the India Office with a view of forming a judgment of the account system. I was not responsible for the Indian Accounts in any way. The accounts are given in great detail in this Supplement to the "Gazette of India" of the 27th of March 1869, but they fail in this respect that they still do not enable one to judge what the outlay has been on that important subject of barracks with respect to which the Committee has taken a great deal of evidence. I will refer to the cash account at page 521. Here we have a statement of the total receipts and total disbursements of the Public Works Department, and it starts with a balance on the 1st of April 1867, and concludes with a balance on the 1st of April 1868, and the expenditure is stated to be 6,351,375 *l.*; but when I look at the public works expenditure, as stated in the Finance Accounts for that year, page 9, I find "Public works, including 156,525 *l.* for supervision and cost of land for railways, 101,877 *l.* loss by exchange on railway transactions, and 111,410 *l.* income tax grant," total 5,800,269 *l.* Bringing on the public works "extraordinary" expenditure of 602,402 *l.*, we get a gross total, not as stated in the "Gazette," of 6,351,375, but of 6,402,731 *l.*, the Finance Accounts being too much by 51,356 *l.*; when I came to look into that to find out where this discrepancy occurs, the Committee will not be surprised perhaps to hear that it is in that dubious item of "loss by exchange on railway transactions." The Public Works Department should, of course, know what this loss is; they have set out in a special account at page 506, a statement of the loss and gain by exchange. The Finance Accounts also contain a statement of the gain and loss by exchange, they show that the Bengal net loss is 3,538 *l.*; the Supplement to the "Gazette" states, that it is a net gain of 9,494 *l.*, a difference of 13,032 *l.* In the Punjaub, the net loss is 63,976 *l.* according to the Finance Accounts in the "Gazette" the loss is 60,512 *l.*, a difference of 3,464 *l.* In Bombay, by the Finance Accounts, the net loss is 37,578 *l.*, the Supplement to the "Gazette" gives it at 3,947 *l.*, a difference of 33,631 *l.* The Finance Accounts are thus far all too much, but in Madras, while the net gain in the Finance Accounts has been put down at 3,215 *l.*; the "Gazette" says it is 4,445 *l.*; and here the Finance Accounts are 1,230 *l.* too little, making up a difference of 51,357 *l.*, in regard to this item of gain and loss by exchange.

2848. Were both those audited accounts?—I do not know whether they are audited. I presume that the "Gazette" Account is actually an audited account. The chief reason why I point out this discrepancy is, because it shows how necessary it is that we should have an account in respect of each railway, showing what this gain and loss by exchange is. It is an item that arises from real transactions, it is not an amount to be put down as an approximate one; it results from the amount of capital paid in by the companies on which a loss of two-pence in the rupee occurs, and is the result also of traffic earnings paid in by the companies. But an examination of that account showed another matter which it is important to notice. At page 494 of the "Gazette" account we find a statement of the "Grants and Expenditure for Civil Buildings for the period from 1st April 1867 to 31st March 1868." We find there Bombay among them, and in Bombay it appears that there is a "special fund"; the expenditure is, therefore, stated both including and excluding the special fund payments; but I found a difference between the amount of the expenditure in the Finance Accounts, and the amount in this "Gazette,"

"Gazette," and therefore looked to the Bombay Special Fund Account to ascertain how this arose. I found the account at page 512, the total there given for Civil buildings being 118,209 *l.*, and not 63,200 *l.* as returned in the Finance Accounts, and the following explanatory note is added at the foot of the page: "In the account of the year the expenditure on Civil buildings is shown as 63,209 *l.*; in this account it is shown as 118,209 *l.*, the difference of 55,000 *l.* having been ordered to be debited to special fund after the accounts of the year were closed." The consequence is, that as the accounts are made up at present, the revenue or surplus of the financial year was deranged by 55,000 *l.* Referring to this power of transfer or adjustment, Sir Richard Temple himself seemed to be conscious that people in India had reason to suppose that adjustments were made in the account which did affect the surplus or deficit, and enabled the Financial Minister to modify his surplus or deficit as he pleased. In his speech on introducing the Income Tax Bill, on the 9th March 1871, he said, speaking of the good fortune that had attended the Government of India during the financially eventful year 1869-70, when, although the original estimate showed a small surplus of 52,650 *l.*, yet, as the year wore on, a large deficiency was anticipated, to obviate which extraordinary measures were resorted to, whereas the result proved that the original estimate had been more than fulfilled; he explains in what the good fortune existed, and he says:—"I am constrained to make the remark, because it seems to have been supposed in some quarters that we brought out the surplus lower than it ought to have been by a variety of debit adjustments made at the last moment." However this may be, one instance at least came under my notice, in which, as I consider, the expenditure of 1869-70 was unduly increased by about 150,000 *l.*, or, at any rate, it was perfectly open to the Financial Minister to do as he pleased with the amount. It is an item in the account for 1869-70 of "Allowances and Assignments out of the Revenues of India," Account No. 13. The item is, "Payment of the Debts of Prince Azim Jah Bahadoor, 149,691 *l.*, page 35 of Finance Accounts. It is stated in the Administration Report that that amount was not paid in the year, but was placed in deposit. Of course it is possible that it may be quite correct to treat that amount placed in deposit as a payment in the year; but I say how open it is to a Finance Minister to modify his surplus or deficit by such a proceeding; but beyond that, if we look at the Statement of Moral and Material Progress for the year 1870-71, just published, we shall see there that the Marine Charges are stated for that year, at page 4, to be 475,602 *l.*, a decrease, as compared with 1869-70, of 458,442 *l.*, nearly half a million of money, and the explanation is (page 5), that "the Marine Charges for 1869-70 included a large extraordinary charge on account of irrecoverable advances to certain port funds; hence the apparent decrease under this head in 1870-71." Of course, if the Finance Minister, or the Government of India, had thought it undesirable to write off these particular advances in that year, the surplus or deficit for the year would be *pro tanto* increased or diminished.

2849. Mr. *Birley.*] But there must be always a certain discretion in the Finance Minister as to writing off an amount, must there not?—The question is whether the Finance Minister contemplated in his estimate that this expenditure should form a part of his Budget for the year, or whether it was only brought in because it was thought desirable.

Tuesday, 29th April 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Eastwick.
Sir George Balfour.	Sir James Elphinstone.
Sir Thomas Bazley.	Mr. Fawcett.
Mr. Birley.	Lord Edmond Fitzmaurice.
Mr. Bourke.	Mr. Robert Fowler.
Mr. Candlish.	Mr. Hermon.
Mr. Stephen Cave.	Mr. Lyttelton.
Mr. Crawford.	Sir Stafford Northcote.
Mr. Cross.	Mr. John Benjamin Smith.
Mr. Charles Dalrymple.	Sir David Wedderburn.
Mr. Grant Duff.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. WILLIAM GIMBER GOODLIFFE, re-called; and further Examined.

Mr. *W. G. Goodliffe.*

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2850. *Chairman.*] HAVE you any further statement to make to the Committee respecting what you consider the reliability of the accounts that are laid before Parliament?—Yes; if the Committee will allow me, I will follow that subject a little further. I should like to ask the attention of the Committee for a short time to an important Blue Book which is annually laid before Parliament at the same time with the Finance Accounts, and is intended to elucidate and supplement those Accounts; at any rate, there is an important connection between the two. I refer to the "Statement of the Moral and Material Progress of India," and I have that for the year 1869–70 before me. This Statement is prepared annually, pursuant to the 53rd section of 21st & 22nd Vict. c. 106, which provides that the Finance Accounts "shall be accompanied by a Statement prepared from detailed reports from each Presidency and district in India, in such form as shall best exhibit the moral and material progress and condition of India in each such Presidency." I should say that it was impossible to exaggerate the importance of a book of this character, and it is no doubt studied very much by those who take an interest in the progress of India. At page 5 of this book it is stated, "It is believed that the comparative statements of receipts and expenditure which are for the first time embodied in this Report will prove to be at once interesting and useful." Now it appears to me that the interest and usefulness of statements of this kind must depend upon their accuracy and completeness. But one can learn from these Accounts little more as regards the revenue than is to be found in the Finance Accounts, that is to say, there is no clear statement of the large opium revenue, for example. I do not mean to state that this is the proper place to give that information, or whether the Finance Accounts should not rather contain it; I am inclined to think that the Finance Accounts should more properly give it; but taking the two together we are without that information, and there is no light thrown by this book upon the amount of loan-money raised during the year, and the application of that money.

2851. Do not the whole of these observations amount to this: that the accounts ought to be accompanied with subsidiary special accounts on particular points that cannot be brought in completely into the general summary?—No; I wish to show that, as it appears to me, the principle of the accounts is entirely wrong.

2852. That the principle ought to be that in addition to this general summary there should be what may be called a statement of account with regard to those transactions which are of a complicated nature, where you wish to see results?—I do not think that any statement of accounts subsidiary to these present Finance Accounts would elucidate the accounts at all. With respect to expenditure, it will be observed that the expenditure in India, in the "Statement of Moral and Material Progress," is classified as in the Finance Accounts; but the whole expenditure in England, amounting to nearly 10 millions, is put down in three lump sums; and subsequently throughout the whole of the statements relating to the several Administrations the expenditure in England is entirely ignored; and with regard to the expenditure on "extraordinary" public works, which exceeds a million, this is altogether omitted.

2853. But you do not consider that Statement of Moral and Material Progress an account, do you?—That is exactly the question that I wish to raise to the Committee. The point of view I wish to submit to the Committee is, that a statement which entirely leaves out of account 10 millions of money, simply because it is paid in England, is entirely to misconceive the intention of Parliament in calling for this Statement of the Moral and Material Progress of India. Unless it is comprehended and consistently borne in view that the Home Treasury is but a branch of the Indian Treasury, it will be quite impossible to have a proper understanding of the finances of India.

2854. Do

2854. Do you want to see one complete amalgamated account, with one cash balance of the whole of the operations both in England and India?—Yes; I think it is impossible that the finances of India can be understood, unless the whole expenditure is brought together.

2855. In that case the transactions between England and India would be eliminated, and the whole would be represented as if they were one series of transactions?—Transactions, so far as they affect the revenue and expenditure, would be brought on the accounts. Now, the first of the administration statements given here is that of the Government of India, at page 7, restricted as I have pointed out to the receipts and payments in India. Now, it appears, first of all, worth while to notice on this account the item of Pensions.

2856. Will you find the corresponding item in the Accounts?—My object in referring to it at this point is that this statement shows what the Finance Accounts do not. The item in the Finance Accounts is at page 51, Account No. 25, and the amount for pensions under the Government of India is put down at 84,314 *l.* My reason for referring to that item upon this Statement of Moral and Material Progress is, that this Statement elucidates the Finance Accounts, and supplements them by comparative statements of increase and decrease, which of course are very valuable; and here there is a decrease shown upon this one item of 157,755 *l.*, the payments being only 84,314 *l.*

2857. But are you sure that you have the same head?—Yes, I say that there is that decrease upon a payment amounting to 84,314 *l.*; while in the following year, 1870–71, the payments under this head rise again to 162,151 *l.*, or nearly double. The item on which this violent fluctuation occurs is that of Donations to Service Funds, the payments under this head in the three consecutive years being, in 1868-69, 152,338 *l.*; in 1869-70, 29,516 *l.*; in 1870–71, 105,894 *l.* My point is simply this, that with proper detailed estimates and Service Accounts, the cause of these increases and decreases would be manifest; and of course in all I am saying I am looking at these accounts as from the standpoint of a Member of Parliament, or anyone else who has only these accounts to refer to.

2858. But have you referred to the details of the accounts in 1868-69 shown in the accounts of the item for the Superannuation, Retired, and Compassionate Allowance of the Government of India, general and political, to see what the items are that cause the increase or decrease?—It entirely occurs in this one item of Donations to Service Funds; the fluctuations occur upon that one item alone. But to proceed; the Committee will see the Post Office Receipts put down in this statement at 711,698 *l.*, and the expenditure among the "Direct Claims on Revenues" put down at 649,934 *l.*; the receipts, it is stated, showing an increase of 3,906 *l.*, and the payments an increase of 72,380 *l.* over 1868-69. Now, if the Committee will go to page 23, they will find a report of the little Province of Coorg, and at the foot of the page they will observe in the margin the words "Post office." An inadvertence has evidently occurred here in setting up this part of the report, because, as it stands, anyone would naturally suppose that the report had reference to the Post Office of Coorg, more especially as the word "Coorg" is mentioned in the margin of the next page. But this is not so; it is a statement of the operations of the Post Office in India generally, and the last paragraph, page 24, sums up the observations of the Director General thus: "Mr. Monteith considers the financial results of the year to have been very satisfactory; the receipts, including official postage and service stamps, were 711,698 *l.*, the disbursements were 649,934 *l.* (these are the figures given in the statement first referred to). The receipts were more than in 1868–69 by 3,906 *l.*; the expenditure was greater by 72,380 *l.*; but the Director General confidently expresses the hope that the current year would form an exception to the long list of years in which the expenditure of the department had increased, and would show, instead, a very considerable decrease." The last three lines are all the *ipsissima verba* of the Director General, but the figures are not his at all; the figures are the Finance Account figures, and if anybody, having this report of 1869-70 in his hand, had turned to the account of 1868–69, and anybody studying these accounts would naturally take the two Blue Books and compare 1869-70 with 1868-69, he would find in the report of the Post Office for 1868-69, at page 5, this statement: "The year under review is remarkable, both for an unusually large increase of revenue and an unusually large increase of expenditure. The receipts, including official postage, were 608,447 *l.* in 1867-68; in 1868–69 they amounted to 686,072 *l.* The disbursements in the two years were respectively 475,494 *l.* and 537,020 *l.* These figures give a net revenue greater by about 15,000 *l.* than in the previous year."

2859. Sir *G. Balfour.*] Are you comparing like things?—I am taking the report of the Director General in both cases.

2860. Does it include official postage?—It is precisely so stated in both cases. The result of the comparison of the three statements shows these conflicting results: according to the Finance Accounts, a comparison between 1868–69 and 1869–70, shows an increase of 3,906 *l.*; the Statement of the Moral and Material Progress of 1868–69, as compared with that for 1869-70, shows an increase of 25,626 *l.*; but a comparison of the statements of the two administration reports shows a *decrease* of 4,471 *l.* With regard to the payments, there are likewise discrepancies of the same character. The Finance Accounts show an increase of 72,380 *l.*, the Statement of Moral and Material Progress of 1868-69, if put against the statement of 1869-70, shows an increase of 112,914 *l.*, while the two administration reports of the Director General show an increase of 22,657 *l.* only.

2861. Mr. *Fawcett.*] Three conflicting results?—Yes; an enormous difference of result. In fact, the Finance Accounts of 1869-70 exhibit the Post Office receipts of that year at over 4 per cent. and the payments at about 16 per cent. more than the Director General; the net difference between the totals of the receipts and payments being 60,160 *l.* This shows the effect of acting upon the instruction which was sent out to India (to which I called the attention of the Committee on a former occasion in connection with the military expenditure) to adhere to the Finance Accounts. Either the Finance Accounts are correct, or the administration reports. But passing on to page 38 of the year 1869-70, we come to the statement for the receipts and expenditure of the North Western Provinces, and it will be seen that the Public Works Ordinary Expenditure is

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set down at 775,066 *l.*, but the Finance Accounts show, in Account No. 28, at page 53, this expenditure under various heads at only 658,945 *l.*, or 116,121 *l.* less than the statement given here.

2862. Sir *G. Balfour.*] Do you aggregate the military public works with the civil?—I have taken out the total under all the heads. But I may say at once that it is a transfer of expenditure, for some reason or other, between the North Western Provinces and the Government of India; at page 7 of this book there is a corresponding difference in the opposite direction, the expenditure there being put down at the same amount more than in the Finance Accounts. But not to occupy too much of the time of the Committee, I will ask them to look at only one other account contained in this Blue Book, that of the Government of Bombay, at page 79 of the Statement of Moral and Material Progress for 1869-70; and keeping still to the Public Works Expenditure, it will be seen that the first item of Ordinary Expenditure is a sum of 846,124 *l.*, and the last item is the Extraordinary Expenditure, 534,459 *l.* But if the Committee will turn over only one page, they will find at page 81 a precis of the Administration Report in connection with Public Works, with a classified abstract of the expenditure in the margin of the page. And what does this show? Why, the ordinary expenditure is put here not at 846,124 *l.*, as in the preceding statement, and in the Finance Accounts, but at 903,124 *l.*, or 57,000 *l.* more than the Finance Accounts.

2863. *Chairman.*] But with regard to these discrepancies, are you aware that this Statement of the Moral and Material Progress of India is a statement that is made up in this country by a gentleman in the India Office, giving his views deduced from the Finance Accounts and other accounts sent home from India to this country?—What I understand is, that they are prepared from the Administration Reports sent from India; but instead of adopting the figures contained in those reports, the Finance Accounts figures are adopted, and they are not consistently adopted, because, as I show in one page, the ordinary expenditure is put at 846,124 *l.*, and at the next page at 903,124 *l.*

2864. But how do you make out that this is any objection to the reliability of the Finance Accounts, because inasmuch as the Finance Accounts are made up and audited in India, and a gentleman in the India Office undertakes to prepare a statement according to his view of all the documents that come from India, would it not rather be that his statement is wanting in clearness and precision, and not any impeachment of the reliability of the Finance Accounts?—On the contrary, I think that this statement is done exceedingly well. I find that this statement at page 81 corresponds with the Administration Report, but on the preceding page the Finance Accounts, statement is adopted.

2865. That would be his mode of reviewing and preparing summaries of the accounts, but it would not prove that the original accounts which he thus reviewed were erroneous or unreliable, would it?—It opens at once this question. On page 81 it is stated that the Extraordinary Expenditure is 477,460 *l.*; the previous statement declares it to be 534,459 *l.* Now, it depends entirely upon which statement is to be adopted as to what the surplus or revenue of the year is, because the Extraordinary Expenditure is excluded from the account before the surplus is struck.

2866. It would only go to question the skill of the gentleman who prepared this statement. What he has written here, he has written in England, with all these accounts before him; it does not touch the correctness of the accounts?—I do not take that view at all. I question altogether the correctness of the Finance Accounts. I say that if the Administration Report states the expenditure in a certain way, that statement should be adhered to.

2867. Mr. *Fawcett.*] Your point, I understand is this, that the Finance Accounts are partly made out from the Administration Reports?—I do not know how the Finance Accounts are compiled.

2868. The Administration Reports are authoritative statements of the financial position of the country?—Yes.

2869. And you find that a report made up out of the two is inconsistent, sometimes with one and sometimes with the other, and therefore it throws doubt upon every account that is laid before Parliament?—No question.

2870. Another difficulty arises; representatives of the Government in the House of Commons would be perfectly justified in quoting accounts of the Administration Reports as authoritative, would they not?—Unquestionably.

2871. And then some one might get up and find that the Finance Accounts were altogether different?—This is now guarded against, because the figures of the Finance Accounts are adopted in the Statement of the Moral and Material Progress. I say that this arises from the power of transferring expenditure from ordinary to extraordinary, as in the case of the Bombay special fund, probably after the accounts of the year were closed. But this power of transferring expenditure from "ordinary" to "extraordinary," and from one service to another, is exercised in a manner which makes it impossible to rely upon the accounts, and I will give the Committee an illustration of this. I have here a Parliamentary Return, in connection with the Indo-European or Persian Gulf Telegraph. Now, the India Office desired, for the information of Parliament, to know what had been the total outlay on the Indo-European or Persian Gulf Telegraph; and I need scarcely say, that it was quite impossible to ascertain this from the Finance Accounts. The task of making up the account was therefore confided to one of the most able and skilful accountants in India (who is now Military Accountant General, I believe), in conjunction with General Goldsmid, the Chief Director of the Telegraph. It is quite unnecessary for me to speak of the enormous difficulty that those gentlemen had to contend with in the performance of this duty; but I have the Parliamentary Return here, and what does it show? . After all the payments respecting which sufficient infomation for the purpose could be obtained had been classified under appropriate heads, there will be seen at the foot of the account transfers from other departments, Marine, Military, and Public Works, amounting to over 130,000 *l.*, which is not classified at all. The question naturally arises, has all this expenditure, which is now transferred from these various services, appeared in the Finance Accounts at all, if so, where?

2872. Then you seem to me to wish to make several points. In the first place, taking the Indo-European

Indo-European or Persian Gulf Telegraph as an example, it is impossible for anyone, from the Finance Accounts or any other accounts, to find out accurately what it cost?—Quite.

2873. Secondly, that it is absolutely impossible to trace from the Finance Accounts, or any other, how the money has been spent upon that, and from what source it has been provided?—Yes.

2874. And as far as we know the money might have been given for a distinct purpose. For instance, take the Marine; a portion of the money might have been taken from that particular service and might have gone to the consumption of the Telegraph?—As far as the Finance Accounts go they show nothing whatever. The question therefore arises in what way an effective control over the public expenditure is to be obtained.

2875. Sir *G. Balfour.*] This account with regard to the Persian Gulf Telegraph which has been before Parliament, is a classified account of the whole expenditure for a series of years, including stores of every description?—Yes.

2876. But the Finance Accounts do not show the charges on account of stores?—They do not show the outlay on account of the Indo-European Telegraph.

2877. Will you look at page 31 of the Home Accounts of 1869-70; I would like to see the difference between the two accounts?—I am familiar with the Home Accounts. This is an account of the Indo-European Telegraph expenditure.

2878. Kindly tell us the difference between that account and the classified account?—This is an account only for one year.

2879. Is there no one year's account in that general abstract to correspond with that one year in the Home Accounts?—I do not know as regards this one year. I am speaking of those years to which this Parliamentary Return had reference, and I say it is impossible to identify this expenditure with the Finance Accounts.

2880. Have you compared the item for the one year, 1869-70, in the general account with the particular sum in the Home Account?—I have not made that comparison. Then my position, as I was about to say, is this, that in my judgment, with regard to an effective control over expenditure, the Secretary of State does not possess this, nor does the Government of India, because General Strachey and other witnesses have testified to the extravagance that has taken place, and least of all has Parliament any power of control, because it has only these Finance Accounts before it, and they do not even show where the money has gone in any way. On that point I need only say that, for example, Mr. Harrison made a statement that sums of money had been lent to municipal authorities, which I believe have been lost. I do not know whether the amount was thousands or hundreds of thousands of pounds; but there is not a line in the Finance Accounts that will indicate that.

2881. Mr. *Fawcett.*] What is the remedy that you suggest?—If the Committee desire me to offer any suggestions to [illegible] obtaining that control, I would ask them very briefly (and this is coming now really to the principle of the accounts) to consider what the present accounts are not. They are not an exchequer account; they are not service accounts; and they are not a cash account. They are a collection of statements of receipts and payments; but you cannot learn from them as regards one single service whether the grant for the year has been exceeded or not, and if so, to what extent; nor whether, for example, the million sterling of army receipts in 1869-70, shown in the Accounts Nos. II. and III., has been taken in aid of the army grant, or has been spent in excess of it.

2882. Sir *G. Balfour.*] Where is this large sum of Miscellaneous Receipts from the army disbursements shown to have been taken, in any form or shape, to diminish the expenditure on the army?—There is no information at all about it. The army grant might have been twelve millions, and they may have had this one million beside.

2883. Will you look at page 9 of the Accounts, and will you not allow that Miscellaneous Amounts on account of army have been included as a part of the receipts of the Government?—Yes; but I want to know who has spent the money; whether the army grant for that year has been exceeded, and if so whether these receipts have been applied to it or not.

2884. Mr. *Fawcett.*] In fact, you know that 12,000,000 *l.* is voted to the army; less than 12,000,000 *l.* may have been spent; only 10,000,000 *l.* may have been spent, and the remaining 2,000,000 *l.* might have been lent to municipalities, or spent in any other way; or, on the contrary, the army may have cost 14,000,000 *l.* or 15,000,000 *l.*?—My position is this, that the Finance Accounts show that a sum of 12,800,000 *l.* is put down as the army expenditure for 1869-70. I do not know from these accounts, and no one knows from these accounts, whether the army grant was 11,890,000 *l.*, and this 1,000,000 *l.* has been spent over and above the grant, or whether the expenditure has been kept within its grant.

2885. Sir *G. Balfour.*] Will you kindly keep to the two points. One is that at page 9 of the Accounts the estimated expenditure on account of the army is not shown in any parallel column with the actual expenditure?—It is not.

2886. But is there the slightest appearance that this million of army receipts has been employed to diminish the expenditure of the army so as to show a less expenditure actually incurred?—There is nothing to show what has been done with that one million at all, except that it is taken in aid of the general revenue of the year.

2887. *Chairman.*] Does not that show what has been done with it if it is credited as part of the resources of the year?—No, I think not.

2888. Sir *G. Balfour.*] At page 9 you will find it already stated that the one million has been put in as an actual receipt, but there has been no diminution of military expenditure on account of that?—My position is that the Government of India may have sanctioned a military expenditure of 11,800,000 *l.*, and that the 1,000,000 *l.* additional spent are extra receipts.

2889. *Chairman.*] If you look back to the accounts for the previous year you have got the Estimates, have you not?—No, there is nothing to indicate this point.

2890. If you look at the accounts laid on the Table of the House for the previous year, you will see this estimated account of the income and expenditure of India, and there you will see the amount of army expenditure estimated at a certain sum. If you wish to make the comparison, you have only to refer to the Estimates in the previous year?—The security I desire to obtain,

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is that the Army Department shall not use this money.

2891. In this country, that is all you could do, is it not?—In this country the army receipts are accounted for and paid over to the Exchequer, and cannot be applied to the expenditure of the year.

2892. If you find an entry in the accounts of an army receipt amounting to this sum of money, what makes you question it?—I say that there is nothing in the accounts which shows how that million has been applied.

2893. Surely if the money is brought into the credit side of the account out of which the disbursements are made, it does show that?—It shows that it is taken in aid of the general revenue of the year.

2894. Mr. *Fawcett.*] But your contention, as far as I understand it, is, that it is impossible to find out what has been the net cost of the army?—Undoubtedly. I maintain that there is no control over this expenditure, as to whether the one million has been used by the army department or not.

2895. *Chairman.*] Does that depend upon a statement of account, or must not it depend upon the arrangements made for regulating receipts and expenditure in India?—Certainly, that is what it depends upon, upon the system of accounts which controls the issue and expenditure of money.

2896. Sir *G. Balfour.*] I am afraid you will find many more reductions in the English Estimates on account of the army than in the Indian one?—That may be so.

2897. Mr. *Cave.*] Still you see what balance is paid into the Indian Exchequer?—No; you find sums of money brought to account, that is all; but there is no service account. I quite admit that there is a sum of money put down for receipts. With regard, now, to Public Works, it is impossible to know with certainty how much of the expenditure has been defrayed from current revenue, and how much from borrowed money; nor, speaking generally, can any intelligent judgment be formed from these accounts of the financial policy of the Government. But there is another fundamental defect in these accounts, or, perhaps, I should say in the present account system. If the Committee will take the account for 1869–70, and look at Account No. II., at page 8, they will see no less than 9,000,000 *l.* put down as "Direct Claims and Demands upon the Revenue." Now, I respectfully submit that in the judgment of the most experienced accountants in the country, that system is totally at variance with a sound system of public accounts, and although it once prevailed in this country, it is now abandoned, and no deductions from revenues on their way to the Exchequer, except such legitimate abatements as refunds, drawbacks, &c., are permitted. Let me show the Committee the anomalous consequence of the course permitted in India. Look at the telegraph service, which, by-the-bye, most improperly, as I conceive, includes the Indo-European Telegraph, which certainly ought to be a separate service, with distinct accounts, and so the Public Accounts Committee of the House of Commons considered; but look at this service as it stands. We find on the revenue side of the account, receipts, 247,042 *l.*, and on the other side expenditure, 535,374 *l.*, or a deficit of 288,332 *l.*; and in every year for the last 10 years this deficit has varied from 81,000 *l.* in 1865–66 to 401,027 *l.* in 1868-69; a difference which alone, to my mind, suggests considerable doubts as to the accuracy of the accounts. But where has this deficit been made good from; is it not plain that this system of appropriating revenue to expenditure without the sanction of a grant is fatal to all control? But, if I might dare to do so, I would submit to the Committee the outlines of a system which, in my humble judgment, might lead to the establishment of a real control both over receipts and expenditure. I do not pretend that, by the touch of a magician's wand, order and system are to be introduced, where, as I conceive, confusion and complication exist at present, nor that I am the magician to give that touch; but I will gladly place at the disposal of the Committee such knowledge and experience as I have gained during my official career. I desire, however, at the outset to guard most carefully against its being supposed that either I have stated or implied that there is no account keeping in India. Quite the reverse; I am inclined to think that there is too much, or at least that it is not done by the right persons, especially in the Public Works Department. But that was the case with the Home Accounts. I will venture to say that there was no public office in this country in which the books were kept with the beautiful neatness and accuracy that distinguished the books kept in the time of the East India Company; but that did not prevent its being necessary to entirely re-organise the system of the Home Accounts; and it is quite likely, I think, that witnesses may follow me who will satisfy the Committee that elaborate accounts are kept, and to a considerable extent, if not altogether, with reference to the grants, in India, and that this has been done more and more effectually of late years. But what I do say, and what I am prepared to maintain is, that what is the very foundation of the budget system, and the essential element of a sound system of national accounts, is wanting, and this is the absolute, clear, and rigid separation of the revenues from the Service Accounts. Whether you call the account to which the revenues are carried by the name of an Exchequer Account, or by any other name, there must be the means of following the taxes and duties from the hand of the taxpayer into a cash account, for the balance on which account, some department must be solely responsible; and into this same cash account must go in the first instance all loan moneys, and eventually all extra receipts of the service accounts. There should therefore, in my judgment, be in each presidency a Head Treasury Department, having under its control at the Presidency Bank the cash account of the presidency; whether, as I say, you give to this account the name of the Exchequer Account or any other name; but through this cash account must come, not in coin, but in account, all the revenues; and eventually all the extra receipts of the services and all loan monies. Through this account, in like manner, must pass all issues on account of their respective grants to the several departments charged with carrying on the administration of the various services of the State; the Head Treasury Department being, however, exclusively charged with the control of the public debt. Subordinate to this Head Treasury Department would be the departments charged with the supervision of the collection of the various heads of revenue, and subordinate to these

these again would be the various collectors. The great Service Departments, such as the Army, Public Works, &c., would act under the direct control of the several governments. Each presidency would then exhibit an annual cash account, showing the revenues that had reached that account and the issues therefrom on account of the service grants. It would show also all other moneys of whatever kind which had come into the account, and how far and in what manner they had been applied, and the Head Treasury Department would be responsible for the balance of this account. Subsidiary to these Presidency Treasury Accounts would be the Departmental Revenue Accounts. These latter would show the gross receipts under each head and sub-head of revenue, the abatements therefrom in the way of refunds, drawbacks, &c., the sums accounted for to the Head Presidency Treasury, and the balances for which the department, through its officers, was responsible; that is to say, for the money which had not reached the Exchequer. With respect to the services, the issues to each department on account of its grant would alone appear in the Presidency Treasury Account, and separate accounts with reference to the grants, and in strict agreement in form therewith, would be rendered by each department; and the departments would be responsible for the balances on these service accounts. Of course, one department might have several services under its control, both voted and not voted, as the First Commissioner of Public Works and Buildings has in this country, and as have the Commissioners of Public Works in Ireland; but the accounts are all distinct, and the balances can all be followed. From these various Presidency Accounts—which should be real accounts in the currency of the country, and duly audited—coupled with the Home Accounts, might be compiled really reliable accounts of the total revenues and expenditure of the Empire, in even pounds sterling, as they are now exhibited to Parliament. The several services would then transmit accounts in respect of their several grants, in conformity with their estimates, which would undergo an intelligent review at the India Office by each secretary of department; and it would be competent to the department to know how each service was going on, and what increases or decreases were taking place. Of course, it must appear to be a very bold thing on my part to come before a Committee of this kind, and to appear to dogmatise on so large and intricate a subject as the Public Account System of India, but I can assure the Committee that I speak with the utmost diffidence. I feel that I am dealing single-handed with a very large matter, and I only come forward from a strong sense of public duty. And if the suggestions that I have ventured to offer should be of any value, I shall be well pleased. But I am convinced that such a system as I have sketched out is the only one by which you can fix responsibility and secure accountability. I would venture to ask the Committee to call before them such a witness as Sir William Anderson, and I could not name a higher authority, and I am convinced that he would tell the Committee that to mix up the revenue receipts with the service payments in the hotch potch way that is done in these Finance Accounts, is to destroy all power of control over the expenditure, and render impossible that security for the balances of the public money which it is the very essence of a sound system of national accounts to provide. The Committee will perceive that in all I have said I have put forth no creation of my own brain; I have but suggested the careful and skilful application, as soon as may be, of a system of accounts analogous to that in operation in this country, and which is the fruit of the labours of some of the best accountants in the kingdom, supervised by Committees of the House of Commons.

2898. Sir *G. Balfour.*] Are you not aware that a great effort was made in 1860 by the late Mr. Wilson to establish the English system of budget account for India?—I am convinced that an enormous deal has been done in India towards bringing the system of accounts into order and method.

2899. Are you aware that he personally supervised the arrangements then made for establishing the English system, and adapting it to Indian accounts?—I have no doubt he did.

2900. And that Committees sat under him to carry out the plans which had been proposed by Sir William Anderson, and by other able men such as Sir William Anderson?—I do not know at all what the labours of the Committees were.

2901. Are you aware that the Government of India also sought the assistance of Sir William Anderson, and by his advice obtained the assistance of Mr. Foster, then the Deputy Paymaster of the Treasury, and also Mr. Whiffin, then the Assistant Accountant General of the Army?—I know that those two gentlemen went out to India as a Commission, but not by any advice of Sir William Anderson.

2902. They spent there several years, did they not?—Mr. Whiffin, I believe, spent about 10 months there, and Mr. Foster about two years.

2903. And they were employed to adapt the accounts in India in accordance with the principles in force in England, and the accounts were modified in accordance with their suggestions, were they not?—I have no doubt that the labours of those gentlemen in India were very useful. Of course I do not know exactly to what extent their labours went.

2904. As an historical fact, as you were at the India Office at the time that these two gentlemen went out, I merely wanted to have it on our Proceedings that they were sent out for the very object that you now recommend?—I understood that their object particularly was to re-organise the Public Works Department Accounts; that is my impression upon the matter.

2905. Excepting mentioning the object with which they went out, I do not think that they have touched the Public Works Accounts, or, at all events, in a very slight manner; but that they were chiefly devoted to the military accounts and the civil accounts of India?—You are, I daresay, correct; my impression was that the primary duty of those gentlemen was the reorganisation of the Public Works Department.

2906. Whatever defects may exist (and no doubt great defects do exist) in the Indian accounts, it is well to ascertain that efforts have been made to remedy them?—I think enormous efforts have been made, and great strides taken towards a better system of accounts in India.

2907. May I ask whether Mr. Foster was not employed at the India Office during your service there, to advise upon some accounts?—My introduction to the India Office was consequent upon a report

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a report by Mr. Foster, who was associated with a Committee of the India Office to consider the state of the Home Accounts, and they recommended a total reorganisation of those Accounts, which led to my appointment.

2908. You came in then upon that inquiry?—Yes.

2909. Have we on record anything that Mr. Foster did on that occasion?—I have a copy of the Report here; it is called a "Report upon the Account and Audit Departments of the India Office."

2910. *Chairman.*] Have you anything further to add?—I think not.

2911. Mr. *Fawcett.*] You, in giving us the evidence which you have given, have the advantage of speaking from longer experience in English Government offices than you had in the India Office, have you not?—My experience has been entirely gained in English public departments.

2912. Therefore in advocating strongly, as you do, that the method of keeping the Indian accounts should be more assimilated to the method of keeping the English accounts, you express that opinion as one based upon your official experience in the English Government departments?—Believing it to be a sound system of accounts, and the only sound system for national accounts.

2913. To show the value of your evidence, I would ask you what offices did you hold in the English Civil Service?—I can read shortly from a Parliamentary Return No. 383, laid on the Table of the House in 1872, which was moved for by the honourable Member for Penrhyn. It contains a letter of mine in which my public services are placed on record. I was originally selected by Mr. Anderson, now Sir William Anderson, at the close of 1846, to proceed to Dublin to join the establishment of the Commissioners of Public Works (I had had seven years' experience in a merchant's office before); I was there placed in charge of the relief accounts. "At the expiration of some 12 or 14 months, Mr. Anderson, who had prepared a scheme for the reorganisation of the account system of the Office of Works, which had been approved by the Treasury, selected me, with the sanction of their Lordships, to take charge of the principal books. I held this appointment until the end of October 1850, when, by open competition, I obtained the appointment of book-keeper in the office of the Commissioners of National Education, Ireland. This was a new appointment, consequent upon a report made to the Lords of Her Majesty's Treasury by the late Sir Richard Bromley, then Secretary of the Audit Board, recommending a complete alteration in the system of accounts in operation in the Education Office. In February 1854, the Lords of Her Majesty's Treasury were pleased to appoint me accountant in the office of the Commissioners of Works and Public Buildings in London. The accounts of that department were to be revised, and the late Sir William Molesworth, the then First Commissioner of Works, had requested Mr. (now Sir William) Anderson to make inquiry for a fit person for the duty. Sir William Anderson considered the claims of three gentlemen besides myself, two of whom were in the public service, and he finally selected and recommended me for the appointment. It has thus fallen to my lot to be four times selected for special and arduous duties in different public departments under the Lords of Her Majesty's Treasury. I come now to my appointment to the establishment of the Secretary of State for India, in August 1860. A scheme for the permanent establishment of this office had shortly before been approved by Her Majesty in Council, which included the post of 'Chief Clerk, Accounts Branch and assistant to the Accountant General.' A committee, appointed by Sir Charles Wood (Lord Halifax), consisting of Mr. Arbuthnot, Mr. Mills, Mr. Baring, and Mr. Foster, had made a report, which had been approved by the Secretary of State for India in Council, containing recommendations involving an entire change in the manner of conducting the account business of the office, more particularly as regarded the manner of authorising payments, and the substitution of a system of post-audit for that of pre-audit. The staff of the department had come also under revision, and it is stated in a report signed by Mr. Baring, that 'the Committee recommend, with regard to the introduction of changes in the system of book-keeping and for other reasons, that a person from some other Government department, or from some other quarter, should be selected by the Secretary of State to fill the office of Chief Clerk, Accounts Branch, and assistant to the Accountant-General.' My appointment to that post, upon the recommendation of Mr. Foster followed." Therefore, it will be seen that I did not enter the office as chief, but as subordinate to the Accountant-General. On the retirement of my predecessor, I was appointed Accountant-General by Lord Halifax (then Sir Charles Wood); it was, I believe, his last official act at the India Office. That was in June 1866, and Lord Halifax was good enough, in April 1871, to give me the following testimonial:—"Dear Sir,—I have received your letter, and can most truly say that I had great pleasure in appointing you to the post of Accountant-General, from having witnessed the great zeal and ability which you had displayed in carrying out the recommendations of a Committee on the Accounts of the India Office. I had every reason to be satisfied with the manner in which you had performed that work, and I considered you the fittest man I knew for the head of the Indian Accounts Department. I shall be very glad if this testimonial should ever be of any use to you."

2914. Then I understand, from what you have just said, that in consequence of certain changes, when you were still in the prime of life, and as fit for work as ever, although Sir Charles Wood, who appointed you, said that you had discharged your duties with eminent zeal and ability, and entirely so as to give satisfaction, and although you were ready and anxious to do the work, and still in the prime of life, you were dismissed from the service on a pension of 900 *l.* a-year?—My post was abolished.

2915. Of course, when I said "dismissed from the service," I did not mean that there was any censure upon you?—I took the opportunity, before retiring, of placing my services, as I have read, upon record, and I concluded in this manner: "It is impossible but that I must feel deep pain at the abrupt termination of labours in the public service, which I think I have herein shown have been of no ordinary character, and in which I had looked forward to earn further distinction. I am able, however, to retire with the consciousness that I have at all times devoted the best energies of my mind to the performance of my duties, and I most respectfully ask

ask that I may, on quitting this office, receive from the Secretary of State in Council such a recognition of my services as may bring my official career, extending over a period of 25 years, to an honourable close. I cannot refrain, in conclusion, from asking that if an opportunity should occur for my employment again with equivalent rank under the Secretary of State for India, my services and claims may be considered."

2916. The point that I want to bring out is this: You had received every testimony that a public servant could have received, that you had discharged your duties efficiently; but the arrangements at the India Office are such that, in the prime of life, they give a man a pension of 900 *l.* a-year when he was not only willing, but anxious, to continue to discharge the duties, or duties analagous to those which he had previously discharged, and which duties he had discharged entirely to the satisfaction of his superiors. That is what it comes to, is it not?—Yes.

2917. Now, as I understand you, you served 15 years in the English service, and 10 years in the Indian Civil Service; therefore your aggregate service is 25 years; three-fifths of that time you served England; two-fifths of that time you served India. You were pensioned, and the whole of your pension, in contravention to the spirit of an Act of Parliament, is paid out of the revenues of India. Is not that the case?—I am not aware whether my pension is entirely paid out of the Indian revenues.

2918. But it is put down in the Indian accounts, is it not?—Perhaps I should say that I have reason to believe that it is wholly borne by the Indian revenues.

2919. The pension you receive is 900 *l.* a-year, and it is stated amongst the disbursements every year as one of the disbursements out of the revenues of India?—Yes, I think I have seen an account which does show it.

2920. But is it not the spirit of the arrangement, or do not you think it to be a fair arrangement, that if a man has served a portion of his official career in the English Civil Service and part in the Indian Civil Service, when it comes to a question of his being pensioned, India should not bear the whole financial burden?—I think my case is an exception. There is no question that the Act of Parliament contemplates that the superannuation allowances in the ordinary course of things should be apportioned rateably. In my case, I apprehend that the Treasury would rather say to the India Office, "You thought proper to tempt Mr. Goodliffe out of our service; you have employed him for a number of years, and you now think proper to abolish his office and give him a pension in consideration of his services; you cannot ask us to give anything towards that pension."

2921. Lord *E. Fitzmaurice.*] That abolition of your office was the work of the India Office?—Quite independent of consultation with the Government, I apprehend.

2922. *Chairman.*] Did you resign your position in the English service?—No; I was invited to accept the appointment in the India Office at the time that I was serving in the Office of the Commission of Works.

2923. Sir *G. Balfour.*] Will you kindly explain to us what changes or improvements you made in the system of accounts during the ten years you were in the India Office?—The changes that I made had chiefly reference to the mode in which the bank business was conducted, and the substitution of a system of post-audit for that of pre-audit. The mode of payment was entirely changed, a system of payment by cheques and drafts being substituted for that of payment by warrants.

2924. Then in reference to the book-keeping, did you make any changes?—Yes, I altered the system very considerably, and also the subsidiary arrangement, so as to make it eventually come into a clear and concentrated form.

2925. Would you describe generally, or have you any record by which you could show, what the changes are in the form of the books?—They are principally, I think, important changes in reference to the system of bringing the actual charges of the year to account, and not estimated payments.

2926. *Chairman.*] The effect was to keep the accounts in the India Office in the same way as they are kept in other public departments in England?—Yes.

2927. Sir *G. Balfour.*] For instance, the first account of the Home Accounts is called the Account current, is it not?—It is an actual Cash Account.

2928. Was that improved by you while you were there?—Yes, I think so; before that, I may say, it was not a statement of the actual receipts and expenditure of the year as it is now, but rather an approximate account, subject to adjustment afterwards. The system was cumbersome, and the principal books were two or three years in arrear when I joined the department, and expedients had to be constantly resorted to in order to enable the accounts to be laid before Parliament with the expedition which the Act requires. It was my study to make the books themselves available for the purpose.

2929. If I remember rightly, in 1858 we had a year's expedition in respect to the laying of accounts before Parliament, and in that year we had a duplicate of the year before laid before Parliament, so as to throw back the Home Accounts for one year?—I am not acquainted with that.

2930. Mr. *Birley.*] You said on the last occasion that you would be glad to give us some information with reference to the mode of keeping the accounts here between the India Office and the Government of India; have you anything to add on that subject?—I consider that a most cumbersome and a most unreliable system of treating the account current between England and India exists at the India Office. Unfortunately, as I think, the Account Current between England and India was transferred from the direction of the Accountant General to that of the Financial Secretary at the very moment that I was appointed Accountant-General. The system of maintaining a record of transactions between England and India was to have two sets of books, which is a most cumbersome and defective system; in fact it would be condemned by any practical accountant or merchant; but I have no doubt that it was an expedient adopted for the purpose of effecting a divison of labour, but which, of course, might have been obtained in a different and better manner. It was my intention to put an end to that double set of books as soon as I assumed charge of the department; but, as I say, within a day or two of my being appointed Accountant-General, an order was presented to me, signed by the Secretary of State, directing the transfer of which I have spoken.

2931. Sir *G. Balfour.*] In what year was that?—

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that?—In 1866; this was a very important change, as it transferred a large portion of the business of the Accountant-General to the Financial Secretary; and, as I consider, it tended to complicate, and rendered insecure the bringing to account the money transactions of the two countries. I thought it therefore my duty to make a representation on the subject. I made this representation to the Under Secretary of State. Of course it was in some degree a technical question, and one to be determined on its own merits. Just at that time Mr. Stansfeld joined the Office as Under Secretary of State, and I thought that he was likely to give attention to a matter of this kind. I mentioned to him that there was this defect, as I consider, in the system of Home Accounts, and he said that he would be glad to have a memorandum from me on the subject. I gave him that memorandum, and I will now read an extract or two therefrom, because it will very briefly indeed show the anomalous nature of this double account. I said, "This account appears to have been a standing difficulty in the Office. Upon my joining the department in 1860 the books connected with this account were from 10 to 12 years in arrear. In August 1861, consequent upon a report by the late Accountant General, Mr. Johnstone, a gentleman of considerable experience as a book-keeper, was appointed to bring up the arrears on these books; and by a Minute of Council, dated 5th June 1863, based upon a recommendation of the Finance Committee, the keeping and adjustment of the account current was entrusted to Mr. Johnstone, assisted by Mr. Ritherdon, a junior clerk in the department of the Accountant General. By the exertions of these gentlemen the books have been brought up to the year 1860-61, and the balances at the close of that year have, as far as practicable, been analysed. I believe, however, it may be said with truth that the account is very far from being placed upon a satisfactory footing. The difficulties connected with this account do not, however, I conceive, arise from the nature of the transactions themselves, but rather from the want of a good system of accounts, and the absence of well-defined regulations for the conduct of the business connected therewith. I should remark that no account current has ever, I believe, been sent from this side to India, nor was any such account received from India, until, by a despatch written in the Financial Department, in August 1861, the Government of India was requested to furnish half-yearly an account current with London, commencing with the 1st May 1861. It can scarcely, therefore, be surprising that the accounts between India and England should have fallen into confusion, and much risk of pecuniary loss have been incurred. In consequence of the instructions above referred to, some accounts current have been furnished from all the presidencies;" and then I go on to say that "the little value of these accounts has just been shown by a report made by the gentleman in charge of them. I will, however, review the subject under the two points of view I have mentioned, namely, the defective system of accounts and the absence of regulations for the conduct of the business. First, as regards the system of accounts. A distinct set of books on the double entry system has been established, termed the 'Remittance Books,' dating from the year 1834. To these books are transferred, at the close of each year, all receipts and payments recorded in the Home Books, which are considered to be subject to adjustment with India, or in other words, to be matters of account between the Home and Indian Governments. These transactions being removed in this way from the 'Home Books,' they are, so far as those books are concerned, totally lost sight of, and are taken up *de novo* on the Remittance Books, the transactions in India being brought on to the same books from the Indian journals and ledgers sent to this country." Now, this opens at once, as I consider, a defect in the audit of the accounts, because the Auditor in England does not follow the amounts to see that they are brought to account after he has passed them. "The labour connected with the account current under this system is out of all proportion to the end to be attained, and is the chief obstacle to its attainment. To arrive at an adjustment of the monetary transactions of one year which are matters of account between India and England, no less than 23 ledgers and journals sent to this country from India must be consulted, independently of the Home Books. The system of accounts is moreover not only intricate and laborious, but is wrong in principle, involving the opening of fictitious accounts in the Home and Remittance Books, which tend to prevent the true state of the accounts from being ascertained. In illustration of this, take for example, the account of 'Family Remittances' from Bombay paid at this office. These remittances are sums deducted from the pay of officers and soldiers in Bombay, and are payable to their relatives and others in this country. For the adjustment of this account the following ledger accounts are made use of under the present system: Home Books, 'Family Remittances;' to this account the payments in England are charged. 'Remittance Account.'—To this account the balance on the foregoing account is transferred. 'Territory of India.'—To this account the balance on remittance account is transferred. Remittance Books.—'Bombay Presidency' (*i. e.*, Government of Bombay). This account is debited with the sums received in India. 'Territory of India.'—The balance on the Bombay Presidency Account is written off to this account. 'Family Remittances.'—This account is credited by the Bombay Presidency Account with the sums received by the Bombay Government, and is debited by transfer from the succeeding Account, 'General Books,' home, with the amount paid in England. 'General Books,' home.—This account is used for bringing the home transactions on to the remittance books. 'Territory of India.'—The balance on the preceding account is written off to this account. Of the foregoing eight accounts, the only real ones are those of the Government of Bombay, 'Bombay Presidency' and 'Family Remittances.' The former should show the amount due to or by the Government of Bombay in connection with the home accounts generally, and the balance at the close of the year should be written off to the account 'Territory of India,' as is done under the present system, and should agree with the balance on the account current sent from this side to the Government of Bombay. The latter account, 'Family Remittances,' should exhibit the amount of remittances unpaid, and should continue an open account. The whole of the remaining accounts are purely superfluous, and only tend to complicate the accounts."

2932. Is that Report upon official record?—I having made this representation to Mr. Stansfeld, he took some trouble to look into the matter, but he went away before he came to any conclusion upon the subject, and I felt that it would he unavailing on my part to press the subject further. It was a transfer of what I considered my legitimate duties, but it was a transfer under the order of the Secretary of State, and I did not feel called upon to protest further against it, and therefore I sent my report to the Financial Secretary with a letter.

2933. Mr. *Birley.*] I was going to ask whether anything was done in connection with this report of yours?—As I found nothing was done by the Under Secretary of State, I thought the better plan would be to send my views on the subject to the Financial Secretary, which I did, with this letter dated the 12th of December 1866. "Some time since, I mentioned to you that I had prepared some papers on the subject of the account current between this office and India. I did so at the request of Mr. Stansfeld, and I have no doubt, had he remained in office, that the whole subject would have been investigated by him. As I learn from you that you are now about to make some addition to your department in connection with this account, I venture to send you these papers (two marked A and B), although very unwilling to appear to interfere in a matter which is no longer under the direction of this department, and is, I am aware, in very able hands. You will find that, in my opinion, the only satisfactory way of dealing with this 'Account Current,' is to make it a portion of the General Account business of the Office, to abolish the present separate set of books, and to incorporate all the transactions in one General Ledger, and I have sketched out a plan on which I consider this could be effectually done. I shall be very glad if the papers, or either of them, should prove of any service to you, and I shall feel obliged by their return when no longer required."

2934. *Sir G. Balfour.*] Are you aware what progress was made at the time that you left the office in bringing the Account Current to a close?—No.

2935. Have we any record at the India Office when the Account Current between India and England had been settled, and the balances adjusted before you entered the office?—I do not think they ever had been adjusted. There was no Account Current then. It was ordered that an Account Current should be sent from India to this country. All the India books were sent home, and the accounts were made up in this country.

2936. Mr. *Birley.*] I suppose now that an Account Current is kept, they do not keep it with interest, do they?—No.

2937. Then it ought to be a very simple matter, ought it not?—Exceedingly simple.

2938. It is simply a record of all the debits and the credits between the several Governments in India and the Home Government?—Yes.

Friday, 2nd May 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Dickinson.
Sir George Balfour.	Mr. Grant Duff.
Sir Thomas Bazley.	Mr. Eastwick.
Mr. Beach.	Mr. Fawcett.
Mr. Bourke.	Mr. Robert Fowler.
Mr. Campbell-Bannerman.	Mr. Lyttelton.
Mr. Candlish.	Mr. M'Clure.
Mr. Stephen Cave.	Mr. John Benjamin Smith.
Mr. Cross.	Sir David Wedderburn.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Colonel ALLEN BAYARD JOHNSON and Mr. GEORGE WELSH KELLNER, called in; and Examined.

Col. *A. B. Johnson* and Mr. *G. W. Kellner.*

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2939. *Chairman* (to Colonel *Johnson*).] WILL you state what office you hold?—I am Assistant Secretary to the Government of India in the Military Department.

2940. (To Mr. *Kellner*.) What office do you hold?—I am Military Accountant General to the Government of India.

2941. Will you be good enough to give in a statement of the strength of the Army in the year 1856-57, and in recent years?—I have been at some pains in preparing a statement of the strength of the Army in India, both European and Native, from the year 1861-62 to the year 1871-72, from the Quartermaster General's returns, corrected by those of the Adjutant General, but I was sorry to observe that the returns, though having a common origin, did not agree; and I find on an examination of the statement which I prepared in India of the strength of the Army, that it does not correspond with a statement that has been prepared in this country from, as I understand, returns received from India; and neither of these statements agrees with the numbers given in the capitation settlements between the Indian Government and the British Government. It seems extraordinary that there should be such discrepancies in returns having a common origin—that is, the regimental muster rolls—but strangely enough they do disagree in a very remarkable manner. On the understanding that they are liable to revision and correction, I am quite prepared to lay before the Committee the statements that I have prepared. They are in great detail, and they show the strength, month by month, in each Presidency, of each arm of the service, European and Native, and the causes of every variation, month by month. With the reservation I have made, I shall be very happy to place the printed statements before the Committee.

2942. Do you think that this variation in the returns might arise from any difference arising from taking into account troops that had left this country, as troops that were in India?—That is very possible, I should think.

2943. I suppose, at any given period, there are a certain number of troops which, if the returns were made in this country, they would represent as on the Indian Establishment, because they had left this country?—Yes.

2944. And on the other hand, if the troops had left India, they might be represented in the returns as not there?—Yes, that is possible.

2945. Therefore that might be a source of error unless carefully eliminated?—Yes.

2946. In those two conditions there might be a difference of one or two thousands?—Yes. Having that in view, I was careful in preparing these statements to give the actual strength, month by month, on the first day of each month in each year, from 1861 to the year 1872.

2947. That would be the strength in India?—That would be the strength in India, of each arm of the service, in each Presidency.

2948. Now, supposing that details of invalids had been dispatched from the regiment, or were on their way for the purpose of embarkation for England, would they appear in the rolls of the regiment still as part of the strength of it?—They would appear on the rolls until they left the country. (Colonel *Johnson*.) They are shown in the Quartermaster General's rolls, not as with specific stations, but as in the division, or moving in the division at other places than the station to which there is a regular garrison allotted.

2949. *Chairman* (to Colonel *Johnson*).] Supposing they had gone out of the division?—Then they would be shown in the division to which they had removed. (Mr. *Kellner*.) I shall lay before the Committee these printed statements in the form of an appendix.

2950. *Chairman* (to Mr. *Kellner*).] Would you like now to give in some short compendious form a statement of the strength of the Army in these years under different heads so as to admit of comparison; we may as well have it for these various years, because it is necessary to consider the effect of the changes?—I shall be prepared at

at the next sitting of the Committee to have a printed statement ready. I thought the question would come later in the proceedings, otherwise I should have been prepared to-day. I can give you the strength in 1856-57, and in 1871-72 at once.

2951. Will you do so?—The strength of the British troops in 1856-57 was 45,522 troops, inclusive of officers, and the strength of natives was 232,224.

2952. Are those the natives of the regular army only?—No; they include irregular troops, the Punjab frontier force, not under the Commander in Chief, and the Hyderabad Contingent.

2953. Can you separate in those the native troops that constitute the regular army of the Presidencies?—Yes. (Colonel *Johnson*.) The Return was presented to Parliament in 1859, in the Report of the Commissioners appointed to inquire into the organisation of the Indian Army. That was a return framed in the India Office, and presented then.

2954. *Chairman* (to Colonel *Johnson*).] Does that give the regular army of the Presidencies?—Yes. It does not give in detail the several branches of the service, but shows the divisions of regular and irregular European and native.

2955. What is the difference there between the regular and irregular?—The regular native infantry was 152,860; the irregular was 35,426.

2956. Sir *G. Balfour*.] And the two together come to what?—188,286.

2957. *Chairman*.] What constitutes the difference between that and the larger figures given?—Veterans and the Medical Establishment. The native artillery and cavalry. Regular and irregular require to be added to the total.

2958. I meant the whole regular army?—I worked it out in the lump simply with reference to the proportion of the staff for the whole Army.

2959. (To Mr. *Kellner*.) Can you give us the state of the forces in 1871-72?—In 1871-72 the established strength was 60,453 Europeans. The average effective strength during the year, as made out from the returns which I obtained from the Quartermaster General of the Army was 58,438.

2960. Sir *G. Balfour*.] What is the date of that return?—The end of 1871-72. In fact, it is the average strength from the 1st of May 1871 to the 1st of April 1872, or for the year 1871-72.

2961. Can you give us the strength in any particular month?—Yes.

2962. *Chairman*.] Will you kindly give us a summary of the intermediate years from 1871-72 backwards, down to 1862, if you can get at it easily?—I have got it in the greatest detail here.

2963. Have you there an account of the Indian Army for 1856-57?—Yes; this is a statement showing the military charges and receipts in England and in India; the gross charges for the year 1856-57, and from the year 1861-62 to the year 1871-72, which is the latest year to which the accounts have been completed.

2964. The intermediate period was one of military operations that would rather prevent any useful comparison, was it not?—Possibly; but we have a catalogue of all the measures during the intervening period which affected military expenditure, either in the amount of increment or decrease. Then, I have the Estimate for 1872-73, and for 1873-74 which brings the information down to the latest period.

2965. Will you just read out the general summary that you have got?—The gross charges in 1856-57 in England and India together amounted to 13,227,879*l.*; in 1861-62, they amounted to 16,631,045*l.*; in 1862-63, the amount was 14,998,373*l.*; in 1863-64, the amount was 14,773,004*l.*; in 1864-65, the amount was 15,787,150*l.*; in 1865-66, it was 16,793,306*l.*; in 1866-67 (a year of 11 months, a period of transition, to a new system of accounts), it was 15,825,791*l.*; in 1867-68, it was 16,103,295*l.*; in 1868-69, it was 16,269,582*l.*; in 1869-70, it was 16,329,740*l.*; in 1870-71, it was 16,074,800*l.*; and in 1871-72, it was 15,678,112*l.* In 1872-73, the estimate is 15,646,000*l.*; and for the current year 1873-74, the estimate is 15,524,000*l.* That is the gross military expenditure.

2966. Mr. *Fawcett*.] But this does not include several charges properly military; for instance, it does not include the cost of military chaplains, does it?—No, the Ecclesiastical Establishment of chaplains was originally intended for the Army, but their duties now are civil to a greater extent than military, and the cost of the establishment is included in the charges for Civil Services. But we include in our military charges the grants to Roman Catholic chaplains, and to Presbyterian chaplains with Highland regiments, and like charges that do not pertain strictly to the regular Ecclesiastical Establishment of India.

2967. Are the receipts deducted from this, or is this the gross expenditure?—This is the gross expenditure. The receipts are exhibited separately.

2968. *Chairman*.] Will you kindly state the receipts during the same period?—The receipts are very trifling in England, mere waifs and strays. The receipts in India are considerable comparatively. The receipts in India, in 1856-57, amounted to 454,896*l.*; in 1861-62, they amounted to 956,219*l.*; in 1862-63, they amounted to 802,309*l.*; in 1863-64, they amounted to 747,431*l.*; in 1864-65, the amount was 735,567*l.*; in 1865-66, to 728,340*l.*; in 1866-67, the year of 11 months, to 71[illegible]489*l.*; in 1867-68, it was 742,712*l.*; in 1868-69, it was 1,101,503*l.*; in 1869-70, it was 1,060,423*l.* I may mention, that the receipts were abnormally increased during these later years by the sale of stores connected with the Abyssinian Expedition. In 1870-71, the receipts amounted to 943,685*l.*; and in 1871-72 to 889,340*l.* The estimate for 1872-73 was 870,500*l.*, and for 1873-74 it was 857,000*l.*

2969. Without going through all the years, will you give us the net military expenditure in 1856-57, and then for the last two or three years; have you got the English receipts, so as to be able to give the net?—Yes.

2970. The English receipts are a very small sum, as I understand you?—Yes, I have a statement of them.

2971. About how much are they yearly?—They vary very considerably; they are subject to adjustment. The amount was 10,404*l.* in 1861-62. It was 213,000*l.* in 1863-64; that was after adjustments with Her Majesty's Government. I may say that generally it is about 20,000*l.* to 25,000*l.* a year.

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2972. Mr. *Fawcett.*] Is 213,000 *l.* the largest sum in the receipts from England in those years?—Yes; there were certain arrear adjustments then.

2973. *Chairman.*] Will you give the net military expenditure after deducting the receipts for 1856-57?—The net charges in India and England in 1856-57 were 12,772,983 *l.* The net charges for the last five years from 1868-69 are as follows: In 1868-69 they were 15,136,558 *l.*; for 1869-70 they were 15,247,135 *l.*; for 1870-71 they were 15,112,652 *l.*; for 1871-72 they were 14,733,692 *l.* The estimated charges in 1872-73 are 14,758,000 *l.*; and for 1873-74 they are 14,654,000 *l.*

2974. Mr. *Fawcett.*] An increase of about 2,000,000 *l.* since the year 1856-57?—Yes.

2975. *Chairman.*] Will you be good enough to state under what heads the expenditure is classified for the purpose of administration and account?—It is classified under various heads of grants or services, corresponding with the votes of the Army Estimates in this country; they are 20 in number. The first is the Army and Garrison Staff, which comprehends the staff of the army, the commanders in chief, and the headquarters establishments, the divisional and brigade staff, and so on. No. 2 Grant is the Administrative Staff; it includes the staff of the Viceroy and of the Governors of the minor Presidencies, and of the local administrations and provinces, and also the pay of the Military Account Departments. The third grant is the Regimental Pay Allowances and Charges; that is in fact the pay of the Army, European and Native, officers and men. I may mention that with regard to the European commissioned military officers employed in the garrison or army staff, their pay and allowances are charged to the departments in which they are respectively employed, but the regimental pay and allowances of those employed with European or Native corps are charged to this Grant No. 3. The fourth Grant is the Commissariat Department, that comprehends the pay and allowances of the officers of the commissariat, of the commissioned officers, the warrant and non-commissioned staff, all the native establishments connected with the duties of supply, and transport, the cost of provisions and forage for the Army, the maintenance and hire of transport cattle, and the provision of sea, river, and land transport.

2976. Is the system adopted of charging what may be called the pay of the rank to the Grant that you have described as number three, of officers who are employed in these various branches of the Army, and charging to the particular branch the staff pay?—No; Grant 3 includes the purely regimental charges; the regimental pay of the military staff officers employed, for instance, in the Commissariat Department, would be charged to Grant 4.

2977. You mean that the whole expense of the officers is charged to the particular service to which they are attached?—Yes.

2978. That is the system throughout?—Yes; the next Grant is No. 5, the Stud and Remount; that comprehends all charges connected with the supply of remounts to the Army, including the cost of the Government studs; we have large breeding establishments, and the maintenance of the studs and farms connected with them is all charged to this particular Grant.

2979. Mr. *Bourke.*] And the purchase of other horses?—Yes. No. 6 is the Army Clothing. The materials, cloth and garniture, are sent out from this country, and the cost appears in the Home accounts. The charges incidental to the manufacture of the clothing in India are exhibited in the Indian accounts. There are three agencies in India for making up the clothing for the Army, and the local charges are comprehended under this Grant. They include money compensation; where the soldier has not received clothing in kind, he gets compensation in money. No. 7 includes all charges connected with Barrack Establishments, barrack supplies of various kinds, fuel, furniture, and the like. No. 8 is the Administration of Martial Law; the pay of the Judge Advocates General and their establishments. No. 9 includes all charges connected with the Medical Services. No. 10 includes all charges connected with the Ordnance Services; the maintenance of the gun and gun carriage, and gunpowder factories, and other ordnance factories established in India, besides the arsenals, magazines, and depôts. No. 11 is Ecclesiastical; as I mentioned before, it does not include the pay of the chaplains of the regular Ecclesiastical Establishment; although that establishment was originally intended for the Army, the duties of chaplains are now more civil than military; but these are charges for spiritual ministrations directly for the soldiery, through Roman Catholic and Presbyterian chaplains attached to regiments. No. 12 is Education; this contains charges connected with the regimental and army schools; the grant has increased very considerably of late, through the increased encouragement extended to educational establishments for the Army.

2980. Does it include anything to the Lawrence Asylums?—Yes, it does now; they have lately been brought into the military expenditure. No. 13 includes Sea Transport Charges; those are connected with the reliefs and transport of troops by sea. No. 14 is for Miscellaneous Services; that comprehends everything that cannot well be brought under any of the other grants. No. 15 is the Volunteers. No. 16 is rewards for Military Services; it includes the expenditure connected with good service pensions to European commissioned officers, annuities and gratuities for meritorious services, and for the Victoria Cross to European non-commissioned officers and men, also the Order of British India and Order of Merit, pay to natives, and the pay of aides-de-camp to the Queen. Grant No. 17 is for Retired Officers' Pay; that is, the pay of retired officers who draw their retired allowance in India. No. 18 is Military Pensions, consisting for the most part of pensions to the Native Army; it includes also the pensions of European soldiers who elect to reside in India. No. 19 is Widows' Pensions and Compassionate Allowances; these are pensions granted to the widows of soldiers. No. 20 is Superannuation Pensions and Gratuities, being chiefly for the pensions of clerks and others who are allowed to retire after a certain period of service on superannuation pensions, clerks in military offices and the military departments.

2981. *Chairman.*] Now, have you any subdivision of expenditure in England under the particular heads which you quote for India?—Yes; the military charges in England are under

two

two heads. The effective services include the passage of officers and troops; the furlough allowances of officers of the Indian service; payments to the Imperial Government for troops serving in India; the Indian Overland Troop Transport Service; stores; expenses for education of officers, and pay and passage of officers under instruction; and other miscellaneous charges. The non-effective services are the retired pay of the officers, including colonels' allowances; pensions from Lord Clive's funds; and payments to the Imperial Government on account of retired pay, &c., for troops serving or having served in India.

2982. Now we will go to the first Grant, and will you be good enough to explain with regard to the army and garrison staff what has been the course of the expenditure, first stating what it was in 1856–57?—The cost of the army and garrison staff in 1856–57 was 375,523 *l.*; in 1869–70 it was 523,382 *l.*; in 1870–71 it was 466,136 *l.*; and in 1871–72 it was 465,840 *l.*

2983. (To Colonel *Johnson.*) Now, what changes have taken place with reference to this head of the Grant, which have affected this expenditure?—The main changes are the amalgamation of the general staff of the British and Indian forces; the revision of the artillery staff; the introduction of a revised scale of staff salaries; the abolition of half batta; the reduction of divisional and brigade commands with their staff; reductions in army staff; establishment of convalescent and other depôts at Parisnath and other places, and the abolition of others at Cawnpore and other places; the revision of the station staff appointments throughout India, and the placing them on a systematised footing; increase to the staff salaries of the Adjutant General, the military secretary to the Commander in Chief, the chief instructor of musketry, and the military storekeeper; revised rates of pay for medical subordinates; creation of the departments of garrison instruction, military telegraphy, and gymnastics. There are further changes affecting the amount of the Grant in the removal of the Hyderabad Contingent from the Military Estimates, and the transfer to this Grant of staff officers' pay, pay of certain medical officers, and a new charge for official postage.

2984. Mr. *Fawcett.*] Do all those affect the first item?—They affect the first Grant of army and garrison staff.

2985. But then some of them affect others, do they not?—They affect others as well, but they affect this one, and I am taking this head as one of the causes of increase.

2986. Then you will have to repeat these again?—To a certain extent, but not necessarily to repeat the reasons why they are done. Further, there is the gradual increase in the staff corps and local officers' promotion, which, of course, carries with it an increase of regimental pay.

2987. *Chairman* (to Mr. *Kellner*).] To what extent have these influenced the amount, either by addition or diminution, from the expenditure in 1856–57, which was very much less than it appears to be at the present time; can you explain how the expenditure has increased from 375,000 *l.*, in 1856–57, to the present rate of charge of 465,000 *l.*; what has been the increase or diminution arising from these various changes which have taken place?—There are so many changes, and so many elements of increase and decrease in each successive change, that it is difficult to answer that question at once. For instance, there are many charges now included under Army and Garrison Staff which formerly were not so included, but were charged to the Regimental Grant. Some of these are merely formal transfers from other grants, not absolute increments of charge. There is one little item of 8,000 *l.* or 10,000 *l.* a year for official postage alone; that goes to swell the postal revenue on one side of the Finance and Revenue Accounts, and, on the other side, to increase the military charges under this grant. A great many of those increments were merely transfers from other grants, either of the military or of the Civil departments. Others, again, constituted an actual increase of charge upon Indian revenues, as (for example) the revised scale of staff and regimental salaries which was introduced in 1862–63, and was calculated to have caused an annual increase of about 60,000 *l.* or 70,000 *l.*

2988. Can you state what the amount was in 1861–62 for this Grant?—Yes.

2989. That we may take as the first year when the Army had settled down, after the great augmentation for military operations?—Yes, it amounted in that year to 512,782 *l.*

2990. Was there a change then made consequent upon the amalgamation, getting rid of the double staff for the British and Indian troops which formerly existed?—Yes, that was amongst the changes.

2991. Did that produce any economy or reduction?—Yes, Colonel Johnson has the details of that. There has been a distinct diminution of charges as regards the Commander in Chief and the head quarters establishments.

2992. Can you state generally what was the reduction from the year 1861 to the following year?—Yes, it was, in 1862–63, 463,000 *l.*, and it has remained pretty well at that figure, for in 1871–72 it was 465,000 *l.*

2993. Mr. *Fawcett.*] But in 1861–62 the effects of the Mutiny had not spent themselves, had they?—No.

2994. Therefore it is hardly fair to make that comparison, because there were a great many more men who were on the staff at that time than there are now; therefore, though there has been no nominally increased expense, there has been actually one?—Quite so. I was asked to state what the charge was under this head in 1861–62, and I gave the figure for that year.

2995. *Chairman.*] Was the whole of that reduction, which you have just shown, due to the abolition of the double staff, or was it due to any general reduction of the staff?—There were both reductions and increments by the reorganisation of the army and garrison staff, by the creation of new staff appointments, and the improvement of staff salaries generally. I have here a very complete catalogue of all the items of increase and decrease under this grant, for each year from 1862–63 to 1871–72; one giving the items of increase, and another the items of decrease. Whilst there has been a steady endeavour to reduce expenditure, it has been impossible to resist additional charges—as, for instance, the creation of new staff appointments connected with the artillery and musketry inspection, garrison instruction, military gymnasia, and army telegraphy, hill sanitaria for British troops, and the unavoidable growth of ministerial establishments in the offices at army head quarters.

2996. Will you give us shortly what have been

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been the items that have produced an increase or decrease, and the amount of them?—The amount of increase or decrease upon each item of charge would be matter of calculation. The increase or decrease would depend upon the number and rank of officers in the country, and on many other causes. The effect of a general measure like that of a revised and improved scale of departmental staff salaries (taken by itself) may be easily calculated, because the staff salary has to be paid under any circumstances, but the case is altogether different when considered in connection with other cotemporaneous charges.

2997. What is the amount of increase consequent upon that measure for the year 1863-64?—It was calculated at the time at 82,500 *l.* a year; but against that, certain staff appointments were abolished, and the regimental pay and allowances of each rank were reduced by the institution of staff corps pay; but then again the accelerated promotion of officers in the staff corps caused a distinct and continual increase of charge for regimental pay and allowances. I would say roughly that an increase of about 70,000 *l.* was the effect of these changes.

2998. Mr. *Fawcett.*] When you say that the effect of it was 80,000 *l.*, that will not represent it, unless at the same time we know how many men were affected, because, suppose for instance you have 200 persons on the staff corps, and that you had before 300, and the 200 cost 80,000 *l.* more than the 300 did before, it would not be fair or correct to say that the increased cost was only 80,000 *l.*?—No.

2999. Therefore it seems to me that we must, in making these comparisons in order to arrive at a conclusion, keep before us as far as we can in each item the number of men who are affected by it?—Yes, I shall be prepared with that, if necessary. I have a statement here showing all the staff appointments included under this grant in 1856-57, in 1861-62, and in 1871-72. If the Committee would wish me to supplement this information with the staff salary in each particular case, that can be done against the next meeting of the Committee, and would, I fancy, give exactly the detail that is wanted.

3000. *Chairman.*] It would, on the whole, give us perhaps a better idea if you were to give us the figures, showing the effect of the measures that increased the charge, and a statement of the estimated result of the decrease of the charge?—I have a statement here of charges for the year 1871-72, going back as far as was possible under the prevailing classification of accounts, and giving the details of all the charges under this head of Army and Garrison Staff, showing, for instance, what the Commander in Chief and his staff cost in 1856-57 and in 1871-72, in Bengal, Madras, and Bombay, and I have the same information with regard to the Adjutant General and other officers of the staff. Then I have another statement, giving the number of the staff appointments in 1856-57, in 1861-62, and in 1871-72. If desired, we could prepare against the next meeting an approximate statement of the cost. (Colonel *Johnson.*) I can give the head quarter staff as it stood in 1856 and 1871, compared with what it does now, but the actual cost I am not able to give.

3001. (To Mr. *Kellner.*) But first we want to see how the thing has increased or diminished; you stated that the cost of the staff in 1861-62 was 512,000 *l.*, and that the modification that was then made was the abolition of the double staff, consequent upon the amalgamation of the Indian army with the Queen's service?—Yes.

3002. And that with that modification the charge was reduced in the following year to 463,867 *l.*?—Yes.

3003. Then what was the next charge, and what was the effect in the following year on the grant?—The items of decrease were the amalgamation in 1862-63, and 1863-64, of the general staff of the British and Indian forces, with the abolition of the following appointments: one adjutant general, two deputies, one assistant, one brigade major, one quartermaster general and one deputy, two assistant quartermasters general and one deputy assistant quartermaster general. Then the revision of the artillery staff, with the abolition of the following appointments: three commandants of artillery, two assistant adjutants general of artillery, one brigade major, and the artillery depôts of instruction. The abolition of the second class brigade command at Merut, of the European depôt at Cawnpore, of the brigade command at Jaulnah, of the European infantry depôt at Arcot, and of the school of musketry at Bombay.

3004. In the next year was there a measure for the general increase of the pay and emoluments of the staff?—Yes.

3005. And what was the effect of that upon the Grant of 1863-64?—It was to increase the charges.

3006. What was the amount of the increase?—It was calculated at the time at 82,500 *l.*

3007. The general increase of allowances?—Yes, the staff salaries.

3008. At the end of those two years was that increase in full operation?—Yes, in 1863-64 and 1864-65. The full effect of it was seen in 1864-65.

3009. Was that counteracted by any diminution of charge?—It was counteracted by other diminutions of charge.

3010. What were those chiefly?—The abolition of certain appointments; the abolition of the Invalid Depôt at Cudalore, the reduction of the allowance for the medical charge of hill depôts, and the discontinuance of staff salary to the second assistant surgeons. Every year exhibits a record of reductions and also of increments.

3011. Did the expenditure, notwithstanding this, increase in 1865-66?—It increased in 1865-66.

3012. To what extent?—In 1865-66 the expenditure amounted to 493,152 *l.*

3013. Was there any attempt made to reduce it by substituting more economic arrangements?—Yes; in 1865-66 there occurred the conversion of a divisional into a brigade command at Madras; the abolition of one assistant adjutant general, one brigade major, and several garrison and station interpreters in Bengal; of one deputy assistant quartermaster general, one brigade major, and one station staff officer in the Bombay Presidency; these were all measures of decrease. Then there was the revision of station staff appointments in the Bengal and Madras Presidencies, the establishment of a convalescent depôt at Parisnath, and an addition of 600 *l.* a year to the pay of the Adjutant General of the Army.

3014. Was there any transfer from any other Grants?—Yes (and this I would mention as one great item of increase), the regimental pay of officers holding certain staff appointments. Formerly,

Formerly, the regimental pay and allowances of staff officers were charged to the Regimental Grant, and now they are charged to the Departmental Grant. Again, the effect of the system of promotion in the staff corps has been to increase the rank and pay of the officers holding these staff appointments.

3015. Then it would be further increased by the whole pay being charged to this grant?—Yes.

3016. Was any reduction effected again in the year 1866–67?—The abolition of the Invalid Depôt at Fort William, and the re-organisation of the depôt at Chinsurah were the measures of decrease.

3017. But was not that a reduction of force really?—No; it was only the reduction of the staff connected with the charge of invalids.

3018. Was the custom of keeping up these invalid depôts abolished?—Yes.

3019. (To Colonel *Johnson*.) What became of them?—The invalids were men invalided for a time to go home. It was a depôt where they were detained till they could be sent to join their regiment or sent to Bombay for embarcation. There was a staff maintained to carry on the business of these depôts; it was not an establishment of men; there was no actual reduction of force.

3020. (To Mr. *Kellner*.) In 1867–68 was the grant increased or diminished?—Increased; there were additional commands at Fort Mackeson and Jhansie, an increased charge for convalescent depôts and for musketry inspection, and an increase in the staff salary of the chief inspector of musketry.

3021. Were these increases counterbalanced by any economies?—Yes, by the removal from the Military Estimates of the pay of the staff and other charges of the Hyderabad Contingent; the transfer of the Straits Settlements to the Crown, whereby we were relieved of the cost of the staff officers, besides the other expenses of military occupation.

3022. Would not that as regards India be a real diminution of force?—As regards this grant, it was a relief of the cost of staff officers; and we were relieved in this year of all charges connected with the troops in the Straits Settlements.

3023. And with regard to the Hyderabad Contingent; what became of that?—It was transferred to another branch of the Finance Accounts; it was removed from the Military Estimates, but still charged to the Indian Accounts.

3024. Were there any other transfers tending to increase the grants?—Yes; the pay of medical officers and subordinates attached to depôts, and hill sanitaria were added to this grant.

3025. What was the cost in 1868-69?—The expenditure rose to 528,249 *l.* in that year.

3026. Was there any reduction affected in that year?—The reduction in this year was that of a second-class brigade command, by combining the command of the Aden Brigade with the duties of Political Resident.

3027. Were there any increases in that year?—Yes, there was an increase of 360 *l.* a year to the staff salary of the military secretary, and the appointment of a native aide-de-camp to the Commander in Chief.

3028. Were there any general increases?—In depôts and hill sanitaria the charges were increased, owing to the improved rates of pay of medical subordinates attached to them.

3029. Was there any further increase arising from the new system of the staff corps?—Yes; the rise in rank of the staff officers increased the charges under army and garrison staff.

3030. You mean that the officers employed were of higher rank that formerly for the same services?—Yes.

3031. Was that the effect of promotion by length of service?—Yes; instead of succession. Then there was an increase caused by the staff of the Hazara field force; that campaign occurred in this year.

3032. That would be a special charge for the year?—Yes; then there were some transfers from other grants; for instance, the pay of the staff officers commanding at Barrackpore, Jullunder, and other places was transferred to this grant; and the travelling allowances of the Divisional Brigade Staff were transferred from the Miscellaneous Grant, No. 14, to this grant.

3033. Was any further effort made to reduce this expenditure after that?—Yes; in the autumn of 1869, considerable reductions were ordered in the staff of the Army.

3034. Was that a real economy of administration?—Yes.

3035. Can you state generally what the amount of reduction was in the officers?—I can give the numbers. In Bengal, one divisional general, one assistant adjutant general, one deputy assistant quartermaster general, one aide-de-camp, two brigadiers general, and four brigade majors.

3036. Were similar reductions made in Madras and Bombay?—Yes.

3037. And what has been the effect of that on the grant?—The effect of it was, that the charges in 1870–71 fell to 466,136 *l.*, or less by 57,246 *l.* than the charges for the year 1869–70.

3038. Was it considered that this was bringing the staff down to the very minimum of efficiency?—I believe that it is the opinion of the military authorities that the reductions have been brought to the lowest point.

3039. Has there been any increase in respect of new staff appointments since then?—Yes, the charges for artillery and musketry inspection, garrison instruction, gymnasia and soldiers' institutes, new hill sanitaria, and army telegraphy, are new charges.

3040. What have they added to the grant?—About 60,000 *l.* or 70,000 *l.* per annum.

3041. Do you think that the system of the staff corps is still operating to increase the cost of the service?—I think so.

3042. By the system of officers of higher rank performing the duties?—Yes.

3043. (To Colonel *Johnson*.) When do you think that that system will attain its maximum?—I do not think that that has been worked out yet.

3044. But have you formed any opinion?—I think that it has very nearly reached its maximum at present; it must shortly do so, at any rate; but that is being worked out now in the India Office by General Hanyngton.

3045. The principle would be, I suppose, that these officers who were on the establishment when the reorganisation of the Army took place, or when the staff corps was established, being all now promoted by length of service, have gone up in a regular ratio to higher rank quicker than they would have done under the old system?—Certainly; they began higher; at least they come on in greater numbers at the introduction

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of the staff corps, than they would if the staff corps had been absolutely formed normally upon the proportions that will hereafter form it.

3046. Then under the conditions of the staff corps they are to be paid in proportion to their rank?—Yes.

3047. In the arrangements formerly of the Army, were the officers when they reached a certain rank compelled to resign what are called the junior appointments in the staff?—All had to be resigned at certain periods, except, perhaps, the secretaryship to the Government, and a few of the very high ones; but the commands of irregular corps, and others, and all the minor appointments, were held up to a certain rank only.

3048. Therefore, when an officer attained that higher rank, the office was not charged with the higher expenditure, but a junior officer was put in at a lower rate of pay?—Yes, except where the pay of the appointment was consolidated.

3049. So that it had the effect of always keeping down the relative expenditure between the junior and senior appointments?—It kept them on the same footing generally.

3050. Has that been abolished?—Yes; all staff appointments, or rather, for there are certain exceptions, I should say the great proportion of the staff appointments carry with them a staff salary, in addition to the pay of the rank which the officer is holding.

3051. So that, instead of making way for the junior officer, he continues to hold the office at the high rate of pay?—At the rate of pay of his rank.

3052. If he does not get promotion himself to a higher office in consequence of a vacancy, he continues to hold the office?—Yes.

3053. What I understand is, that he receives the pay then of the higher rank, but he performs the duties that were formerly performed by a junior officer at a lower rate of pay?—Yes, I suppose so.

3054. That is to say, if a lieutenant was employed in certain services formerly, he only got lieutenant's pay, and now a captain can hold that same appointment with captain's pay?—Yes; but (it is rather complicated) the captain's pay now is lower than the captain's pay of the former system.

3055. But still higher than the lieutenant's?—Still higher than the lieutenant's.

3056. And if that be applied to the higher ranks still, where the pay is very much larger, it would make a material difference?—Certainly; the aggregate pay of appointments, I suppose, is now considerably higher than the aggregate pay of appointments before 1857.

3057. Then this system would go on increasing until by the introduction of younger men the number of junior officers bore a proper proportion to the number of junior appointments?—True; but if the officers who are now of a higher rank were not employed in this duty, they would under the guarantee of Parliament still be in receipt of the pay of their rank, and be doing nothing at all.

3058. It would be a charge incidental on the amalgamation and the conditions imposed upon that amalgamation by Parliament?—Yes.

3059. Mr. *Fawcett.*] When you say "imposed by Parliament," was the scheme framed by the direct action of the House of Commons?—No; I am referring to what is generally called the Henley Clause, by which it was declared that the promotion and position (the "rights and claims," I think, is the phraseology) of the Indian officers should be in no way affected by the transfer of the Company's army to the Crown.

3060. *Chairman.*] That has been insisted upon by the Company's officers as entitling them, whatever might be the changes necessary for the due administration of the army in India, to receive whatever emoluments they would have been entitled to if the old system had been kept on foot; is not that the substance of it?—That is what the two commissions, which sat in 1864 and 1866, decided were their claims.

3061. Mr. *Fawcett.*] But what I want to find out is this: it would be more correct to represent it thus, would it not; the amalgamation of the two armies did not emanate from Parliament, and this clause was, as it were, the growth of that amalgamation; the clause would not have been thought of if the amalgamation had not taken place, and the amalgamation did not emanate from Parliament?—But it was by Act of Parliament that it was decided that no local force should be maintained in India.

3062. The thing originally did not emanate from Parliament; of course I know that there was an Act of Parliament, and therefore Parliament in that way was responsible, but the amalgamation did not emanate from Parliament; it was a suggestion of the Government, and they got Parliament to accept it?—I suppose so; it was the suggestion of the Royal Commission which sat in 1859.

3063. *Chairman.*] But the re-organisation of the Indian army was quite a separate operation from the mere amalgamation of the European regiments serving in India with the army of the Queen, was it not?—They were distinct operations, but arising from the same root.

3064. But not necessarily connected; it would have been possible to transfer all Europeans serving in India into the Queen's service ultimately without re-organising all the Native army, would it not?—Certainly; but it was attempted with the European army, and the result was disastrous.

3065. But the difficulties that have arisen are supposed to have arisen from the combined operation of the entire re-organisation of the Native army, as well as the amalgamation?—That is the staff corps, as I understand you?

3066. Yes, and the establishment of the staff corps?—Yes, it is supposed so.

3067. Then you are aware that before this clause was put into the Act of Parliament, the Court of Directors and the Government of India claimed the right of organisation and altering the organisation of the Indian army just as they thought necessary for the public interest, and making the interest of the officers subordinate?—The Court of Directors certainly had that power.

3068. And did they not make various changes in the organisation of the army?—They made several changes in breaking up regiments into battalions. I am not quite prepared to go back into the earlier history, when they had one officer with a regiment, and native officers, and so on.

3069. They dealt with the claims of officers just as they thought fit?—Yes, but I do not think that in the historic times of the Court of Directors there were reductions of officers; it was always an increase.

3070. Still they had an absolute right to make such alterations as they thought fit, and they exercised it?—Yes.

3071. And Parliament introduced a clause which declared that no changes should be made that should affect the interests of the officers?—I think the clause rules thus,—that no change should be made which the Court of Directors had not the full power of making; and that has been interpreted to mean that no changes should be made which the Court of Directors were not in the habit of making.

3072. Did it not say that no change shall be made which shall affect the rights and interests and position of the Company's officers?—I cannot at this moment put my hand upon the exact wording.

3073. Are you aware that the result has been that the officers have quoted that Act for the purpose of making claims consequent upon any improvement in the administration of the army in India?—I think so. It was interpreted in 1866 to mean that they were entitled to the same pay as other officers received in the staff corps, with higher rank.

3074. Mr. *Fawcett* (to Mr. *Kellner*).] On the staff corps, can you inform me how much is the pay of an officer usually increased; supposing we take, for instance, a captain who with his regiment is receiving 400 *l.* a year; he gets a staff appointment; to what extent is his pay increased?—To the extent of the staff pay of the appointment. It might be 20 *l.*, or 30 *l.*, or 40 *l.* a month; he would get his staff corps pay, or regimental pay, *plus* the staff pay of the appointment.

3075. Then on what principle is this staff pay regulated?—The staff pay is regulated by the nature of the appointment, by its importance and the character of the duties, and it remains unaffected whoever might be the incumbent.

3076. But I mean who regulates that; who places the value upon the nature of the appointment?—The Government of India submitted a scale of staff salaries, which was approved by Her Majesty's Government here, and that has been the established scale of staff salaries.

3077. Is it done by regulations which are varied from time to time?—No, they cannot be varied without the sanction of the Government of India and the Secretary of State.

3078. Have they often been varied?—I think they have not since the last revision of staff salaries in 1862–63.

3079. With reference to the number of staff appointments, who creates them?—There is no appointment created without its being proposed in the Military Department of the Government of India, and confirmed in the Financial Department, and then referred Home.

3080. Has the number of these appointments [illegible]creased?—No increase is made without the [illegible]tion that I have described, either in number [illegible]y.

[illegible] understand that; but has the number [illegible]eased; has the sanction been ob[illegible]: I think I am prepared to show exception of the station staff ap[illegible]ch Colonel Johnson can describe [illegible]ve have really a less number of [illegible]ts now comprehended under this [illegible]ad in 1856–57, or in 1861–62, [illegible]e have a less number in 1871–72 [illegible]856–57, or in 1861–62.

3082. But the cost in 1856–57 was very much less?—Yes, but that is not entirely due to the staff pay, but also to the addition of military pay and allowances, and to the operation of the staff corps system of promotion, by which field officers are now holding staff appointments which were then held by subalterns and captains. The direct effect of that is considerable.

3083. Mr. *Bourke*.] Could you give any estimate as to the ratio at which the retiring allowances for those colonels who are now entitled as becoming entitled year by year to their 1,110 *l.* a year are proceeding, and when that will reach its maximum at the rate that it is going on at present?—That subject would come in ordinary course under Grant 18, but, as Colonel Johnson mentioned just now, such a statement is now being prepared by General Hanyngton of the India Office. (Colonel *Johnson*.) I told General Hanyngton some time ago that that information would be required by the Committee; and I told him that on the instructions of the Committee.

3084. Mr. *Fawcett* (to Colonel *Johnson*).] The staff corps, the number of staff officers is not at all diminished in proportion to the diminution of the army during the period from 1856-57 to 1871-72, I think?—I will give you the army head quarters staff in 1856–57, if you will allow me, first. Then the total force consisted of 277,746 men, European and Native, and in 1871-72 the force (I am not prepared to say exactly what it was then), was we will say 191,047 of all ranks.

3085. Then it has decreased by nearly a third?—By 86,000; but it has increased in Europeans by 18,000, or thereabouts.

3086. But the aggregate decrease has been a third?—The aggregate decrease has been, say a third. The army head quarters in 1857, as included in Grant 1, consisted first of three commanders in chief and their personal staff.

3087. What was their personal staff?—Three aides de camp and a military secretary, and a Persian interpreter; but I use the words their personal staff, because they have not varied between the two periods except in one respect. Then, further, it consisted of four adjutant generals, five deputy adjutant generals, five assistant adjutant generals, and one deputy assistant adjutant general, a total of 15.

3088–9. As I understand from some evidence that you gave just now, it sometimes happens that a captain is taken away from his regiment and appointed to the staff corps, and his pay is nearly doubled?—The staff corps is not a regiment.

3090. But a captain can be appointed to a staff corps from a regiment?—Not now as a captain, but as a subaltern.

3091. As a subaltern in the staff corps?—As a subaltern in the staff corps.

3092. But it is possible that a captain may be receiving 400 *l.* a year say, and may get an appointment in the staff corps, which will make an important addition to his remuneration?—You appoint him to the staff corps, and he then receives the pay and allowances attaching to the appointment which he may hold.

3093. But he may be appointed to an appointment which will represent an important addition to his remuneration?—Certainly.

3094. Sometimes it represents nearly double pay, does it not?—Yes.

3095. On

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3095. On what ground is that; considering that the man is discharging arduous duties with his regiment, and it is supposed that those duties are fully paid for, why is this staff corps' salary so arranged that a man suddenly finds that his remuneration is doubled?—He would not enter the Indian service if his position were not benefitted pecuniarily. No man would leave the British service for the sake of serving with natives in India without some extra remuneration.

3096. But supposing that a man is a captain of a native regiment, then if he goes in the staff corps, his remuneration is still very much increased, is it not?—No, there is no native regiment now that is not paid as a staff appointment. There are no regimental officers serving with native regiments drawing any rate of salary, either pay or staff salary, other than that which is drawn by the officers of the staff corps.

3097. Then if a man once goes into the staff corps does he leave his regiment for ever?—He leaves his British regiment for ever; he has no other regiment to leave; as now there is no native army as consisting of regiments apart from the native army of the present organisation, which is now officered entirely by officers of the staff corps or by officers of the local service on the same footing as the staff corps.

3098. He cannot get back to his regiment?—There is no regiment to get back to.

3099. Then still the amalgamation is not complete, because although nominally the two armies have been amalgamated, yet you still speak of an Indian army; the existence of this staff corps seems to constitute an Indian army, which if you enter, you virtually leave the British army?—You leave the British regiment; we use the word "British" as meaning European. I should explain that we should call the Indian army Her Majesty's Indian army, which is a branch of the Imperial army, but an Indian branch, instead of being, as it was before, a distinct service under the Court of Directors, which was only in a very remote way, you may say, under Her Majesty's orders.

3100. Then what it comes to is this, that you have amalgamation carried on on this principle; you have amalgamation, and it has cost India a great deal, yet you have two armies and the amalgamation has been so managed than an officer in the European army can be transferred to the Indian army, but an officer in the Indian army cannot be transferred to the European army?—He may exchange.

3101. *Chairman.*] He is never out of the army?—No.

3102. Mr. *Fawcett.*] You say he has left?—He leaves his British regiment. He does not leave Her Majesty's service, but he joins a branch of the service which is employed entirely on Indian service, and under certain conditions he may, if he can effect it, effect an exchange with an officer on what we may call a general service British regiment; but ordinarily, for the sake of the higher emoluments which have been considered necessary to induce officers to undertake the duty, they remain in India.

3103. Who has the patronage in this staff corps?—It is the officering of the army, so to speak, and the appointment to all the different administrative staff appointments which exist in the army.

3104. But I mean, supposing, for instance, that a man was in a European regiment in India, and wanted to get a staff corps appointment, who would appoint him?—Say that he wants to enter the Indian army pure and simple, without reference to civil employment, his first duty is to pass an examination in the native languages. He then applies to the military secretary to the commander in chief.

3105. Which commander in chief?—It depends upon his Presidency. If he wishes to enter the Bengal Staff Corps, and is serving in the Bengal Presidency, he would apply to the Commander in Chief of the Army who commands the Bengal army.

3106. Then, according to that, there are three commanders in chief, and they all three have distinct staff corps?—Yes; there are three distinct staff corps, one for each Presidency. Then in the event of a vacancy existing in a native regiment, he would be appointed as second doing-duty-officer, on probation for a year. His application for this appointment must be accompanied by a certificate from his commanding officer, that he has completed three years' duty with his regiment, two years of which he has spent in India; that he has passed the examination in the native languages, which qualifies for staff employment; that he has attained such a knowledge of his drill and duty as an officer of infantry or cavalry, as the case may be, in all its branches, as to qualify him for the command of a company or troop in all situations; that he possesses a fair knowledge of the Articles of War and of the Queen's Regulations, as well as of the military regulations of the Presidency, besides having gained some general acquaintance with the organisation and nature of the duties of all branches of the army serving in the Presidency in which he has served; that he has been during his service attentive to his duty, and that his conduct has been in all respects unexceptionable. He must also produce a certificate of sound bodily health from the surgeon of the regiment.

3107. Then the staff corps discharges two distinct duties, as it were; it officers the native regiments, and it supplies the ordinary staff appointments of the army, the civil appointments?—Through the staff corps only can admission be got to the native army, to the military staff appointments, excepting what are called army staff appointments, that is, adjutant generalships, assistant adjutant generalships, and so on, which may be held by officers of British regiments of the line serving in India.

3108. I understand now, if a man wants to get into the staff corps with a view to joining a native regiment, how he does it; but there are now two cases to be considered: how does a European officer who wishes to get into the staff corps in order to hold a military staff appointment, get this military appointment; secondly, how does an officer of a native regiment get a military staff appointment; there are two distinct cases, I see, to be considered?—An officer of the staff corps gets his military appointment by selection of the commander in chief of the Presidency in which he is serving.

3109. That is simply the patronage of the commander in chief?—It is an exercise of the commander in chief's duty.

3110. But is there anything which, for instance, to restrain him as to the [illegible] that he selects, because that may make a difference as to the cost?—Yes, the

lations prescribing the grade of officers to hold certain appointments.

3111. But, for instance, is it not possible sometimes, in certain cases, to appoint officers of a higher grade than might otherwise be appointed?—There is a certain discretionary power allowed to the commander in chief; but when I said that the commander in chief appoints, I should have said that it is the commander in chief who nominates. The actual appointment to these army staff appointments rests with the Government; but the commander in chief's nomination is very rarely indeed, in fact you may say never, except on most special grounds, objected to.

3112. A discretion is left to him as to what grade of officer he appoints?—Yes, within the limits of the regulations.

3113. And of course the cost of the appointment to the revenues of India depends to a great extent upon the grade of the officers who are appointed?—Yes, to the extent of the difference between the staff corps rate pay of the officer, according to the rank which the officer may hold.

3114. Now what is the process if a man serving with a European regiment in India wants to get a military staff appointment?—If you mean one of the army staff appointments which an officer can hold without entering the staff corps, he records his name as a candidate for it, having qualified, with the military secretary to the commander in chief.

3115. Private patronage again?—No; there again the commander in chief only nominates.

3116. But virtually that nomination is never over-ruled, you have told?—You can hardly call it private patronage. Some one must be selected, and it is one of the most important duties that the commander in chief has to perform.

3117. And here again discretion is left to him as to the grade of officer he selects?—Yes, within the limits prescribed by the Regulations.

3118. But those limits are sufficiently wide, are they not, to represent very different costs to the revenues of India?—At this moment I have not with me the Regulations, stating what the different grades are for the different classes of appointment, but I do not think that the discretionary power is very wide. It is chiefly in the higher army staff appointments; but they are almost invariably held, except on very special grounds, by field officers, that is, by majors or lieutenant colonels.

3119. Sir *D. Wedderburn.*] You distinguished just now between staff corps pay and staff pay, and said, did you not, that staff corps pay might be regarded as equivalent to what used to be known as regimental pay?—The staff corps pay is the regimental pay.

3120. There are in fact no officers of the Indian Army properly so called, except the staff corps officers?—Yes, there are local officers, that is, officers of the old Indian Army, who did not elect to enter the staff corps, but who chose to remain as local Indian officers.

3121. There are very few of them, and they are all officers of senior rank, I suppose?—No, there are two classes of them; there is the class of officers who had been attached to a regiment when the Mutiny broke out; and the class of officers that were sent out as young doing duty officers, under condition that they would submit to any changes which might take place in the event of the Government desiring to make them.

3122. I should like to know about how many such officers there are distinct from the staff corps; and what sort of army rank they hold?—The one class, that is, the old Indian officers, are of proportionately high rank. The younger ones, forming what is called the general list, that is, those who entered the service subsequently to the Mutiny, but prior to the transfer of the army to the Crown, subject to any change that might be made, are of junior rank, subalterns and captains, but chiefly captains. (Mr. *Kellner.*) I can give you the number on the 1st of January 1872 of local officers. The local officers of cavalry were 172, of infantry 601, and of the staff corps 2,443.

3123. (To Colonel *Johnson.*) Are these officers employed on the same terms, that is to say, *pari passu,* with the officers of the staff corps in officering the native regiments?—Precisely; provided, of course, that they are qualified, or otherwise fit for employment.

3124. And the whole Native Army is officered practically on the same principles on which the old irregular corps used to be officered, by men selected from these local officers, and from the staff corps?—Yes, but with this difference, that the officers for the old irregulars were drawn from native regiments, whereas the officers for the native regiments of the present day are drawn from British regiments.

3125. It is from British regiments only that the staff corps is now recruited?—Solely.

3126. And, of course, the local officers are not recruited in numbers at all?—Not at all; they are in process of extinction.

3127. And, I suppose, that the result of all this system has been not only that officers of higher rank are employed in the Native Army, but also older men, because formerly these irregular corps were generally officered by young men?—No, I think as a rule you would find that the average age of officers with the corps now, and of the officers with the old irregular corps, are pretty nearly the same. I am not speaking from any absolute facts, but I can ascertain it if you wish.

3128. Then you stated, that in the year 1865-66 a sum of 600*l.* a year was added to the salary of the adjutant general; can you state what was the cause of that addition?—The increase of the pay of the adjutant general was given on the strong representation of two successive commanders in chief, Sir Hugh Rose and Sir William Mansfield. He was, though adjutant general of the whole Army, that is, of the British troops in all the three Presidencies, only receiving the same pay as the quartermaster general of the Bengal Army, that is to say, of the simple Bengal Army; he was in fact, though occupying a far more responsible and onerous position, only receiving the pay, or very little more, of a brigadier general commanding a district. In fact he was underpaid, or was considered underpaid, as compared with other officials, civil and military. His pay was raised from 250*l.* to 300*l.* a month.

3129. Is the Adjutant General the only officer whose authority extends in that way to the British troops in the three Presidencies?—He and the commander in chief are the only two.

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3130. But how far does the jurisdiction of the local commanders in chief, that is to say Bombay and Madras, extend over the British troops?—very completely; not entirely, but to the extent of giving furlough, I believe. It is a much more extended authority than a general of division has, but not so complete as the commander in chief in India.

3131. Has it been increased of late years, because I had an impression that at one time the authority of the Bombay and Madras commanders in chief was limited to the native troops?—I do not remember that it was.

3132. Then as regards one of your answers, I think in giving the number of troops in India you spoke of the frontier force as if it were not under the commander in chief?—It is not; I referred to the Punjaub frontier force.

3133. Then under whom is it?—Under the Governor General, and more immediately under the Punjaub Government.

3134. Mr. *Cave.*] What becomes of the officers of the staff corps after they have got beyond regimental rank?—They get what are called their colonels' allowances, and gradually rise in the general list to generals.

3135. And when they are generals are they considered as belonging to the Indian Army?—Yes, they are on what is called the amalgamated list of generals; that is, they rise in the Imperial list.

3136. But they can never be brought to do duty in this country, can they?—Yes, Her Majesty might employ them anywhere; the Staff Corps Service is general.

3137. Would there be any distinction between them and the generals who had remained in the British Service?—If you mean in the matter of their employment in England for district commands, I fancy that the chance of a staff corps general getting employment, except after extraordinary exceptional services, would be very limited indeed.

3138. Are there any such instances yet?—No.

3139. There are no staff corps generals under the new system yet?—On the general list there are a great many.

3140. Then they are a sort of half pay officers doing nothing in India?—They are living in England or in India as the case may be.

3141. Not doing any duty?—Not doing any duty.

3142. Unattached; and are they receiving full or half pay?—They are receiving not the full Indian pay; they are receiving the English pay of general officers.

3143. And they may reside where they like till they are called upon to do duty?—Yes; till they are appointed to a divisional command, or to some other work.

3144. If called upon to do duty they will receive Indian pay, I presume?—They will receive the consolidated pay of the appointment that they are called upon to hold.

3145. Mr. *Beach.*] What is generally the regimental rank of those who get staff appointments?—They are appointed from all ranks. Every officer in his turn, if he wishes to be employed, applies. Of course a subaltern would not dream of applying for an appointment which he knows is only held by a field officer, and *vice versâ*.

3146. Mr. *Eastwick.*] Mr. Fawcett put some questions to you with regard to the manner in which officers enter the Staff Corps. Is it not a fact that there are a certain number of appointments still retained which are given to the sons of officers who have distinguished themselves?—No, not appointments, but there are nominations, as what are called Secretary of State's cadets to Sandhurst. The number I cannot tell you.

3147. But they are not particularly given to the local army of India, but generally are they?—Generally. They are supposed in some measure, I imagine, to compensate for the loss to officers of the old service of the chance of cadetships for their children, procured through the Court of Directors.

3148. I want to know whether they go into the staff corps for India after having passed Sandhurst, or into any regiment?—They go into a British regiment; to go into the staff corps afterwards or not as their fancy leads them, or as opportunity may serve.

3149. Mr. *Campbell-Bannerman.*] How many are there of these appointments; something like six?—It may be about that number.

3150. Sir *D. Wedderburn.*] When an officer joins the staff corps in India, his commission in his own regiment is vacant, and is therefore filled up at once, is it not?—His vacancy may be filled up at once, even while he is on probation, and before he has completed it.

3151. Mr. *Campbell-Bannerman.*] While he is on probation he is supernumaried to his regiment?—Yes, but he is borne on the Indian grant.

3152. Sir *G. Balfour.*] You mentioned the Henley clause being in operation. Is it in operation for the staff corps as well for the officers of the old local army?—I presume for all the officers of the old local army, whatever changes may have taken place.

3153. When do you think the clause was passed?—In 1858, when the Act was passed.

3154. When was the staff corps formed?—In 1861.

3155. Then how could an Act passed in 1858 apply to officers who obtained new conditions of service in 1861?—I fancy that it was that the officers were identically the same to whom the Act referred in 1858 as those who joined the staff corps in 1861.

3156. Was the promotion in the staff corps in the same way as that of the old local officers?—No.

3157. The clause only applied to the old privileges of the Company's officers, the rights of promotion?—Yes.

3158. Then if the promotions were different in the staff corps, the clause did not apply to them?—The promotions being more favourable generally they would not apply the clause to themselves.

3159. But am I to understand that you adhere to your opinion that the clause is applicable to the staff corps?—Applicable to the officers of the old Indian Army who entered the staff corps.

3160. That they were entitled to all the privileges of the staff corps advancement under the Henley clause?—No, I should say it was under the Royal Warrant, which is of a later date.

3161. You said, in reply to the Chairman, that the Henley clause guaranteed the officers of the Indian Army their rights and privileges, and you

mixed up the staff corps more or less with that statement, and I want to ascertain clearly from you whether you consider that clause to apply to the staff corps officers as well as to the old local officers?—I do not think that entering the staff corps in any way is held to abrogate the claims of the officers of the old Indian Army to the privileges which that clause confers.

3162. Did not the Royal Warrant lay down new rates of pay and pension for the staff corps?—Yes.

3163. And were not the officers distinctly told that those who entered must be governed by the Royal Warrant of 1860?—Yes.

3164. Does not that Royal Warrant make different rules and regulations from those which the old Indian officers were under?—I do not think that the Henley clause insisted that officers should remain on exactly the same footing as they held when the clause was passed, but that nothing should be done against their interests which could not have been done by the Court of Directors.

3165. Then I understand that your view is that the Henley clause is in operation for the staff corps officers?—Certainly.

3166. You mentioned that the amalgamation of the European Army took place in consequence of an Act of Parliament; do you remember exactly what the Act of Parliament did say?—No, except that I quoted a reference that is made to it.

3167. Did it not provide merely that the European troops of the Indian Army should cease?—Yes.

3168. It did not prescribe any course of amalgamation?—No, not what was to be done.

3169. You mentioned also that the former amalgamation was very disastrous; what was that?—Not that the amalgamation was disastrous, but that the attempt to transfer the European troops from their service under the Company to the Crown was disastrous.

3170. And what date was that?—That was in 1859.

3171. Was there not a second transfer of European troops?—By bounty.

3172. What year was that?—It was in 1860.

3173. It was in April 1861, was it not?—Perhaps so.

3174. The former disastrous effect was caused by reducing bounty?—Yes.

3175. The second one was brought about by giving a bounty?—Yes.

3176. And that bounty was recommended by the Amalgamation Commission which sat in Calcutta, was it not?—I am not aware of that.

3177. Do you remember the strength of European troops that was transferred on that occasion?—No.

3178. Would you be surprised to hear that it was 17,400?—No.

3179. And that it was done with a great degree of quietness and ease?—And it only cost some 160,000 *l.*

3180. The former system in sending home troops and sending out new troops cost upwards of a million, did it not?—No doubt it was very expensive.

3181. (To Mr. *Kellner.*) You also mentioned the large augmentation of the cost of the Indian Army by reason of the staff corps?—Yes.

3182. Could you give us any comparison of the numbers or pay by which the Committee could judge of the increase in the number of officers of different ranks?—I have a calculation of the number and cost of the officers of the General List of Cavalry and Infantry, and of the Staff Corps, in 1862 and 1872.

3183. I will read a statement of Sir Henry Durand's, and ask you to see whether or not your figures agree with it. At page 171 of this Blue Book, No. 467 of 1871, I find this: "The result is that the 3,312 officers at present cost above seven lacs more than the 4,513 did formerly; and actually cost 60,60,960 rupees, or 606,096 *l.* more than the same number would have cost in 1856"?—It is very much that. My figures bring out this result: that on the 1st of January 1862 we had 306 officers of cavalry, 2,523 of infantry, and 1,338 of the staff corps; total, 4,167 officers, costing 1,866,000 *l.*

3184. Can you state the rank?—Of cavalry, 21 colonels, 13 lieutenant colonels, 11 majors, 102 captains, 141 lieutenants, and 18 cornets, making a total of 306. Of infantry, 165 colonels, 105 lieutenant colonels, 98 majors, 545 captains, 1,267 lieutenants, and 343 ensigns, making a total of 2,523. Of the staff corps, 3 general officers, 29 lieutenant colonels, 312 majors, 588 captains, and 406 lieutenants, making a total of 1,338. The cost of these was 1,866,000 *l.* a year; that is the total cost of the three sets of officers. The last one, the staff corps, cost 644,000 *l.*; the infantry cost 1,042,000 *l.*; and the cavalry 180,000 *l.*

3185. What is the next year that you have got there?—1872.

3186. Will you look at Sir Henry Durand's statement, and see if that is correct (*handing a book to the Witness*)?—There is an interval of three years. Sir Henry Durand gives you the number of cavalry officers in 1869 at 193. The number on the 1st January 1872 was 172. The number of infantry officers in 1869 was 686; in 1872 it was 601. The number of staff corps officers in 1862 was 1,338, and in 1872 it was 2,443.

3187. Would you now give us the 1872 statement more fully?—On the 1st of January 1872 in the cavalry the number of colonels was 12, lieutenant colonels 16, majors 10, captains 95, and lieutenants 39. In the infantry, the number of colonels was 108, lieutenant colonels 131, majors 13, captains 276, and lieutenants 73. In the staff corps the number of general officers was 47, lieutenant colonels 664, majors 500, captains 825, and lieutenants 407. The total number of officers on the 1st of January 1872 was 3,216.

3188. Will you be good enough to fill up the figures, so as to show in a comparative statement the number and cost and rank of the three services of the cavalry, infantry, and staff corps, for the years 1862, 1869, and 1872?—Yes. The total difference is this, that on the 1st of January 1862 we had 4,167 officers, costing 1,866,012 *l.*; and on the 1st of January 1872 we had 3,216 officers, costing 2,050,399 *l.*

3189. And the numbers in different ranks have largely increased?—In the higher ranks, and those in the lower ranks have decreased.

3190. It is to the larger increase in the higher ranks that the increased cost of the Army has been partly due?—No doubt.

3191. And to a considerable extent?—Yes.

3192. (To Colonel *Johnson.*) Can you tell us

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the history of this staff corps, where it was originated and by whom?—By the Secretary of State for India.

3193. But from whom did the suggestion first come?—I fancy from Colonel Norman.

3194. Can you give us the date of his suggestion?—I am unable to give it precisely.

3195. Will you kindly look at that and see whether you could adopt that (*handing to the Witness Parliamentary Paper* 330 of 1860, *page* 180)?—I presume this is it.

3196. Would you be kind enough to state the date of the letter?—It is the 2nd of February 1860, from Lieutenant Colonel Norman, Deputy Adjutant General of the Bengal Army.

3197. And dated from where?—Weston-super-Mare.

3198. Addressed to whom?—To the Secretary of State for India.

3199. That was Sir Charles Wood, I think?—It was Sir Charles Wood who was then Secretary of State for India.

3200. Will you kindly say what took place after that; was there not a Commission subsequently formed by the Secretary of State?—I presume there was, but the Reorganisation Committee was in 1859.

3201. Did the Reorganisation Committee recommend the staff corps?—I think not, but I do not know.

3202. I am referring now to the Commission of which Lord Houghton was president; do you remember the Report of that Committee or Commission?—I do not remember the Report of it.

3203. Perhaps you will kindly inquire, by our next meeting, and look at that Report?—Yes.

3204. Was that Commission appointed in consequence of the letter of Colonel Norman?—I am not prepared to say that it was in consequence of his letter, because the Commission, I suppose, was appointed by the Queen.

3205. (To Mr. *Kellner.*) You mentioned that the strength of the European force in 1856 was 45,522, I think?—Yes, but including officers.

3206. And you mentioned that the strength in 1871–72 was 60,453?—That was the established strength, but exclusive of officers.

3207. And what was the 45,522; was that established or effective?—That was effective, I think. I have taken those figures from page 20 of the Appendix to the Commissioners' Report on the Reorganisation of the Army.

3208. And the 60,453, you have already told us, was the established strength; but in that year, 1871–72, what was the effectual strength?—About 58,500.

3209. And the difference between that and the 45,522 would be only 13,000?—Yes, only about 13,000.

3210. (To Colonel *Johnson.*) In reply to the honourable Member for Brighton, you mentioned that the European strength had been increased by about 18,000 European tooops, did you not? Yes.

3211. How would you account for that difference; if 45,522 existed in 1856, and 58,000 only were the effective force in 1871, the increase could only have been 13,000?—I took the returns from the Report on the Organisation of the Army, from the returns furnished to them.

3212. Then, perhaps, on looking over your evidence, you will come forward next time and give us the exact numbers, because there are discrepances now?—Yes. (Mr. *Kellner.*) Colonel Johnson's figures for 1871–72 are those published lately in the volume of statistics connected with India; but these include the officers, which my statement does not. (Colonel *Johnson.*) I took the figures from this statistical abstract furnished by the India Office for 1871, and from the returns furnished from the India Office to the Organisation Commission for 1859.

3213. You will kindly look over and see where the inaccuracies occur?—Yes.

3214. (To Mr. *Kellner.*) Can you tell us the strength fixed in 1861–62, and will you furnish us with it from 1861–62 upwards?—Yes.

3215. As a rule, you have found great difficulty with regard to the returns, have you not?—Yes.

3216. It is an old difficulty?—Yes.

3217. And one that I experienced myself?—Yes.

3218. And we never ascertained distinctly what the strength was?—No.

3219. And it requires an immense deal of trouble to ascertain that?—Yes.

3220. Mr. *Eastwick.*] Would you also, when you furnish this statement, explain the origin of these discrepancies?—It is a very difficult thing. All these returns have a common origin, that is the regimental muster roll, and it seems strange that, starting from the regimental muster roll, the returns based upon it should be so discrepant. The discrepancies occur, no doubt, in the subsequent treatment of the primary record.

3221. Sir *G. Balfour.*] Will you be good enough to look over your returns, and give us the strength for those periods, and say precisely for what month you take it?—Yes.

3222. In reply to a question from the Chairman, you appeared to allow that, in 1861–62, the expense was free from cost of the Mutiny?—No, I did not mean that.

3223. You are aware that in that year nearly three-quarters of a million was allowed me for the expense of recovering arrears?—Yes.

3224. And that in the sum of 16,631,045 *l.*, which you gave as the cost of that year, there is a very large sum included on account of arrears?—Yes, and which we were unable to classify.

3225. And you are aware that in that year a considerable part of the men were retained after the beginning of the year, and that the pay of the men discharged then fell upon the finances of the year 1861–62, instead of 1860–61?—Yes.

3226. 1862–63 you consider, then, to be the first approximately fair year after the effects of the Mutiny had ceased?—And 1863–64.

3227. And these are the two years in which the least expense has been incurred until recently?—Yes.

3228. For the year 1863–64, if you kindly look at your figures, you will see that you gave the charges for England and India at 15,255,699 *l.*?—Yes.

3229. When I call your attention to the fact that the expense laid before Parliament for 1862–63 for England and India combined is only 14,892,751 *l.* against your 15,255,699 *l.*, will you try and make the necessary correction by next time, and try to reconcile the two statements?—Yes. My original figure was 14,998,373 *l.*, as the expenditure of 1862–63; but only this morning it was corrected at the India

India Office. I was told that I had made certain omissions, and I corrected the figure.

3230. Kindly glance your eye at the Finance Accounts laid before Parliament, and you will see that you are 100,000 *l.* out in the Home charges?—Yes, that is so.

3231. I will call your attention also to the statement made in 1863–64; the expense stated by you is 14,972,191 *l.* for that year?—Yes.

3232. Then I call your attention to the fact that in the Finance Account laid before Parliament it is 14,546,410 *l.*; will you try and correct that also?—Yes.

3233. In 1864-65 you state the expense to be 16,099,660 *l.*; I will call your attention to the fact that in 1864-65 it is, in the Finance Accounts laid before Parliament, 15,774,486 *l.*; will you also endeavour to rectify that?—Yes.

3234. In 1865-66 you stated the expense to be 16,793,306 *l.*, in the Finance Accounts; it agrees within a fraction, namely, 16,763,200 *l.*, and in subsequent years your figures appear to approximate to the Parliamentary ones?—Yes. There has been a difficulty in reference to the earlier years, and after communication with the Government of India I transposed the charges for stores from the Indian to the Home accounts, and made certain alterations which I shall be prepared to explain; they are very slight.

3235. Mr. *Eastwick.*] How did these arrear accounts happen?—To the best of my recollection they dropped through; they had not been audited or accounted for, in consequence of the Mutiny, and the confusion which occurred then.

3236. Sir *G. Balfour.*] But a large portion of the special grant which was made was for the purpose of meeting donations and allowances to men on their discharge from the service when a large reduction of the Army took place, when 30 or 40 regiments were broken up; that money was partly given for the purpose of donations, was it not, as well as to meet arrears coming in?—Yes.

3237. And in 1861–62 we effected the adjustment of the whole arrears of the Mutiny charges?—Yes, it was so.

3238. After that you do not remember any arrears?—I think there were some that fell into the accounts in 1862.

3239. But they were very trifling, were they not?—Yes.

3240. (To Colonel *Johnson.*) You made a remark, did you not, with reference to a question that you were asked as to the large increase of the numbers drawing the colonels' allowances on the staff corps?—I do not think that I made any observation on that point. I said that General Hanyngton was preparing a statement that would bring the information out more fully.

3241. Will you kindly explain how the colonels succeed to colonels' allowances in the staff corps?—After 12 years' substantive rank as lieutenant colonels, provided they have performed 38 years of service.

3242. Was it a part of the original staff corps formation; did the original Staff Corps Warrant provide for the large augmentation which has recently taken place of staff corps officers succeeding to the prize of the service, 1,124 *l.* a year?—No.

3243. When was that advantage extended to the staff corps?—In 1862.

3244. Perhaps you will look into that question?—I will. I have carefully avoided the question of colonels' allowances in preparing for this Committee, as it is a subject that has been very much discussed between the India Office and the Military Department in India, and I understood that General Hanyngton was to prepare a statement for this Committee which should lay down the general principle.

3245. (To Mr. *Kellner.*) You mentioned that a very considerable increased expense was incurred in 1862–63, by reason of the staff salaries being re-organised?—Yes; it was in consequence of the Report of the Committee in that year, to the best of my recollection; but the full effect of it was not experienced till 1863-64, or 1864-65. There was a general increase of staff salaries, departmental as well as regimental.

3246. Were not the staff salaries organised by a sub-committee, of which Sir Richard Birch and I were members?—Yes.

3247. Would you look over the papers and tell us on another occasion what were the subsequent changes from our recommendations?—Yes.

3248. And let us know the effect of those changes in regard to the increased expense?—Yes.

3249. You mentioned that considerable reductions had taken place in Grant No. 1?—Yes.

3250. Particularly in the divisional expenses, the expenses of divisional command?—There has been considerable reduction in the divisional and brigade commands in recent years.

3251. Do you consider that in regard to the total expenditure incurred on account of divisional and brigade command, a very great reduction has taken place in the total of these two commands?—Yes.

3252. Have you the means of telling us the result of the two combined?—I think that Colonel Johnson has that information in detail.

3253. (To Colonel *Johnson.*) Will you state that?—In 1857 there were 17 divisional commands; in 1871 there were 12. In 1857 there were 41 brigade commands; in 1871 there were 22. Five divisional and 19 brigade commands have thus been abolished since 1857. Of these, one division has fallen in the Bengal Presidency, leaving it with six; three in Madras, and one in Bombay, leaving them with three each. Of brigade commands, seven have been reduced in Bengal, leaving that Army with ten; seven in Madras, leaving six; and five in Bombay, leaving six. This gives for Bengal one divisional commander to about 14,600 men.

3254. Are you reading from General Norman's memorandum?—I had it extracted from it.

3255. Could you give us the expense?—No; I could find it out, of course. (Mr. *Kellner.*) It will be included in the Statement that I am about to prepare.

3256. (To Colonel *Johnson.*) Are you aware that you will find in the Blue Book, No. 467 of 1871, a similar statement to that which you are giving?—I was not aware of that; in that case I will not continue it further.

3257. (To Mr. *Kellner.*) You also mention, did you not, as a reason for the difference in the Returns, that troops on the passage to and from India were included?—It was surmised by one of the members of the Committee that possibly that may have been one cause of the discrepant returns of strength.

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3258. But you do not pledge yourself to that?—No, I am not quite sure. I have not been able to trace the causes of these discrepancies in returns of the Army strength.

3259. And you are not prepared to say that one cause is that the troops to and from India are included or excluded; you do not know?—I am sure that troops to and from England would not be included, but troops *in transitu* to and from the place of embarkation may possibly be included in some cases and excluded in others.

3260. But the Returns would be also rendered inaccurate by the troops arriving in the ports of India before the regiments were able to bring them on?—Yes.

3261. So that the inaccuracy would be merely the difference between the numbers going away and the numbers coming out?—Yes.

3262. And inasmuch as the numbers coming out are greater than those going away, the inaccuracy would rather be to understate the number in India, would it not?—Yes, perhaps so.

3263. Perhaps you will look into that one element of inaccuracy?—Yes.

Tuesday, 6th May 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir George Balfour.
Sir Thomas Bazley.
Mr. Beach.
Mr. Birley.
Mr. Bourke.
Mr. Candlish.
Mr. Cross.
Mr. Dickinson.
Mr. Grant Duff.
Mr. Eastwick.
Mr. Fawcett.
Lord E. Fitzmaurice.
Mr. Robert Fowler.
Mr. Hermon.
Mr. Lyttelton.
Mr. M'Clure.
Mr. John B. Smith.
Sir David Wedderburn.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Colonel ALLEN BAYARD JOHNSON, and Mr. GEORGE WELSH KELLNER, re-called; and further Examined.

3264. *Chairman* (to Mr. *Kellner*).] HAVE you now been able to obtain a statement of the strength of the army in 1856-7, and the subsequent years?—Yes, I had prepared statements, as I mentioned at the last meeting of the Committee; but looking at the discrepancies between those statements and others prepared in India, and in this country, I felt some hesitation in putting them before the Committee. I have now made a summary of them, and I would observe that the statements themselves have been prepared in such full detail that they contain a statement of the strength of the army, European and Native, in India, for every month in every year, from 1862 to 1872, and the causes of every variation, from month to month, have been stated in marginal notes.

3265. Can you give us a summary of that for the different years?—Yes.

3266. Can you give it for 1856-7?—Yes. I may mention that my statements throughout, merely give the strength of the non-commissioned officers, rank and file, not including the officers. In 1856-7, the strength of the Royal Regiments of Dragoons was 2,571, and infantry, 20,884, making a total of 23,455 Queen's troops. The number of Company's European troops, of all arms, was 15,512.

3267. Sir *G. Balfour.*] Will you divide that into infantry and artillery?—I have it divided; 110 sappers, 2,029 horse artillery, 4,390 foot artillery, and 37 European non-commissioned officers, with the native foot artillery; 60 non-commissioned officers, with the native regular cavalry, 8,103 in the European infantry, 259, with the regular native infantry, 59, with the irregulars, and 465 veterans.

3268. *Chairman.*] Will you give us the whole number of natives at the same time?—The number of natives was 231,139.

3269. Sir *G. Balfour.*] Can you divide that?—Yes. Sappers, 3,043; horse artillery, 1,108; foot artillery (European foot artillery), 3,147; native foot artillery, 4,708; native cavalry, regular, 9,532; native, irregular, 20,941; native infantry, regular, 149,832; irregular, 35,215; veterans, 3,613; making a total of 231,139.

3270. *Chairman.*] Can you give the number of officers serving in India in that year in the Queen's service?—Eight hundred and eight; and in the Company's service, 4,548; and there were 814 medical officers, giving a total of 5,362 officers.

3271. Do you suppose that that includes the whole of the different irregular forces under the Government of India and the separate Governments?—Yes, excepting the Hyderabad Contingent.

3272. Sir *G. Balfour.*] But that does not include the number of officers on the staff?—No.

3273. Your numbers are taken from the Parliamentary Paper, No. 361, presented to the House of Commons in 1860?—Yes.

3274. Then that Paper must have been compiled in the India Office?—I think so, from returns received from India; it is signed by the Secretary of the Military Department in the India Office.

3275. *Chairman.*] When you say that it does not include the officers on the staff, would not the officers on the staff be returned in connection with the regiments to which they belonged in that return, excepting the small number of Queen's officers on the staff at that time who were not regimental officers in India?—No, I think not; I think the staff officers are not included.

3276. Do you mean the staff officers in the Company's service?—The departmental staff officers, I fancy, are not included there.

3277. Sir *G. Balfour.*] Did your expenditure which you gave us for 1856-7, and which you stated to amount to 13,257,300 *l.*, cover the force that you now give?—The expenditure in 1856-7 was in England 1,765,415 *l.*, and in India 11,462,464 *l.*, making a total of 13,227,879 *l.* In

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regard to the expenditure for 1856-7, I may mention that these figures do not completely represent the expenditure of that year. A very large portion of the military expenditure dropped out altogether of the accounts.

3278. *Chairman.*] You mean it was treated as civil expenditure and charged to other services?—Yes.

3279. Sir *G. Balfour.*] Was the Hyderabad Contingent included in that, do you think?—I do not think so. But then there were a number of other charges, transport charges for instance, the beer of the army, and other things, which were charged to the Marine Department in those days. Many charges which now appear as military expenditure, were in previous years charged to civil and marine services; but irrespective of that, the destruction of pay offices and other executive disbursing offices in the Military Department, and the utter destruction of accounts and records, caused a very considerable amount of military expenditure to drop out of the accounts of that year.

3280. But we have on record the exact sum that was lost by the mutiny, have we not?—I do not remember. I do not think there is any complete record of these things. It was an absolute destruction of one or two military pay offices, and executive commissariat offices also.

3281. Will you kindly look at that Return (*handing to the Witness Parliamentary Return No.* 486, *of* 1858), and look at the item on account of the destruction of the pay offices?—It is stated here as being 86,874 *l.*

3282. (To Colonel *Johnson.*) On the last occasion you gave evidence with regard to the military expenditure in India. I think you were at Calcutta in 1861, were you not?—At the close of 1861.

3283. Then you were not there when the army was re-organised in 1861?—I was there when the new line regiments were in course of formation.

3284. But not when the re-organisation of the army took place and the publication of orders re-organising the army?—No.

3285. You gave the strength of the army in your last evidence very far below the numbers which the Governor General of India announced as the numbers in 1861. In the General Order of the 30th of May 1861, and in the Government letter of the 8th of June 1861, No. 100, the strength of the European army in April 1857, was stated as follows: European cavalry, 2,826; European artillery, 6,404; European sappers, 163; European infantry, 32,786; total, 42,179. The Native cavalry was, 35,400; the Native artillery, 12,891; the Native sappers, 3,122; and the Native infantry, 217,000; making a total of 268,413, and a grand total, European and Native, of 310,592. You will observe that that number is far in excess of that which you stated?—I took as my guide the Return which was furnished by the Commissioners in 1859.

3286. You are aware that it is important to bear in mind the strength, because Mr. Kellner's statement of the expenditure bears upon the actual expense incurred for military and civil corps. I will hand you the General Order of the Governor of India, and you will observe that by that very carefully prepared Return, which I can vouch for, the strength in April 1857 was far in excess of the numbers that you or Mr. Kellner have given?—That is to say, they are in excess of the numbers prepared by the India Office.

3287. *Chairman* (to Mr. *Kellner.*] What is your total of non-commissioned officers and men, to compare with what has just been read?—It would be 39,352, including 385 warrant officers.

3288. And what is the grand total?—Two hundred and seventy-one thousand, five hundred and seventy-six, Europeans and Natives, including medical subordinates and native doctors.

3289. Sir *G. Balfour* (to Colonel *Johnson*).] That Return, which was prepared, to my knowledge, with the utmost degree of care, by the Government of India, was made on purpose to compare, as it does, the strength of the army, as maintained in April 1857, and the strength, as re-organised, in 1861. Now, will you kindly state to the Committee what you see in that Order of the Government of India as the strength of the re-organised army in April 1861?—The strength of the army of India, as proposed, is shown in this Return, Table 6, as being 209,946.

3290. Will you separate them?—Europeans, 73,577.

3291. Divided into what?—Artillery, sappers, cavalry, and infantry. Artillery, 12,695; sappers, 250; cavalry, 5,000; and infantry, 55,632; excluding officers; total, 73,577. Then, Native (all ranks) artillery, 983; sappers, 2,200; cavalry, 22,114; and infantry, 111,072; making a total of 136,369, and a grand total of 209,946.

3292. *Chairman* (to Mr. *Kellner*).] Can you state the strength of the army in that year, 1861-62?—I have the strength from the 1st of May 1862 to the 1st of April 1872.

3293. Is this exclusive of officers?—This is exclusive of officers in every case. As I mentioned before, these are compiled from the returns of the Quartermaster General of the Army for the three Presidencies, and they are divided under artillery, cavalry, infantry, and sappers. Of Europeans, the total number on the 1st of May 1862 of effectives, as I was able to make them out from the Quartermaster General's Returns, was 70,370.

3294. Sir *G. Balfour.*] Will you detail them according to the arms of service?—Artillery, 11,018; cavalry, 6,387; infantry, 52,630; and sappers, 335. Then the Native troops, under the Commander in Chief, of all arms, amounted to 101,851.

3295. *Chairman.*] When you say under the Commander in Chief, that excludes the irregulars?—That excludes the Native troops not under the Commander in Chief, that is to say, under the local governments.

3296. Sir *G. Balfour.*] Could you give the strength of these Native troops not under the Commander-in-Chief?—Forty-one thousand three hundred and one.

3297. And the total of the Native troops?—One hundred and forty-three thousand one hundred and fifty-two.

3298. You have given the effective strength on the 1st of May 1862?—Yes.

3299. Will you glance your eye at the Army Estimates for that year, which show the established strength for that year (*handing the Army Estimates to the Witness*)?—Her Majesty's British forces in the East Indies are shown here as 75,899.

3300. Will you divide those into arms?—Royal horse artillery, 3,000; cavalry of the line, 7,062; Royal artillery, 11,000; and infantry, 54,837; total, 75,899.

3301. These

3301. These numbers include officers, I think, do they not?—They include officers.

3302. Do you think that you could give us the number of officers effective in May 1862, so as to compare your numbers with the establishment?—I have not them in these returns; but I have no doubt that I have a note of the strength from the budgets of the year. But it would be quite possible to compare my figures with those given here for the non-commissioned officers, rank and file, excluding the commissioned officers.

3303. Will you kindly do that?—That would bring my figures to about 2,000 more than the figures given here for that date.

3304. Then the effectives would be about the same as the establishment, would it?—It would be 2,000 below the establishment.

3305. Could you give us a comparison of the strength now to correspond with this statement?—Yes. I have made it out from the 1st of May 1862 to the 1st of May 1872, and I have also taken the average for each year, that is from May 1862 to April 1863, and so on; but I thought that it would be convenient to the Committee to give the strength on a given date, on the 1st of May in each year, from 1862 to 1872; and if you will allow me, I will read the figures out.

3306. *Chairman.*] Will you be good enough to do so?—On the 1st of May 1862, the strength of the army was 70,370 Europeans, and 143,152 Natives. On the 1st of May 1863, the number of Europeans was 68,428, and Natives, 127,962. On the 1st May 1864, there were 67,446 Europeans, and 128,356 Natives. On the 1st May 1865, there were 62,865 Europeans, and 124,278 Natives. On the 1st of May 1866, there were 59,453 Europeans, and 124,789 Natives. On the 1st May 1867, there were 57,910 Europeans, and 115,875 Natives. On the 1st May 1868, there were 56,825 Europeans, and 116,706 Natives. On the 1st May 1869, there were 58,666 Europeans, and 117,371 Natives. On the 1st April 1870, there were 56,078 Europeans, and 116,188 Natives. On the 1st April 1871, there were 57,995 Europeans, and 115,048 Natives. On the 1st April 1872, there were 60,987 Europeans, and 115,355 Natives. That is the effective strength as taken by me from the Quartermaster General's returns.

3307. Have you got the establishment?—I could get the establishment in juxta-position.

3308. Sir *G. Balfour.*] Then to compare the establishment of 1862-3 and 1871-2, in the financial exposition of the expenditure of the army, I see that in 1870-71, General Norman gave the established strength of the army as follows: 6,545 British officers, 60,425 European non-commissioned officers and soldiers, and 122,122 Native soldiers?—Yes,

3309. In the year 1871-2, he stated the strength to be 6,436 officers, 60,445 European soldiers, and 121,981 Native soldiers?—Yes.

3310. Could you give us the corresponding strength for every year down to 1872-3?—Yes, from 1865-6 to 1872-3.

3311. Mr. *Fawcett.*] What you mean by the establishment is the actual number of soldiers that India is paying for, is it not?—No. India is paying for the number of soldiers actually in India.

3312. But she is paying partly for those in England?—Yes, in the depôts; that is under another arrangement.

3313. Then I understand that the difference between the effective strength and the establishment strength is this, that the effective strength is the number of soldiers which India is paying for who are actually in India; whereas the establishment strength is the number of soldiers which she is paying for who are in India, *plus* those whom she is paying for who are in England?—No; the difference would be this: suppose that a regiment should have 800 privates, as the established complement or strength; through casualties the actual number of effective soldiers in India is 700; the difference between the established and the effective strength would be 100; and India would pay only for the number actually present in India; that is, it would feed, clothe, house and equip only the 700 soldiers actually in India. There would be a further charge in the Home Accounts, against the revenues of India, either in the form of a capitation rate, or of actual expenses, for providing recruits from this country, and for non-effective services on account of invalids returned from India.

3314. When you say the established strength, you mean those actually present in India, whether fit for duty or not?—The established strength is the complete establishment of each battery or regiment in all its grades.

3315. Under what expression would you describe the strength of the army that India is actually paying for; because it has been given in evidence here, that a certain portion of the soldiers which nominally constitutes a proportion of the effective strength of the Indian army, are soldiers who are in England, and who are being paid for wholly, or in part, by India?—That, no doubt, is so, but it is a part of the arrangement between Her Majesty's Government and the Secretary of State for India. In reference to what was formerly the capitation rate, it was arranged that there should be 10 *l.* paid per head all round for all the British soldiers actually in India. Besides paying the troops, clothing, feeding, and equipping them, and paying all their expenses from the date of their leaving this country until their return, there was an arrangement between Her Majesty's Government and the Indian Government, that India should pay 10 *l.* for every European soldier in India for effective services, and another 3 *l.* 10 *s.* for non-effective services.

3316. Mr. *Eastwick.*] The total cost to India for soldiers will be represented by the effective strength in India, the troops on the sea coming to join, and the recruits?—Yes.

3317. Sir *G. Balfour.*] If I hand you in the Army Estimates for 1863-4, you will perhaps be able to show the Committee clearly the result, by combining the strength in depôt and the strength in India in service, and to explain, therefore, clearly the distinction between the depôts and the Indian force?—This shows depôts in the United Kingdom of regiments in India, 458 officers, 1,019 non-commissioned officers, and 7,812 rank and file; making a total of 9,349.

3318. Mr. *Fawcett.*] Then it comes to this, that 9,000 officers, non-commissioned officers, and men, which represents something like 15 per cent. of the whole strength of the European army in India, are soldiers who are in England, and to a very great extent being paid for by India?—Yes, but the payments to the Home Government, at the capitation rates, covered all expenses of the depôts chargeable to India, whatever the strength of the depôts.

3319. Then, in addition to that, none of those figures which you have mentioned shows under

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any category the number of officers who are being supported out of the revenues of India, who are in England doing nothing?—I shall, perhaps, better be able to put the information required by you in a separate Paper distinctly, for a future meeting.

3320. Sir *G. Balfour.*] In addition to the numbers which you have read off just now as being at home in the depôts, the numbers wanting to complete the establishment in India are mainly also in the depôts, because they are recruited at home as soon as ever we hear of casualties?—Yes.

3321. Therefore the number which you have now read off as establishment in depôts does not represent in reality the numbers that may be in depôts?—No, it may not.

3322. At one time we had in depôt, if you remember, at home between 20,000 and 25,000 men belonging to India?—Yes, I think so.

3323. Mr. *Fawcett.*] In what year was that?—In 1861.

3324. Sir *G. Balfour.*] You will be able to give us the established strength year by year from 1862-3 onwards?—Yes.

3325. (To Colonel *Johnson.*) In regard to the number of 44,522 of Europeans given by you for 1856-7, are you aware whether that includes officers?—Yes, it does include the officers.

3326. Does it include the warrant officers?—It includes the warrant officers.

3327. (To Mr. *Kellner.*) Does yours include the warrant officers?—Yes, among the Europeans.

3328. And does yours include the medical establishments?—No, only the subordinate medical establishment and native doctors, not the medical officers.

3329. (To Colonel *Johnson.*) But your number includes the medical officers in India, does it not?—It includes the European officers, the apothecaries, and stewards.

3330. Then, in drawing a comparison between the strength of different dates, will you take care and compare the exact ranks with each other, so as to have uniformity of comparison?—Yes, so far as I can.

3331. (To Mr. *Kellner.*) On the last occasion when you gave evidence, you said that you would look over your total expenditure in India and England for a series of years, to see where the difference between your figures and the Finance Accounts was?—Yes.

3332. I now hand you a statement (*handing it to the Witness*), and will you be good enough to tell us which amounts you wish to adopt?—I may mention that my figures agreed in the main with the Finance and Revenue Accounts, except that I transposed the charges for stores in the earlier years from the English into the Indian accounts, to admit of easy comparison as to the cost of stores, which is a very large and considerable item in the expenditure of India.

3333. But in order to get that comparison of stores we put the English and Indian expenditure together, so that there is no question as to how the stores are charged?—Yes; I have recast the statements, and these now strictly correspond with the Finance and Revenue Accounts laid before Parliament. I may mention that in preparing these statements, I have re-transferred the charges for stores; working up to the general statement, I have prepared subsidiary statements of the details of the charges in England on account of the army in India, and of the charges in India. In the first years of the series, that is up to the year 1866-7, the charges for stores occurred in the Indian Accounts, but subsequently, were exhibited in the Home Accounts, and do not appear in the Indian Accounts at all. I thought that it would be convenient for the comparison to place the whole of the charges for stores in the Home Accounts. That necessarily caused a discrepancy between the Accounts laid before Parliament, and the Return which I submitted; and there were other little variations; but they were very trifling. I have now prepared a statement in accordance with the Finance and Revenue Accounts, and they will be found to agree strictly. I beg to put in these statements.

3334. Which of these three sets of figures do you adopt?—The finance and revenue accounts figures.

3335. In comparing the expenditure at different dates, you have mentioned various increases which have taken place, which have caused a considerable augmentation of the military charges?—Yes.

3336. But there are some charges also which have ceased to be borne by the Military Department since 1862-3?—Yes.

3337. Will you state what these charges are?—There are a very great number of charges which have ceased to be borne in the Military Department, and a very large number that have been brought on the Military Accounts; but the details of those, perhaps, could be more conveniently given under each Grant, instead of stating them in the gross, because the enumeration would be a very extensive one. There is the Hyderabad Contingent, for instance; that was a considerable charge, which has gone off the Military accounts altogether.

3338. And the Topographical Department?—Yes. All these changes affect more than one Grant; they would affect the pay of the army, the staff, and the commissariat charges, and in fact almost every Grant; and perhaps the effect had better be seen in discussing the expenditure under each Grant.

3339. *Chairman.*] Now will you go to Grant No. 2, the Administrative Staff. To what part of the administration of the army does that belong?—The administrative staff consists of the charges for the personal staff of the Viceroy, the Governors of the minor Presidencies, and the Lieutenant Governors of Provinces, besides the cost of the bands, which were lately transferred.

3340. What were the charges for that Grant in 1856-7?—The charges in 1856-7, amounted to 146,708 *l.* (I may mention also, that the charges for the Military Account Department form a very large portion of this Grant). In 1869-70, the charges amounted to 198,952 *l.*; in 1870-1, they amounted to 195,794 *l.*, and in 1871-2, they amounted to 198,634 *l.*

3341. How has this Grant worked up from 146,000 *l.*?—Chiefly by transfer from other Grants. For instance, in 1856-7, the Military Account Department of the Army was in the Financial Department and charged to the Civil Department; that was subsequently transferred to the Military Department, and occurs in this Grant.

3342. In what year was that?—In the year 1861, I think. Then the examination of these accounts was formerly charged to the Department concerned, that is, the Ordnance or the Commissariat, as it might be. There were separate examiners, and a separate staff of officials appointed

pointed in 1861; in fact, the Military Account Department was then organised as a separate and distinct establishment, and all the charges are included under this Grant.

3343. Do you know whether the number of officers in the Department under this Grant has increased or decreased since 1856-7?—They have decreased.

3344. What were they then?—The decrease is chiefly in the number of pay and pension paymasters. There were 35 pay and pension paymasters and deputies in 1856-7, and we have only 14 in 1871-2.

3345. Then, having reduced the establishment, the expenditure has increased?—Yes.

3346. On what account?—The organization of new departments for the examination of accounts; it was found necessary to provide for an efficient and careful examination of the army accounts, and to improve the pay and prospects of the subordinate agencies.

3347. Have you increased then the number of examiners?—Yes; then, too, there is the cost of the military and medical fund establishments; these were distinct family funds for providing annuities on retirement, and pensions to the widows and orphans of officers in the military and medical services, and were formerly managed and paid out of the resources of the funds; the Government took them over the other day, with the executive establishments, and the charges have been added to this particular Grant.

3348. Can you give the financial result of these changes, so as to make it clear how far they have increased or diminished the Grant?—Yes; the first charge, for instance, for the personal staff of the Viceroy and the Governors and Lieutenant Governors is 15,000 *l.* a year at present, against 6,000 *l.* in 1856-7.

3349. To what is that to be attributed?—The addition of charges not previously included under this Grant, viz., the military pay of the staff officers, the total expenses of the personal staff of two Lieutenant Governors, besides the transfer of the bands of the Viceroy and the Governors of Bombay and Madras.

3350. What is the character of that increase; is it made by the transfer of the charge for the bands, which were formerly paid out of some other fund?—I think so, from some other account.

3351. Mr. *Fawcett.*] The bands are not included in that 15,000 *l.*, are they?—Yes, they are included, I believe.

3352. Does that give the details there, and show what the cost is. Can you give the details in 1856-7, to show that they were not included then?—Yes. And I may mention that in 1856-7, the military pay of all the officers of the personal staff was charged to the Regimental Grant, and now they are charged to this Grant; that is one chief element of increase.

3353. *Chairman.*] Now, in the stated expenditure in 1861-2, was there not some omission of the staff charges at Bombay?—Yes, they were exhibited under the army and garrison staff in that year. Then in 1862-3, the pay offices at Mhow and Belgaum, and the pension pay office at Barrackpore were abolished. It was in that year that the military pay and allowances of the officers of the Account Department were transferred to this Grant from Grant 3.

3354. What does that make the charge amount to for 1862-3?—£. 190,391. In 1863-4, it amounted to 202,827 *l.*; that increase was owing to the promotion in the staff corps of the officers of the Military Account Department, and of other officers whose pay was charged to this Grant, and also to the appointment of probationary officers in the Military Account Department.

3355. Was any saving effected after that by the reorganization of the Finance Department?—Yes, in 1864-5 the expenditure was reduced to 191,361 *l.* The Military Finance Department was reorganised, the Marine Establishment of the Military Accountant's Office was transferred to the Civil Department, and there was a reduction of certain extra office establishments. There was a decrease in Madras resulting from the abolition of two circle and two deputy paymasters, with their establishments.

3356. Did the charges increase in 1865-6?—Yes, the charges continued to increase year by year, owing chiefly to the promotion of the officers to higher military rank; then it became necessary also to increase the pay of the subordinate agencies for the examination of the military accounts; and in Bombay it was found necessary to increase the pay largely, in the form of compensation for dearness of provisions. It was given in the first instance as compensation for dearness of provisions, during a season of scarcity, and it resulted in a permanent increase of pay, at least my impression is that what was given as a temporary grant for a special exigency was continued afterwards as a permanent increase of pay.

3357. Has that counteracted, to some extent, the decrease of expense by the reduction of the establishment?—Yes; the Pension Pay Office at Surat, and the office of Compilers of Military Pay Accounts were abolished in that year.

3358. Were there any further reductions effected after that in 1866-7 and 1867-8?—Yes, there was a pay office in the Madras Presidency abolished in 1866-7, and the treasure chest at Kolapore.

3359. In 1868-9, was it further increased again?—Yes. The Military Fund Offices in the three Presidencies were transferred to the military accounts.

3360. What was the effect of that?—The effect was an addition of 6,000 *l.* or 7,000 *l.* per annum to the Grant.

3361. Then was it reduced back again in 1869-70?—Yes. Two circle and three pension pay offices in Bengal, and one circle pay office in the Bombay Presidency were abolished.

3362. Was this extra grain allowance considered again, and reduced, or has it been reduced?—My impression is, that it has not been reduced, but that what was then granted under a temporary pressure has continued more or less throughout the Bombay Presidency. The matter has been frequently brought to the notice of the Local Government, who have invariably represented that the increased cost of living required a continuance of the rates that were granted in 1865-6. The grain allowance, I may mention, was discontinued as a grain allowance; but this was in most cases followed by a general revision of establishments on rates of pay which really included the grain allowance, with possibly here and there some reductions in the number of the establishments; but the cost of these establishments has been maintained pretty much at the standard at which it stood when the grain compensation was first allowed.

3363. Then the expenditure was again brought

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down in 1870-1 to 195,000 *l.*, you have told us?—Yes.

3364. Was it increased again by the allowance to the bands?—Yes.

3365. But that was a mere transfer?—Yes, it was a mere transfer.

3366. Then the effect of all these changes is, that you have a less force under this head?—Yes, that is, compared with 1861-2, we have a less number of officers; we have 23 less in 1871-2 than in 1861-2; but the effect of these reductions was neutralised by the transfer to this Grant of the pay and allowances of the personal staff, and departmental officers, the cost of the Military and Medical Fund offices, the bands of the Viceroy and Governors of the Presidencies of Madras and Bombay, and the formal addition of official postage. Then the reorganisation of the ministerial establishments, which took place throughout the Military Account Offices, was also attended with expense.

3367. But the result is that the general scale of allowances would seem to have increased?—Yes, on the whole, by the effect of the transfer to the new Grant, chiefly of the military pay of the officers, also the increase to the pay of the establishments, which was rendered absolutely necessary by the necessity for a strict and intelligent examination of the accounts of the various branches of the Military Department.

3368. Is the great increase since 1856 that is shown, chiefly due to the fact that the account for Bombay was not included?—The account for Bombay was omitted altogether from the account.

3369. Mr. *Fawcett.*] You say that the bands have been transferred; what is the cost of the bands now?—£. 1,680 a year is the charge for the Viceroy's band in this account.

3370. And what is the cost of the bands of the Governors of Bombay and Madras?—£. 285 for Madras and 647 *l.* for Bombay are charged to this Grant.

3371. Then this is an illustration of the fact that everything in Bombay is much more extravagant; it costs about 2½ times as much as in Madras. Why does the Governor of Bombay want a band which costs 2½ times as much as that of the Governor of Madras; is it purely an act of extravagance?—Well, it is difficult to answer that question.

3372. You do not see any justification for it?—There is no apparent justification for it; but it was no doubt duly sanctioned.

3373. It has been sanctioned by the Government of India and by the Secretary of State?—Yes.

3374. You cannot give any explanation of how it is that the Government of India and the Secretary of State (I take this instance simply as an example) allow Bombay habitually in every single thing to be more extravagant than the Government of Madras?—No; I am afraid I cannot give any explanation.

3375. Can you give me those items (they may appear small items, but I examine you upon them because I think they are typical of a good deal of what has taken place in India) of the cost of the band in 1856-7?—I am sorry I have not got them here, but I shall be glad to furnish them.

3376. They have increased since that, have they not?—No doubt.

3377. (To Colonel *Johnson.*) It is not more necessary for the Governor General now to have a very expensive band, which costs 1,600 *l.*, than it was 16 years ago, is it. What occasion is there for everything, all luxuries of this kind, to be carried on on a much more expensive scale?—The Governor General's band are soldiers, and the pay of soldiers has risen throughout the country.

3378. But are you quite certain that that is the simple explanation of it?—It is one; it is a portion of the explanation.

3379. But is it not now a larger and more costly band?—I do not think so, but I cannot speak with any degree of certainty.

3380. Then how is it that the Lieutenant Governor of the Punjaub and the Lieutenant Governor of the North Western Provinces preside over districts at least as important and more populous, than the Governor of Bombay, and have no band?—That I cannot say.

3381. Then it is not essential, is it, to the dignity of a ruler over a great Province in India to have this kind of semi-state which is allowed to the Governors of Madras and Bombay?—Perhaps not absolutely essential, but the withdrawal of it from any dignitary to whom it has already been given might have a questionable effect.

3382. But if not withdrawn, why is it permitted to increase?—That I cannot say. I am not aware that it is.

3383. (To Mr. *Kellner.*) Now, making allowance for all this transfer of charges, what do you estimate the increase arising from, as you say, the increased cost of the bands and other things; after making due allowance for the transfer, for the nominal and unreal increase and decrease, will you please give me an estimate of the increase of this item of military charge between 1856-7 and 1871-2?—It would involve a difficult calculation. I shall be glad to prepare it against the next meeting of the Committee. There are so many elements of increase and decrease, that one would have to be set against the other. The chief element of increase is in the higher rank of the officers, whose military pay is charged to the Grant, and that is a most difficult thing to estimate. There are changes from year to year of increase, as well as of decrease, and to follow them through, and to show the financial effect of every change, would involve a very intricate and tedious calculation.

3384. But then I submit to you, as an experienced financier, that unless we can follow it out there is no use in it. What I want to know is this: has there been, or has there not been, an increase, and to what is that increase due. Now I cannot, from your own evidence, discover what is the amount of the increase, and I cannot discover to what that increase is due. All that I do discover is that a portion of the increase is due undoubtedly not to a real increase, but simply to a transfer of charge?—Yes, I can give you the details, as I promised for the other Grant, by the next meeting of the Committee. It would be, perhaps, sufficient if I gave a list of all the staff appointments, and all the officers whose pay is charged to this Grant, now and in 1856-7. That would enable the Committee to see whether there were any absolute increases of staff pay, or whether the increase of charge was not very much due to the indirect effect of the staff corps promotions, to the measures deemed necessary for the efficient examination of the public accounts, and to the formal transfer to this Grant of

of expenditure that had previously been exhibited elsewhere.

3385. I want to save you as much trouble as possible, and to exhibit it before the public as clearly as possible; I do not want to overwhelm you with details, or to let the truth be concealed in details; therefore I should perfectly trust your summary. If long Tables are given in, of course it is very difficult to arrive at the result, and perhaps 12 months after they are given in we cannot arrive at that in a short way?—Just so.

3386. Mr. *Eastwick.*] As regards these officers, whether they were in that department or in any other, their pay would increase by promotion, would it not?—Yes.

3387. Therefore I think that element ought to be left out entirely, ought it not?—No, because you are comparing the charges under this Grant with those in 1856-7, when their military pay was not charged to the Grant.

3388. What Mr. Fawcett wants to know is this; take the band, it cost so much in 1856, and it cost so much more in 1872, because there were so many persons added to it or the pay was increased; there you get at something definite?—Yes.

3389. Just the same in the pay department; there were so many officers in the pay department and their pay was so much, and the number of officers was diminished or increased in 1872. There you get at something definite again?—Yes.

3390. Would not the plan be to leave out all the elements which are not essential to this particular question, and to take only those which represent a positive increase?—Yes, I have endeavoured to illustrate the increase by showing the numbers of appointments at each period, but that I see is not considered by the Committee to be sufficient. But I will endeavour to add the cost in each case, as in the appointments under Grant 1, against the next meeting of the Committee.

3391. Mr. *Fawcett.*] If you have time, would you look through the other items, because I would put to you, or some other honourable Member would put to you, questions on them; and will, as far as you can do it, with regard to the other items also?—Yes.

3392. Sir *D. Wedderburn.*] In this item of 15,000 *l.* for the staff of the Viceroy and of the other Governors, is there any charge included for the body guard?—No; that would be under the regimental grant.

3393. Then the officers whose pay is included under this charge are the aides de camp and military secretary?—Yes.

3394. Mr. *Beach.*] In the actual additional pay it must be easy to trace the increase; but in some of the relative charges, I presume, you would have to make allowances for the diminished purchasing power of money, would you not, which would add to the expenses?—Just so: the general rise in the cost of living has necessitated a revision of the subordinate establishments throughout India, and the grant of better rates of pay, especially for the establishments connected with the examination of public accounts.

3395. Mr. *Eastwick.*] Does this charge include also the travelling expenses of the Governor's staff, going up to Simla, and so on?—No; that is a civil charge; it is only the pay that is included here.

3396. I suppose that would be rather a considerable item, would it not?—Yes.

3397. Sir *G. Balfour.*] Grant No. 2 has been changed considerably, and reductions have taken place in it since 1862-3?—Yes.

3398. Have the reductions, do you think, been made uniformly in the Presidencies, or have they been partially made in Madras and Bombay more than in Bengal?—No; I think that they have been made with tolerable uniformity in all three Presidencies. The reductions have been chiefly in the circle and pension pay offices; the Government has reduced the number of military pay offices in Madras and Bombay to one in each Presidency, whilst there are three in Bengal; but considering the larger number of troops in Bengal, and the extent of country over which they are spread, it was found unadvisable to reduce the number still further; I believe it may hereafter, and perhaps shortly, be practicable to reduce the number of pay offices to two.

3399. And will you by next time ascertain the number of officers in Bengal, Madras, and Bombay, and the allowances that they have each received, taking the three years, 1856-57, 1871-72, and 1872-73?—Yes.

3400. Mr. *Eastwick.*] What paymasters are these that are included in this department?—The divisional paymasters of the army, charged with the disbursement of the pay of troops and staff officers and establishments throughout the country.

3401. European and Native?—Yes; the regimental paymasters of British regiments have the immediate payment of their respective regiments.

3402. That is not included here?—The military divisional paymasters are used to a certain extent, to a very small extent, in paying the European troops, as the duty is really in the hands of the regimental paymasters of corps, and the commanding officers of batteries of artillery,

3403. *Chairman.*] Now going to Grant No. 3, for what purpose is that Grant applied?—Grant 3 contains the pay of the army, European and Native, and the pay of the officers attached to regiments. In fact, it embraces every regimental charge; artillery, cavalry, engineers, infantry, invalid, and veteran establishments, staff corps, general lists, cavalry and infantry, unattached officers, unemployed general officers, colonels' allowances in India, besides the pay of the Native army, bounty money, hutting money, marching batta, and other charges of a miscellaneous character.

3404. Will you state what that charge was in 1856-57?—It was 7,022,606 *l.*

3405. And what were the charges during the years from 1869 to 1872?—In 1869-70 it was 6,662,473 *l.*

3406. Sir *G. Balfour.*] Are you sure that we had not, in that 7,022,606 *l.* in 1856-57, the pay of the officers who were employed with the irregular corps of the army, and on the staff of the army?—I believe it does include that.

3407. Therefore, for a comparison with the sum mentioned in 1869-70, you have to diminish it to that extent?—Yes.

3408. And therefore the comparison would be much more favourable to 1856-57?—Yes.

3409. *Chairman.*] Will you read the other figures?—In 1870-71 the amount was 6,527,146 *l.*; in 1871-72 it was 6,503,793 *l.*

3410. You are not able to enter into the details of 1856-57 as to the charges?—No, but I would just mention here that though there has been considerable reduction of the Native army, there has also been an increase of the European army; and what is more remarkable is the increase in the rates of pay of the British and Native troops

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troops during the interval between 1856-7 and 1871-2. If the Committee will allow me, I will briefly state the prevailing rates of pay at the respective periods. I may mention that these rates express in sterling money the sums actually received by the soldiers in India, converted at the exchange of 2 *s.* the rupee.

3411. We had better compare them for each class, if you can do so?—Yes. In 1856-7, a serjeant of horse artillery received 2 *l.* 17 *s.* 11 *d.* a month; he now receives 4 *l.* 3 *s.* 3 *d.*; a corporal received 2 *l.* 5 *s.* 10½ *d.*; he now gets 3 *l.* 3 *s.* 8 *d.* (I am speaking now of the British troops). A gunner received 1 *l.* 8 *s.* 10 *d.*; he now receives 1 *l.* 17 *s.* 4 *d.*

3412. Mr. *Eastwick.*] Does that represent all the allowances; everything, in fact?—No; the mere pay, simply. We are now upon the Regimental Pay Grant. In the field artillery a serjeant received 2 *l.* 12 *s.* 11 *d.* in 1856-57, and he now receives 3 *l* 2 *s.* 4½ *d.*; a corporal of field artillery got 2 *l.* 3 *s.* 10½ *d.*; he now receives 2 *l.* 18 *s.* 9¼ *d.*; a gunner received in 1856-57 1 *l.* 7 *s.* 6¾ *d.*; he now gets 1 *l.* 12 *s.* 5½ *d.* Then, in the cavalry, a serjeant used to receive 2 *l.* 12 *s.* 4 *d.*; he now gets 3 *l.* 2 *s.* 2¼ *d.*; a corporal used to receive 1 *l.* 17 *s.* 10¼ *d.*, and he receives 2 *l.* 2 *s.* 9 *d.* now; a trooper received 1 *l.* 8 *s.* 4½ *d.*, and he now gets 1 *l.* 13 *s.* 3 *d.* In the infantry, a serjeant received 2 *l.* 4 *s.* 4 *d.* in 1856-57, and he now gets 2 *l.* 14 *s.* 0½ *d.*; a corporal received 1 *l.* 11 *s.* 5½ *d.*; he now receives 1 *l.* 16 *s.* 4 *d.*; a private received, in 1856-57; 1 *l.* 3 *s.* 3 *d.*; he now gets 1 *l.* 8 *s.* 1 *d.*

3413. *Chairman.*] Now, will you give a similar statement with reference to the increased pay of the Native troops?—Yes. In the cavalry, the ressaldar, the senior Native commissioned officer, used to receive 15 *l.* all round a month, and the rates are now divided into three classes of 30 *l.*, 25 *l.*, and 20 *l.* respectively. The ressaldar used to receive 12 *l.* all round; he now receives in three classes, 15 *l.*, 13 *l.* 10 *s.*, and 12 *l.* The jemadar used to get 4 *l.* 10 *s.* in 1856-57; he now receives 8 *l.*, 7 *l.*, and 6 *l.*, according to the class. The duffadar used to get 2 *l.* 16 *s.*; he now gets 3 *l.* 16 *s.* The sowar used to get 2 *l.*, and now gets 2 *l.* 14 *s.*

3414. Now, in the infantry, what are the rates?—The subadar of infantry received 6 *l.* 14 *s.*, and now in three classes he is receiving 10 *l.*, 8 *l.*, and 6 *l.* 14 *s.* The jemadar used to get 2 *l.* 9 *s.*; and he now gets 3 *l.* 10 *s.*, and 3 *l.*, according to the class. Of the havildar and sepoy, the bare pay is unchanged; but they have received increases in good-conduct pay at earlier periods of service than before. The pay was 1 *l.* 8 *s.* for the havildar, and 14 *s.* for the sepoy, and those are the rates at present; but although their pay has not been increased directly, they receive good-conduct pay, ranging from 2 *s.* to 6 *s.* a month, on more favourable conditions than in 1856-57, so that it is an indirect increase of pay, in fact.

3415. Will you explain the difference of the nature of the pay for the European and Native troops?—The Native troops have to find themselves out of their pay. What I read as the pay of the British troops is the pay only. Besides that, they receive their rations, and they are fed, clothed, housed, and equipped at the expense of the State. The Native finds his own food and clothing, and in the cavalry he finds his own horse and part of his equipment.

3416. Mr. *Fawcett.*] Does the sepoy find any article of clothing?—He gets his uniform from the State.

3417. But has he to pay for anything himself?—He pays for certain articles of clothing, white clothing, for example, and he houses himself partly. The Government gives a grant in aid in the shape of hutting money.

3418. *Chairman.*] Has the sepoy received any additional grant in later years in consequence of the rise in the price of provisions?—Yes; but that would be over and above the increase shown here. In this, I confine myself only to the soldiers' pay, the amount of money actually paid to him by the State as the ordinary stipulated pay.

3419. But in a comparison of the rise it would be necessary to go into that also?—Yes.

3420. Although this is nominally a rate sufficient for providing himself with food, yet have not cases occurred where he has received a large increased allowance on account of the increase in the price of provisions?—Yes.

3421. Mr. *Eastwick.*] Are there no deductions made from this sum from the European soldier; nothing for washing, for instance?—No; there used to be, but now the washing of bed sheets, for instance, is done at the expense of the State; but they pay, of course, for the washing of their own linen.

3422. Is there no other deduction?—There is no other deduction; I may mention that the pay of the British soldier is treated differently in India from what it is in this country. A uniform deduction for rations, for instance, is made in calculating the pay of the soldier in India, and he gets the remainder in money, without any further deductions. That remainder is stated here.

3423. Sir *G. Balfour.*] In fact, he is on the same footing as the Secretary of State for War has now placed the British soldier upon?—Practically, much the same.

3424. And that system has been in force from time immemorial in India?—Yes.

3425. *Chairman.*] Does this Grant include the pay of the officers in the army, as well as the privates?—Those who are employed regimentally.

3426. When did the re-organisation of the army in India take place, as to the relative number of officers and men?—The year 1861-62 was the year in which the army was re-organised, or rather the effect of the re-organisation began to be experienced then.

3427. Will you state what the number of officers in the army was in 1856-57, and what is the result of the re-organisation in the number of officers relatively to the number of men regimentally, or otherwise?—Under the organisation of 1856-57, each regiment of native cavalry had one British field officer to 10 captains and subalterns; I am merely speaking as to the relative proportion of the field officers to the junior officers, to show that the preponderance of officers of higher rank in regiments is another cause of the increase of charge.

3428. But one wants to know exactly the number of officers there were to each regiment?—There was one field officer to 10 captains and subalterns in the native cavalry.

3429. Mr. *Eastwick* (to Colonel *Johnson*).] How many captains and how many lieutenants?—There were seven captains and nine lieutenants in the cavalry.

3430. *Chairman.*]

3430. *Chairman* (to Mr. *Kellner*).] What was the arrangement under the re-organization?—Out of seven officers to each regiment of cavalry and infantry there are on the average three field officers, or very nearly one field officer to one of the junior grades.

3431. It would be convenient if you could give us the number of officers that now form the establishment for the cavalry, or that did form the establishment in 1856–57, and that now form the establishment; I am not merely on the question of relative rank, but on the absolute number?—I have got that in a statement that Sir George Balfour wanted on the last occasion. This is the statement which I think embraces your question as well as the statement required by Sir George Balfour. It gives the number and the cost of the officers of the local service and of staff corps in the years 1856–57, 1862–63, 1869–70, and 1872–73. There were 4,513 officers in 1856–57. (Colonel *Johnson*.) In the infantry there were in 1856 a colonel and lieutenant colonel and a major, seven captains, eleven lieutenants, and five ensigns. But on the other hand, in a large number of regiments on an irregular footing there were only three officers.

3432. *Chairman* (to Mr. *Kellner*).] We wanted to get a statement to show what the establishment of officers per regiment might have been in 1856–57, and what it is now. Then of course the question of the relative rank is a second question after that?—Yes.

3433. Will you turn to the Blue Book, No. 467 of 1871, page 176, and can you give from that a statement of the establishment and the pay and allowances of a regiment, beginning with the European cavalry in 1856-57 and in 1869?—Yes. The number of officers in 1856 was 41, and the total strength was 704, and the pay per annum of the officers was 19,715 *l.*, and the pay of the men was 13,114 *l.*

3434. The number of privates being what?—Six hundred and six.

3435. But the non-commissioned officers and privates taken together were 704?—Yes, 704.

3436. Making a grand total of 745?—Yes.

3437. The pay that you have given as the pay of the men is the pay of the whole, 704?—Yes; the total cost per annum would be 32,830 *l.*

3438. What is a similar regiment in 1869?—The number of officers is 321, costing 15,618 *l.*, and the number of privates, including non-commissioned officers, is 460. The number of privates 378, and the grand total with officers 492. The cost of the men was 10,492 *l.*, and the total cost 26,111 *l.*

3439. Can you give also the statement of the command, staff, and horse allowances of the same regiment?—Yes; they amounted in 1856 to 6,453 *l.* Then there are the educational and subordinate medical and hospital establishments. The educational establishment was 173 *l.*, the subordinate medical was 935 *l.*, and the Native followers (1,173 in number) was 5,426 *l.*; the contract allowances amounted to 1,697 *l.*

3440. Mr. *Fawcett*.] Then there were 2½ followers for each soldier?—They would be chiefly grooms, and men to bring the forage.

3441. *Chairman*.] Making the total what?—The total would be 47,697 *l.* Then, in addition, family allowances were 255 *l.*, and good conduct allowances were 660 *l.*; making the total annual charge of one cavalry regiment, 48,612 *l.*

3442. To go to the same charges in 1869; what did they amount to then?—£.4,722, the command, staff, and horse allowances. The Educational Establishment was 188 *l.*; Subordinate Medical Establishment was 801 *l.*; the Native followers (761 in number), cost 3,877 *l.* The contract allowances amount to 1,110 *l.*

3443. Mr. *Eastwick* (to Colonel *Johnson*).] What do you mean by contract allowances?—Contracts with officers commanding corps, batteries, troops, or companies for the repairs or supply of arms and accoutrements, stationary, horse-drill equipments, shoeing, stable or line gear, horse medicines, &c.; also contingent allowances for gun carriages, store carts, and waggons. (Mr. *Kellner*.) This shows a total of 36,956 *l.* Then add the staff pay of instructor of musketry, family allowance, good conduct allowance, prizes for swordsmanship, and additional pay to non-commissioned officers and men during the second term of service, which brings the total charge per annum to 38,596 *l.*

3444. Mr. *Fawcett*.] You diminish the charge to 10,000 *l.*, as compared with 1856, and diminish the strength to how much?—The average cost in 1856 per man was 69 *l.*

3445. Does that include officers?—Yes. In 1869 it is nearly 84 *l.*

3446. Could you also give the average cost for each officer in 1856, and the average cost for each non-commissioned officer and for each private?—Yes, but it would take time.

3447. Could you show how many officers there were to each regiment, and what was the cost of each officer as far as pay went, because it would show whether the regiments were commanded by officers of superior rank as compared with what they were formerly, and what was the cost of each private?—Yes.

3448. Because you brought out in those figures which you have just given, a very considerable increase of cost, and that would be only partly due to the increase of pay owing to the increased cost of living?—Yes. But I may mention that there has been no increase to the pay of the officers; the pay of the officers has remained the same. The pay of the men has increased, and the other charges of the regiment have increased.

3449. But then has the number of officers in proportion to the men increased, or their grade?—The number has decreased from 41 to 32.

3450. But it has not decreased at all in proportion to the men; regiments now are more officered, are they not, than they were in 1856–57, according to your own figures; they are officered by officers of a higher grade?—The officers have decreased by a fifth, and the men by one-third.

3451. What we have now arrived at is, that the number of privates has been reduced by one-third, and the number of officers by one-fifth. Therefore I am correct in saying that the regiments are more officered now than they were in 1856–57?—Quite so. I have just made the calculation; in 1856 we had 41 officers to 704 men.

3452. That is as near as possible one officer to 17 men?—Yes; and we have now 32 officers to 460 men, which gives one officer to 14 men.

3453. Sir *G. Balfour*.] Have we not since 1869 changed the organisation very considerably, by which we have effected a great economy in the cost of cavalry and infantry regiments?—Yes; we have reduced the number of officers and troops, but not the cost of each soldier, I think.

3454. Will you kindly look at the Budget Estimate for 1871–72, by which you will see that the cost of officers has decreased very considerably since 1869, and will you read off the difference

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ence of the organization now as against 1869?—We have 28 officers now against 32 in 1869, and the cost is 13,412 *l.* now against 15,618 *l.*

3455. And the men?—We have 455 men; we have scarcely reduced them. You reduced the number of troops, but the complement of each troop was increased at the same time.

3456. Will you give us the cost of those 455 men?—The cost in 1869 was 10,493 *l.* for the number then; it is now 10,224 *l.*

3457. The total cost of the regiment is now how much?—£. 23,647.

3458. For how many officers and men?—Four hundred and eighty-three officers and men.

3459. So that there is 2,500 *l.* and more saved by the organization in the present day?—Yes.

3460. Then you will be able to answer the honourable Member for Brighton's question; the pay of the soldier has been increased, and the organization has also been changed, by which considerable economy has been effected?—Yes, quite so.

3461. (To Colonel *Johnson*.) Will you try by next time to give us a history of the changes in the organization which have taken place in the European cavalry and the European infantry since 1862, going back to the change that took place in 1862, up to date inclusive?—Yes.

3462. *Chairman* (to Mr. *Kellner*).] Will you give us the average cost per man of the cavalry, if you have it?—For 1872, it would be 74 *l.* odd, instead of 83 *l.*, which it was in 1869; that is got by dividing the 33,878 *l.* by the 455 men.

3463. Now will you go on to the next page in that Blue Book, and state the cost of a regiment of European infantry; how many officers were there in 1856?—There were 43 officers to a regiment of a European infantry, costing 18,578 *l.* per annum, and in 1869 the number was 40, costing 16,712 *l.*

3464. Then, in 1872, what was the state of things?—In 1872 there were 33 officers of infantry, costing 14,434 *l.*

3465. And what was the cost on the number of men and privates?—In 1856 the number of men was 1,066.

3466. That is including non-commissioned officers and privates?—That is including non-missioned officers.

3467. And what was the charge?—£. 15,935.

3468. And what was the number in 1869?—The number in 1869 was 859, and the cost was 15,751 *l.*

3469. What is the charge in 1872?—The number in 1872 was 885, and the cost was 16,160 *l.* Then the total number in 1856 was 1,109, and the cost 34,513 *l.* The total number in 1869 was 899, and the cost 32,463 *l.* The total number in 1872 was 918, and the cost was 30,594 *l.*

3470. Then there are the contingent charges of the regiment, and the command, staff, and horse allowances, which brought up the expenditure to how much?—It raises the expenditure in 1856 to 41,076 *l.* as the total expenditure of a regiment, and in 1869 it was 39,471 *l.*; and in 1872 it was 34,521 *l.*

3471. And what does that give per man for the three periods?—In 1856, it was 38 *l.* 10 *s.*; in 1869, it was 46 *l.*; and in 1872, it was about 39 *l.* per annum.

3472. Sir *G. Balfour*.] That is to say, it had fallen very considerably?—It had fallen very considerably.

3473. That is entirely by organisation?—Entirely by organisation.

3474. *Chairman*.] Now, will you give us a view of the Native infantry, which you will find on page 180 of that same Blue Book?—We have not the officers there; we have the Native officers.

3475. Will you have the officers added to this statement, in order to make it complete?—Yes.

3476. Sir *G. Balfour*.] Do you think that you are satisfied with these statements which Sir Henry Durand appends to his Minute?—I believe they were prepared with great care by Colonel Broome.

3477. Therefore, any calculation you now make of the additional charges for 1871-72 may fairly be compared with those statements?—I think so.

Friday, 9th May 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Dickinson.
Sir George Balfour.	Mr. Grant Duff.
Sir Thomas Bazley.	Mr. Eastwick.
Mr. Beach.	Mr. Fawcett.
Mr. Birley.	Mr. Robert Fowler.
Mr. Bourke.	Mr. Hermon.
Mr. Candlish.	Mr. Lyttelton.
Mr. Stephen Cave.	Mr. M'Clure.
Mr. Baillie Cochrane.	Mr. John Benjamin Smith.
Mr. Cross.	Sir David Wedderburn.
Mr. Beckett Denison.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Colonel ALLEN BAYARD JOHNSON and Mr. GEORGE WELSH KELLNER, re-called; and further Examined.

Col. *A. B. Johnson*, and Mr. *G. W. Kellner*.

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3478. *Chairman* (to Mr. *Kellner*).] You promised to prepare some statements at the close of your examination on the last day; have you prepared those statements?—I think the information required by the Committee was in regard to the difference in the past and present organisation of the Native army. It is rather difficult to compare the organisation and cost of the Native cavalry and infantry regiments in 1856-57 with the present organisation.

3479. Can you state the regimental organisation in 1856-57 and now?—A regiment of cavalry in Bengal consisted, in 1856-57, of 23 European officers, 13 Native officers, and 580 of other ranks. In the cavalry regiments of the other Presidencies, there were the same number of officers, but a less number of other ranks, viz., 300 troopers and 40 recruits in Madras, and 504 troopers in Bombay.

3480. Have you got the establishment for the infantry in Bengal?—The infantry consisted of 26 European officers, 20 Native officers, and 1,140 other ranks. In Madras the number of officers was the same as in Bengal, but the complement of privates was 910.

3481. And Bombay?—The same number of European officers, the same number of Native officers, and 1,040 of other ranks.

3482. Now, can you give us the present state of the establishments for these regiments?—This excludes in all cases the medical officers. In the cavalry there are seven European officers, 13 Native officers, and 444 of other ranks. In the infantry, seven European officers, 16 Native officers, and 696 non-commissioned officers, rank and file. That is for Bengal.

3483. Is the organisation in Madras and Bombay the same?—There are seven European officers with the Madras cavalry, 12 Native officers, and 384 of other ranks. In the infantry of Madras, there are seven European officers, 16 Native officers and 753 of other ranks. In the Bombay cavalry there are seven European officers, 19 Native officers, and 474 of other ranks. In the infantry there are seven European officers, 16 Native officers, and 720 of other ranks. That is in the line.

3484. You have shown under the new organisation a great diminution in the number of officers compared with those in 1856-57; but can you state whether the number of officers in the present organisation represents entirely effective officers serving with the regiment?—Yes, it does.

3485. And are they always kept up?—Yes.

3486. If one goes away some one else is immediately placed in his stead?—Yes.

3487. Did the establishment that you have described to us as existing in 1856, include the whole of the officers in the regiment of whom a great many were not present?—Yes. (Colonel *Johnson*.) A certain proportion were allowed to be absent.

3488. (To Colonel *Johnson*.) Were there not two causes of absence, one from furlough either in England or in India, and the other absence in consequence of being employed either in other military employments or in civil employments?—Yes.

3489. Do you recollect in 1856 what was the general direction as to allowing absence for civil employment or other employment beyond the regimental service, and also with regard to absence on leave in England or in India?—There was no restriction as far as I can remember on the number of officers who might be absent on furlough. The Court of Directors laid down a rule as to the number of officers who might be absent from each regiment, on staff employ; I think it was that three captains and three lieutenants from each regiment might be absent, and one field officer.

3490. And do you know whether in considering the expenditure of the officers, those who were

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were in civil employment sometimes received consolidated allowances in their civil employment and no military pay, and in other cases received their military pay, and received additions for the special employment in which they were engaged?—Yes.

3491. But can you give me any idea as to what was generally considered to be the number of officers who were absent on furlough or on leave in India?—I have a return of the number of officers present with the regiment, which would give it in another form, but I cannot put my hand upon it now. There was, I think, an average of about 11 officers in three Presidencies; but I speak subject to correction.

3492. Mr. *Bourke.*] Take the camp at Delhi, or the camp last year in the Punjaub; with the cavalry were there not many regiments with only three or four European officers?—No, I should say certainly not; but I have not seen the returns.

3493. Mr. *Eastwick.*] Could not that be ascertained?—Yes; it could be ascertained from India.

3494. Mr. *Bourke.*] Perhaps you will look into that?—Yes; I will try and get all the information procurable on the subject.

3495. Sir *D. Wedderburn.*] Those seven officers you have named, include officers on sick leave or short leave?—Yes.

3496. *Chairman.*] Do you mean sick leave with the regiment, or away from the regiment?—Officers on the sick list with their regiment, or away from the regiment in India on short leave. But if an officer were away on furlough, his appointment would be filled up in the regiment, and one of the officers on probation for the staff corps or an unemployed officer would be brought in to fill his place.

3497. (To Mr. *Kellner.*) Now, going back to Grant 3, we will systematically go through the increase and diminution of the charges which have occurred upon the expenditure for Pay Allowances and Charges for Officers and Men upon the Forces in India. Will you state the amount in 1861–62 of that grant?—£. 7,254,740. There was a diminution of 871,404 *l.* in the following year.

3498. But during that period, was the reorganisation and revision of the whole Indian army administration going on?—It was going on; the effect of it was not experienced in 1861–62.

3499. But in 1862–63, what was the total expenditure?—£. 6,383,336.

3500. Showing a reduction of 871,404 *l.* as you have already given us?—Yes.

3501. Now, what was done in the year 1862–63 towards the improvement of the army affecting the expenditure; was there anything further done to carry out the reorganisation affecting the expenditure?—Yes, the organisation was carried into effect in 1862–63. Then the military pay of officers employed in the several military administrative and executive departments were withdrawn from this Grant, and charged to the respective Departments.

3502. That is to each separate grant. In the case of any officer who was passed to any separate service, his whole pay and allowances were charged to that special grant?—Yes.

3503. That would of course only make a nominal diminution of this grant, and an increase of others in proportion, and therefore that would not be any economy, in fact?—No. Then there were further important measures of decrease, the first being the reduction in the strength of British cavalry regiments from eight to seven troops each.

3504. Before you go to that, was the system of charging the military pay of some officers to the army discontinued, and the whole of that charge transferred to the civil departments with which they were connected?—Yes.

3505. And that would effect an apparent reduction; that is, a reduction of this grant to a considerable extent?—About 62,000 *l.*

3506. But that, of course, was no real economy of expenditure?—No. It will be found, as the Committee proceeds, that whilst the Military Department has taken over a great many charges which never were previously debited to the Department, it has also been relieved of certain other charges by transfer to the general finance accounts.

3507. You were going on to describe some other items of diminution by the reduction of the British cavalry regiments?—Yes, from eight to seven troops. That was arranged previously to 1862–63, but it was then that the full effect of the reduction was experienced. The Punjaub and Hyderabad batteries of artillery were reduced from six to four guns each, and three companies of the Golundauze battalion in Bombay were abolished. The native cavalry regiments in Bengal were reduced by 36 sabres each, and the native drivers in the Bombay Presidency were abolished.

3508. Were those native drivers attached to the cavalry?—No, artillery. Then there was a saving of about 97,000 *l.* by the retirement of Indian officers on enhanced rates of pension.

3509. Then their pensions would swell the charges in England?—Yes.

3510. Was there any increase made in other respects?—Yes, the batteries of Royal Artillery were reorganised on a uniform scale in all three Presidencies.

3511. Was any addition to the Artillery made?—Twelve additional batteries were formed to complete the establishment fixed for Indian service, and the Bengal rate of contract allowances was extended to other parts of India.

3512. Was that a higher rate than prevailed in the other regiments?—Yes.

3513. All those things then would contribute to swell the expenditure of the year?—Yes.

3514. Then what was the change in the expenditure in 1863–64?—The expenditure in 1863–64 amounted to 6,681,783 *l.*

3515. What was the increase in that year over the previous year?—£. 300,000.

3516. How was that occasioned?—Much of it was occasioned by the transfer of the pay and allowances of regimental medical officers, from the grant for medical services, to this grant. Then there was a general order this year for giving good-conduct pay to Native soldiers at earlier periods of service than before.

3517. That would be a permanent increase of the expenditure of the army?—An increase of pay, and a permanent increase. Then there was an increase to the pay of Native commissioned officers, and more liberal staff salaries to British officers serving with Native regiments.

3518. What was the expenditure in 1864–65; what change took place then?—The expenditure in 1864–65 rose from 6,681,783 *l.*, which it had been

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in the year before, to 6,816,670 *l.* or 134,887 *l.* above that of the previous year.

3519. To what is that increase to be attributed?—Partly to the measures of increase sanctioned in the previous year; the full effect was felt in 1864-5. And then in this year increased rates of pay were allowed to medical officers.

3520. That would be a permanent increase?—Yes, a permanent increase; the pay of the medical officers was largely increased. The family allowance to European soldiers was also increased, there were increased rates of hutting money to Native troops of the Bombay army, and the substitution of full for half batta rates of pay generally.

3521. With the exception of the substitution of full for half batta, all those increases would be permanent increases in the expenditure of the army, would they not?—Quite so.

3522. The batta is a thing adjusted from time to time, I suppose?—No. The troops within a certain distance of the Presidency towns received a lower rate of pay than elsewhere; but in this year it was considered advisable to abolish that distinction.

3523. The batta is a payment adjusted from time to time, not necessarily a permanent increase, is it?—Yes, it would be a considerable permanent increase in the case of those regiments stationed within a certain radius of the Presidency towns. In this year also, a regiment of infantry was added to the Native army by the conversion of a police battalion. Then there were several reductions, seven field batteries of Royal Artillery, four regiments of Native Infantry, a force of Native Artillery in Madras, the disbandment of the Southern Mahratta Horse in Bombay and of the East Indian regiment in Bengal.

3524. Then with the exception of the regiment of infantry added, we have there a considerable diminution of force and an increase of pay in various directions, so that we have more to pay with less men?—Yes.

3525. Then in 1865-6 what was the result?—In 1865-6 it amounted to 6,898,059 *l.*

3526. Was that an increase on the previous year?—Yes, by 81,384 *l.*

3527. To what was that due?—There were several measures which caused it, the re-organisation of the Bengal Sappers and Miners, and of the Madras Native army, and the appointment of a second doing duty officer to every Native regiment.

3528. (To Colonel *Johnson*.) What do you call the second doing duty officer?—The seventh officer added to the regiment; in the first organisation there were only six.

3529. (To Mr. *Kellner*.) Were there any other items of increase?—Yes, there were increased establishments for heavy batteries of artillery. Then the Bhootan campaign occurred in this year. The charges of the Bhootan campaign added 245,419 *l.* to the charges for this year, 1865-66. In the previous year 1864-65 it added 112,498 *l.* to the charges.

3530. Those were the expenses of the field force?—Yes, the addition caused by the Bhootan campaign to the whole charges of the army, not to this particular grant only. It would be spread over all the grants.

3531. But with regard to the expenditure actually on this grant, what was the nature of the expenditure on this grant for the campaign; was it the batta, or what?—It would be about 11,000 *l.* in 1865-66, and it would be for the batta of the troops, the pay of additional regimental followers, and regimental establishments.

3532. Then this increased expenditure in the main, was due to the increase of force in that year?—Yes; but there were reductions in that year; two regiments of British infantry were sent home without relief; two heavy field batteries were converted into garrison batteries, and the Lahore Light Horse was abolished.

3533. It would seem, then, that the diminution of force in this year, would be rather greater than the increase?—Yes.

3534. Nevertheless, we have an increase of the whole expenditure?—Yes; it was partly nominal, owing to the change in the system of paying the British troops which had the effect of throwing an additional month's pay on the charges of the year; they were paid in advance.

3535. In 1866-67, what was the expenditure?—£.6,294,905; that was for 11 months only.

3536. That was on account of the change in the financial year?—Yes.

3537. What was the expenditure in 1867-68?—£. 6,677,604, being a decrease of 220,000 *l.* upon the charges of the year 1865-66.

3538. What were the items of increase in that year?—The additional pay and bounty granted to British troops in India.

3539. What was that additional pay and bounty?—It was an additional 2 *d.* a day, with another penny on re-engagement.

3540. Was that consequent upon the grant of additional pay and bounty to the British Army in England?—Yes.

3541. Did it become necessary to give the same thing in India?—Yes.

3542. Do you know generally, what was the amount of that expenditure in India?—Over a quarter of a million.

3543. Sir *G. Balfour*.] Would you divide the item into the pay and the bounty?—I have not the details here.

3544. *Chairman*.] Can you show a detailed account, showing how it was made up?—Yes; my estimate differs from the estimate made up at the time by General Broome; he made it a third of a million.

3545. Perhaps you can give his estimate and yours in a tabular form?—Yes, it wants some consideration. Then, as a decrease in this year, there was another British infantry regiment withdrawn from the Madras establishment.

3546. Was there any other cause of increase in the year before we go to the diminution?—Yes; the further effect of promotions in the staff corps was felt this year.

3547. Is that under the final revision scheme of the staff corps?—Yes. (Colonel *Johnson*.) When the staff corps was thrown open to the whole Indian Army.

3548. *Chairman* (to Mr. *Kellner*).] The date of that was what?—1866.

3549. (To Colonel *Johnson*.) Is that the scheme now in force, or has it been altered since?—That is the one now in force. The scheme was simply that the staff corps was thrown open to all officers of the Indian army who chose to enter into it; that was the only change; and the admitting all to Colonel's allowances after 12 years' service. That does not apply to the expenses of this year, which we are now upon, however.

3550. (To Mr. *Kellner*.) There were other reductions

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ductions in this year, were there not, besides the one which you have mentioned?—Yes; one British infantry regiment was withdrawn from Madras, as I have stated, and there was a reduction of 56 and 60 men respectively, in each of the remaining British cavalry and infantry regiments. Then the Indian revenues were relieved of the cost of maintaining two regiments of Madras Native Infantry, and three garrison batteries of Royal Artillery, by transfer to the Straits Settlements; and the Hyderabad Contingent ceased to be charged to the military department in this year.

3551. As regards the Hyderabad Contingent that was a mere transfer of expenditure, was it not?—Yes, to the Civil and Political Department.

3552. Therefore it was no economy?—No.

3553. It would seem that the result of this year was that there was a considerable increase of permanent charge, and a considerable diminution of force?—Yes; and that was accompanied by a diminution of expense, to the amount of 220,000 *l.*

3554. Now, in 1868-69 what was the expenditure?—£. 6,714,873.

3555. What was that as compared with the former year?—A net increase of 37,000 *l.*

3556. How was that brought about?—When the troops were sent from India to the Abyssinian expedition it became necessary to increase the strength of the Native army, both of Bombay and Bengal; and in this year the return of these troops from Abyssinia caused a large number of supernumeraries. Whilst the regiments were absent in Abyssinia their charges were defrayed by the British Government, but on the return of the troops there were a considerable number of supernumeraries in India, and the excess charge in this year was caused partly by the pay of those supernumeraries.

3557. Mr. *Dickinson*.] That was not repaid by the British Government, then?—It has been, or will eventually be repaid; but it increased, for the time being, the charges against India, and that accounts for the apparent increase in the charges for this year. I believe it is an expense which is now in course of adjustment between the Indian Government and the British Government.

3558. *Chairman*.] Perhaps you can state what the arrangement was, and how far the military expenditure was affected by the Abyssinian expenditure?—During the absence of the troops on that particular service, the British Government bore all the expenses, and the Indian revenues were relieved for a time.

3559. And on the other hand, what additional expenditure did the Indian army have to bear?—The supernumeraries, or 100 men added to every regiment, and the pay of those men was paid out of the Indian revenues.

3560. As the men came back, there were so many more supernumeraries?—Yes.

3561. And the question has arisen whether the Indian Revenue should pay them, or the British Revenue?—Yes, India paid them, and so increased the charges of this year, but the charges were subject of course to adjustment between the two Governments.

3562. The question is whether the supernumeraries not being absorbed should be borne by the Indian Government or the English Government?—Yes.

3563. Were the whole of the contingent expenses of the expedition borne by the British Treasury?—Yes, they were paid by the Indian Treasury, but debited against the British Government.

3564. Then the repayment would appear as a military receipt or a general receipt?—Yes, afterwards. I would now mention that the strength of the Punjaub frontier regiments was increased this year by 40 privates each.

3565. Has that been a permanent increase?—Yes, a permanent increase; higher rates of pay were given to regimental paymasters and medical subordinates.

3566. That was also permanent?—That was also permanent; and a troop of cavalry was formed at Aden.

3567. (To Colonel *Johnson*.) Do you mean by forming a troop of cavalry at Aden, a native troop?—A troop was raised expressly for service at Aden.

3568. Native or European?—Native.

3569. (To Mr. *Kellner*.) What other items of increase were there?—The conversion of one field and one garrison battery of Royal Artillery into mountain batteries; then, too, there was a revised establishment and equipment for the Huzara and Peshawur mountain batteries.

3570. All these tending to increase the charges?—Yes.

3571. Was there any saving in that year?—Yes, there were certain regiments which on their return from Abyssinia, after the Abyssinian campaign, went home directly, and the relieving corps did not arrive in India until a very considerable time after; that was a temporary thing; then a regiment of Madras native infantry was absent in China this year.

3572. And being so absent, was the expense of that borne by the British Government?—Yes. In this year also three heavy field batteries in Bengal were converted into garrison batteries; and the Assam Mountain Battery was broken up.

3573. (To Colonel *Johnson*.) What would be the advantage financially of converting the heavy batteries into garrison batteries?—The saving of the cost entailed by maintaining the equipment of the heavy guns, and their draught and establishments; in fact, you disarm the battery altogether, leaving only the garrison company on its ordinary establishment without an armament.

3574. (To Mr. *Kellner*.) What other reductions were there?—The strength of the Bombay native cavalry regiments was reduced by six noncommissioned officers each.

3575. By "broken up," you mean disbanded in regard to the Assam Mountain Battery?—Yes.

3576. In 1869-70, what was the expenditure?—£. 6,662,472.

3577. And what was that as compared with the former year?—A decrease of 52,000.

3578. How was that arrived at?—The gradual absorption of sepoy supernumeraries in the Bombay and Bengal native regiments, the recruiting having been suspended.

3579. Was there any charge in regard to the number of unemployed officers?—Yes, the effect of the new furlough rules was in this year felt; a large number of officers were absent in England.

3580. Would that be merely a transfer of expenditure from India to England?—Yes; a transfer of expenditure from India to England, and a direct saving to Indian revenues to the extent of half the staff corps, or military, pay of the absentees.

3581. Was there any reduction of force besides?—Not in 1869-70.

3582. In

3582. In 1870–71, what was the expenditure?—In 1870–71, the expenditure was 6,527,145 *l.*, a decrease of 135,327 *l.* from the previous year.

3583. And how was that arrived at?—By the withdrawal of two regiments of British cavalry (this had been urged in 1862–63, but the withdrawal of the regiments took place only in 1870–71) and of two regiments of British infantry; and there was the reduction of a troop in each of the remaining regiments of cavalry, and of two companies in each of the remaining 50 regiments of infantry; further, there was the withdrawal of the second line of waggons in batteries of Royal Artillery, a reduction in the strength of the Viceroy's body guard, and the breaking up of four batteries of Native Artillery, and the local company of infantry in Bengal.

3584. When you say, "breaking up," do you mean disbandment and discharge?—Yes.

3585. How is it that this considerable reduction in force produced such a very small reduction in expenditure in that year?—The full effect of it was not experienced in this year.

3586. This is a very large reduction of force both in regiments and men and a comparatively insignificant reduction in expenditure, equal to the force of two regiments?—Yes.

3587. What is the explanation?—The reduction of so many regiments does not, in this case, imply a corresponding reduction of men. In fact, the number of men in each battery and infantry regiment remaining in India was increased, but the withdrawal of the British cavalry regiments caused a decrease of sabres. Then, the full effect of any reduction of force is not immediately experienced. There is always increased charge, especially in the Native army, by the grant of gratuities on discharge, and the expenses (both for Europeans and Natives) of transport in India.

3588. How would that appear in this grant?—That would not appear in this grant. Take for instance the reduction of the Viceroy's body guard; if the charges of the body guard were looked into, it would be found that they were increased this year by reason of the gratuities to discharged men, and that always is the effect of any reduction of the Native army, viz., that it is followed by an immediate increase of charge, consequent upon paying off the men.

3589. As regards reduction of Europeans, however, if they are merely thrown back upon England there would be nothing obtained by them in the way of compensation?—No.

3590. Then can you give us the exact reason why it is that with so large a reduction of the European forces, the reduction in the expenditure is so small; is it that the reduction of the forces took place in the end of the year?—Yes, quite at the close of the year. But the reductions were rather in the cost of the officers and staff than in the number of troops, which in the three years were as follows:—

	ESTABLISHED.	
	Europeans.	Natives.
1869–70 - - -	61,995	122,442
1870–71 - - -	60,425	122,122
1871–72 - - -	60,445	121,981

	EFFECTIVE.	
	Europeans.	Natives.
1869–70 - - -	56,772	116,653
1870–71 - - -	56,694	115,263
1871–72 - - -	58,437	115,196

You will observe that there was a reduction of the body guard and four batteries of Native Artillery and the Local Company of Infantry in Bengal. That would also account for some increase in the way of gratuities on discharge.

3591. Now going to the expenditure in 1871–72, what was the amount in that year?—£. 6,503,792.

3592. In this year would not the full effect of the reduction of force appear?—Yes.

3593. What was the diminution in 1871–72 as compared with 1870–71?—The figures being 6,503,792 *l.*, the reduction is about 24,000 *l.* as compared with the previous year.

3594. Then you will observe that the reduction in the two years, 1871 and 1872, would be 160,000 *l.*?—Yes.

3595. Now were there any reductions in the year 1871–72?—Yes. The withdrawal of a brigade and five batteries of Horse Artillery and the breaking up of a brigade staff and three batteries of garrison artillery. This was not accompanied by any reduction of men, because the number of drivers and gunners was increased in the remaining batteries. My impression is that this reduction of brigades and batteries of artillery caused an increase rather than a decrease of the actual strength.

3596. Mr. *Bourke*.] The object was to increase the strength and diminish the expense?—Yes. (Colonel *Johnson*.) To make the batteries efficient.

3597. *Chairman* (to Mr. *Kellner*).] Then was there any other decrease?—No; there was no other decrease. It was this year expected that there would be a reduction of the Native army, and the Budget of the year took account of that, but there was no actual reduction, and in consequence the expenditure slightly exceeded the Budget estimate.

3598. But we are still left in this difficulty, that we have had a large diminution in force in 1871 and 1872, and yet there is only a diminution in expenditure of 160,000 *l.* To what is that to be attributed, because in the years 1871 and 1872 the whole effect of the reduction must have been felt?—I think it would require a more detailed statement than I am prepared to give just now. (Colonel *Johnson*.) I can give the estimated items of reduction on each head; they are spread over a large number of grants; this is only one grant. (Mr. *Kellner*.) And then you have against that specific decrease of officers and staff an increase of rank and file, and a further increase in many other items.

3599. (To Mr. *Kellner*.) If that is the explanation that is sufficient; do you think you can say that is the explanation?—I should wish to satisfy the Committee with further evidence, as it is an important matter.

3600. To take two companies from 50 regiments, and to reduce two regiments of cavalry and of infantry, seems to come to a very large

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business, and 160,000*l.* would seem at first sight, considering that the total is seven millions of money to the Indian army, not a proportionate reduction?—No. (Colonel *Johnson*.) The estimated gain in the reduction of cavalry and infantry was 297,220*l.* (Mr. *Kellner*.) But that would include commissariat and all other charges. (Colonel *Johnson*.) That is the estimated saving on the pay of men on all grants, but the reductions contemplated were four regiments of cavalry with a loss of 860 sabres, and seven regiments of infantry with a gain of 940 bayonets.

3601. Sir *G. Balfour* (to Colonel *Johnson*).] Will you also add where you take that from?—I am reading from a Parliamentary Blue Book of the 17th of August 1871. (Mr. *Kellner*.) I think it will be found when the actual strength of the army is compared, that the reduction of actual strength was not so much in 1871-72 as the reduction of regiments and batteries would seem to imply.

3602. *Chairman* (to Mr. *Kellner*).] You will give us a tabulated statement on the question?—Yes.

3603. Now, will you give us a comparison showing the general result of all the changes that you have explained to us between the state of the army in 1862-63, when I understand from you that the reorganisation had been fairly developed, and in 1871-72?—Yes; and I have got the estimate for 1872-73 and for 1873-74.

3604. Are you prepared to give us the detailed explanations as to the causes of increase and decrease?—No, not just now; but they will be submitted in print to the Committee.

3605. Now, will you give us a view of the relative strength of the army in 1862-63 and 1871-72; and first with regard to the Europeans?—There were, in 1862-63, 104 batteries of Royal Artillery, 11 regiments of British cavalry, 55 regiments of infantry, the Lahore Light Horse, the East Indian regiment, and the Eurasian battery of artillery.

3606. Have you got the numbers that those represent of officers and men?—The effective strength of the European force in 1862-63, as prepared by me from the Quartermaster General's Returns, was 69,732; that is the average for the whole year 1862-63, exclusive of officers; I have, in every case, excluded officers.

3607. And now have you the number of officers as well?—I could get them, but throughout these returns I have not taken the officers. In putting in my return I will add them.

3608. Will you make it clear whether it includes the officers who are in India with the corps, or whether it includes the strength of the regiment without reference to their being with the corps?—Yes; and distinguishing the staff corps officers not employed regimentally, I presume?

3609. Yes; not merely the establishment, but the officers actually present in the corps, including in those officers those away on short sick leave?—Yes; this is the average; I may say that I have got both the average for the year, and the number for a particular date; and the average effective strength, as obtained by me from the Quartermaster General's Returns in 1862-63, was 69,732 Europeans.

3610. And in 1871-72 what was it?—In 1871-72 there were 14 brigades, comprising 86 batteries of Royal Artillery, nine regiments of cavalry, and 50 regiments of infantry; the number of men on the 1st April 1872, was 61,987, but the average for the year 1871-72 was 58,437.

3611. Now what was the strength of the Native army in 1862-63?—There were 44 regiments of cavalry, 147 regiments of infantry, and 25 companies of sappers and miners; then there were a lot of Native Artillery; three Punjaub light field batteries, the Punjaub garrison company, the Hazara and Peshawur mountain batteries, four batteries of the Hyderabad Contingent, and the Assam local company.

3612. Those are all in Bengal, are they not?—They are in Bengal; then in Madras there were one battery of horse and four batteries Golundauze; in Bombay there was one battalion Golundauze.

3613. And what was the number in 1871-72?—In 1871-72, there were 39 regiments of Native cavalry, 136 regiments of infantry, and 25 companies of sappers and miners; there were, of artillery, two Punjaub light field batteries, the Punjaub garrison company, and the Hazara and Peshawur mountain batteries; the total number of Natives in 1871-72, was 116,196, that is the average.

3614. Now you will observe that in these statements which you have given us there is a very considerable diminution both of European and Native force, but the expenditure for 1862-63 was 6,383,000*l.*, as compared with 6,503,000*l.* in 1871-72, showing that we have had an increase of expenditure at the same time?—Yes.

3615. Now can you give the Committee a general view how that has arisen?—Yes, the reduction of military expenditure has apparently not kept pace with the reduction of military strength, and the causes are various; first, it is owing to measures of military organisation, such as the augmentation of the strength of batteries of Royal Artillery and British regiments in India, and of Native regiments on the Punjaub and North Eastern Frontier; the formation of mountain batteries of artillery; the reorganisation of the Madras Native Army, and of the Bengal sappers and miners; the formation of skeleton companies of engineers, of a troop of cavalry at Aden, and of the Governor's body guard at Bombay; the appointment of second doing-duty officers to Native regiments, of instructors in gunnery to brigades of artillery; the extra establishments allowed for heavy batteries of artillery, and the appointment of trained bandmasters and armourer serjeants to British regiments. Then the pay of all ranks of the army has increased generally, and I would wish to state these increases under the various heads of the British commissioned officers, the British non-commissioned officers and men, and the Native commissioned and non-commissioned officers and men.

3616. First, will you state the general increase for the British commissioned officers?—Increased rates of staff salary for the regimental officers with the Native army; increased rates of pay to medical officers, adjutants, and quartermasters of Royal Artillery and British cavalry, and paymasters of all British regiments; the pay of veterinary surgeons has been largely increased also; full batta rates of pay are now allowed to officers near the Presidency towns, and the mess allowance to European officers with Native regiments has been increased.

3617. Now will you be good enough to give the

the increase of pay and allowances for the British non-commissioned officers and men?—The grant of increased pay, and bounty on re-engagement; good-conduct pay at earlier periods than before; full batta rates of pay, prizes for good swordsmanship to British cavalry regiments, and increased family allowance for all British troops.

3618. Now what has been the increase of pay and allowances for Native commissioned and non-commissioned officers and men?—Their pay has been increased all round, both in the cavalry and in the infantry, as I mentioned to the Committee the other day.

3619. Either in pay or in batta?—In pay, or in batta, or in good-conduct pay. The pay of the Deolee and Erinpoorah local forces has been largely increased; and the hutting money of the sepoys has been increased in all three Presidencies.

3620. Now, can you furnish the Committee with a tabular statement showing the cost of the officers of the Indian army in 1862 and 1872, respectively?—Yes; I have here a statement showing the number and cost of officers of the local service (cavalry and infantry) and of the staff corps in the years 1856–57, 1862–63, 1869–70, and 1872–73. (Vide *Appendix.*)

3621. Will you give us a general view of this statement?—I find that in the year 1856-57, there were 4,513 officers, costing 2,007,472 *l.* In the year 1862-63 there were 4,167 officers, costing 1,866,012 *l.* In the year 1869–70, there were 3,312 officers, costing 2,079,305 *l.* In 1872 there were 3,216 officers, costing 2,050,399 *l.*

3622. What is the average cost of the two periods for each officer; what does it come to at an average per officer per annum?—In 1872 it was 637 *l.* per annum. And in 1862, it was 447 *l.*, the increase being 189 *l.*, or 190 *l.* all round.

3623. To give this clearly, have you got an account showing the number of officers that were unemployed in 1872?—Yes; on the 1st of January 1872.

3624. What was the total of the number of officers unemployed in the three Presidencies?—Three hundred and four.

3625. And what was the cost of them, which I presume is borne on this grant, these being officers still in India?—Yes; the cost was 232,977 *l.*

3626. Mr. *Bourke.*] That does not include the doing-duty officers with the regiment?—No. (Colonel *Johnson.*) It includes the officers who are attached to regiments without drawing any pay. All captains or subalterns are attached to a regiment.

3627. (To Colonel *Johnson.*) Practically they have nothing to do?—Practically the less they do the better.

3628. Sir *G. Balfour.*] I will ask you some questions to clear up a few points in your evidence; I observe that you stated that there was no restriction upon officers absent in Europe?—I was not certain about it.

3629. You are aware, are you not, that there was a restriction; one-third of the field officers, lieutenant-colonels, and majors, one-fourth of the captains and surgeons, and one-sixth of the subalterns and assistant-surgeons were allowed to be absent in Europe; those were the limitations placed on the absentees in Europe?—I think I guarded the point by speaking to it only so far as I could remember.

3630. You overlooked also the Court of Directors' despatch, No. 143, of the 10th of September, 1856, defining clearly the number of officers that might be absent in Europe; will you bear that despatch in mind, and refer to it?—Yes.

3631. (To Mr. *Kellner.*) I do not think you mentioned when the East Indian regiment was reduced?—It was abolished in 1864-65.

3632. Will you be good enough also to give us the established strength as well during the years for which you have been giving us the effective strength?—Yes, I think I can give it you now.

3633. And would you be good enough to compare and show where your own established strength differs from the European strength in the Army Estimates?—Yes; I find it rather difficult for the years 1862-63, 1863-64, and 1864-65 to get the established strength, but I can only be guided by the Army Estimates prepared in India; and the estimate for 1862-63 for instance was based upon the established strength of 69,324. That was a much lower estimate than the facts of the time perhaps warranted. The estimate included only nine regiments of cavalry, whereas there were 11, and those were maintained up to the year 1869-70.

3634. That was my estimate, was it not?—Yes.

3635. I also calculated upon only six troops of European cavalry being maintained?—Yes.

3636. It also excluded the European veterans, did it not?—Yes; to the best of my recollection.

3637. And it did not provide for the increase of force which took place during the course of that year, 1862-63, did it?—Well, I was looking into that. I find that the artillery force was estimated at 12,695, and the actual average strength during the year was 11,000 and odd, rather below the estimate. Possibly my returns may be wrong, but I just mention it in passing. I find that in 1863-64 the actual strength of artillery exceeded the established strength; it was 13,047. The increase was experienced in that year, I fancy, more particularly. However, there are details for every year of the strength of each arm in each Presidency, so that the figures can be followed and checked.

3638. Then, if you were to correct the strength of which I sent in the establishment by the regiments in cavalry which you expected to be taken away, and the troops which you expected to decrease, that would give what I want; perhaps you will endeavour to correct that mistake which I fell into, and which was corrected subsequently to my departure; will you kindly look over the papers with regard to it?—Yes, I have taken the established strength in subsequent years from the estimates, and as the return will be laid before the Committee I suppose I need not read it now.

3639. Do you happen to have my report of 1862, stating the strength of the European force, in which I recommended reductions to be effected?—Yes.

3640. And have you General Norman's memorandum in reply to that letter of 1862?—No, I have not; I will take a note of it.

3641. Will you hand in my report of the 18th of March 1862, and General Norman's memorandum, Number 386, of the 31st of March 1862?—Yes; I think I have your letter, but I do not think that I have ever seen General Norman's memorandum;

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memorandum; it will probably be in the India Office.

3642. I did not quite understand your statement with reference to the military amalgamation or organisation in 1862-63; you remember that the amalgamation, or rather re-organisation, took place in 1861?—Yes.

3643. And 1862-63 was, as near as possible, almost a complete year?—Yes.

3644. Therefore, would you compare the strength which was re-organised in 1861, with the strength which existed in 1862-63, so as to make the 1861 re-organisation a standard by which to compare the subsequent changes that took place in the army?—Yes.

3645. (To Colonel *Johnson*.) You mentioned that the change in the organisation of 1871-72, made no change in the artillery, but you remember that five horse artillery batteries were to be struck off the strength of the Indian army in that year?—I was speaking of the strength of the batteries that remained, the strength of which was increased and the expense diminished.

3646. Is it a fact, that in that year, we reduced the horse artillery in India from 20 batteries to 15?—Yes.

3647. (To Mr. *Kellner*.) You were unable to explain to the Chairman the effect of the reductions of infantry and cavalry upon the expenditure; but you will remember that although the number of regiments decreased in India from 52 to 50, that involved no reduction of the strength of privates?—Yes.

3648. It was merely a re-organisation?—Yes.

3649. (To Colonel *Johnson*.) Do you happen to rembember the reduction of officers in consequence of that change?—The total reduction, including the medical officers in 1869, was 40; in 1870-71, it was 34. The total number of privates of a British infantry regiment in 1869, was 750; and in 1870-71, it was 780.

3650. Sir *D. Wedderburn* (to Mr. *Kellner*).] In speaking of the abolition of half batta, do you mean that full batta was substituted for it?—Quite so; it was, in fact, an increase of pay to the troops within a certain radius of the Presidency towns.

3651. And can you state what amount of increase in the expenditure that produced?—The increase would depend upon the number of troops affected by the change, and the number varies from year to year.

3652. (To Colonel *Johnson*.) What was the immediate cause of the change of half batta into full batta for those troops?—Batta was one of the items into which the Indian pay and allowances were divided. Full batta varied according to grade, from 9 *l.* a month for an ensign, to 61 *l.* for a lieutenant-colonel; half batta being, as indicated, exactly the half of those sums. There was at one time a double full batta, which was abolished long before I entered the army.

3653. Was that during war?—Yes; I suppose when the great bulk of the force was in the field or lying along the frontier. In 1836 the Court of Directors restricted all officers stationed within 200 miles of their Presidency town to half batta rates with Presidency house-rent; that is, they reduced the ensigns pay from 20 *l.* a month to 18 *l.*, and the lieutenant-colonels from 103 *l.* to 82 *l.*; and so with the intermediate grades.

3654. Why was this done?—The object of this was to establish at all three Presidencies one uniform principle in the regulation of fixed allowances, whilst it was considered that the further an officer was serving from the Presidency (that is the capital town of the Presidency) the more expensive would he find it to live. In a few years, namely, by 1861, circumstances were entirely reversed, and the cost of living in Calcutta and Bombay had become infinitely greater than in other parts of the country. Meanwhile, too, the whole staff corps pay was fixed at half batta rates, as I have already stated, and their staff salaries had been readjusted accordingly. I explained the other day how it affected the rates of staff salaries. The half batta system applied, therefore, only to a few local officers, and to the officers and men of British regiments serving near the capitals. In fact, a lieutenant-colonel commanding a British regiment at a half batta station, received less pay by about 200 *l.* a year than a staff corps or local officer commanding a Native regiment. The abolition of the half batta system was first urged by Sir Bartle Frere, the Governor of Bombay, and supported by Sir John Lawrence and Sir Charles Trevelyan. The cost was estimated by the Government of India at 30,000 *l.* a year; but the Secretary of State, who fully admitted the propriety of the measure, extended it also to the soldiers, which produced a total charge of some 53,000 *l.* a year. Some of this was, however, reduced when the local officers entered the staff corps in 1866, but I have no idea how much it was, a very small sum. At the same time when half batta was abolished the India Government were proposing reductions in the British Army of some 240,000 *l.* a year.

3655. Can you tell me what was the reason for establishing a troop of cavalry at Aden?—Yes; there was some discussion between the Government of Bombay and the Government of India in the foreign department in 1866, as to the necessity for maintaining a small body of cavalry for special duty in Aden. One of the leading objects put forward for maintaining this body, was to cover the source of the water supply, which is procured from beyond our own line; with some reluctance, the Government of India asked the Secretary of State's sanction that they might, should they after further consideration be of opinion that it was needed, furnish this small cavalry force for Aden; either by raising a troop for the service, or by furnishing a troop from Bombay. The Secretary of State ordered a troop to be raised, and trusted that the police tranquillity which would be secured, would compensate for the cost.

3656. Where were they raised?—They were raised in Scinde; the extra cost was estimated at 7,250 *l.* a year.

3657. You spoke of an additional charge caused on account of the body guard of the Governor of Bombay; how did that arise?—The Governor of Bombay had no separate body guard; but his escort was furnished from a corps called the Southern Mahratta Horse. The Governor came up to the Government of India, and suggested that the Mahratta Horse should be abolished, as not being absolutely required, to which the Government of India consented. Subsequently, the Bombay Government applied for a small body of cavalry to serve as the Governor's escort, the source from which one had hitherto been derived having been abolished.

3658. Sir *G. Balfour* (to Mr. *Kellner*).] Are you now prepared to hand in a revised statement of

of the total military expenditure in India and in England during a series of years?—Yes.

3659. And will you explain what variations there are in that revised statement?—I wish to put it in substitution of my previous statement.

3660. *Chairman.*] You have reconsidered the statement that you handed in before, of military charges and receipts in England and India?—Yes, the difference between this statement and the previous one, is caused by the fact that it was considered convenient to put the charges for stores, which since 1865-66, appear in the home accounts, and previously to that appear in the Indian accounts, for the entire series of years in the home accounts; that naturally caused a discrepancy between the statement and the accounts laid before Parliament.

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3661. The object being to make the comparison on the same basis?—Yes, practically it is very much the same, but there were certain other minor differences of adjustment; but I desire to adhere to the Finance and Revenue Accounts laid before Parliament. (*The Statement was handed in, and is as follows:—*)

STATEMENT of the MILITARY CHARGES and RECEIPTS in *England* and in *India*, connected with the ARMY in *India*, for the Year 1856-57, and for the Years from 1861-62 to 1871-72, with the Estimates for 1872-73 and 1873-74.

YEARS.	Gross Charges.		Total Gross Charges.	Receipts.		Net Charges.		
	England.	India.		England.	India.	England.	India.	Total Net Charges.
	£.	£.	£.	£.	£.	£.	£.	£.
1856-57	1,765,415	11,462,464	13,227,879	- -	454,896	1,765,415	11,007,568	12,772,983
1861-62 (Stores included in Charges of India, to 1865-66, and subsequently in Charges of England.)	2,517,908	13,681,900	16,199,808	10,404	956,219	2,507,504	12,725,681	15,233,185
1862-63	2,128,524	12,764,325	14,892,849	98	802,309	2,128,426	11,962,016	14,090,442
1863-64	2,063,051	12,697,069	14,760,120	213,710	747,431	1,849,341	11,949,638	13,798,979
1864-65	2,287,313	13,494,467	15,781,780	7,294	735,567	2,280,019	12,758,900	15,038,919
1865-66	2,429,462	14,360,338	16,789,800	26,580	728,340	2,402,882	13,631,998	16,034,880
1866-67 (11 months) - -	3,385,408	12,440,383	15,825,791	19,879	717,489	3,365,529	11,722,894	15,088,423
1867-68 - - - -	3,499,829	12,603,467	16,103,296	16,400	742,712	3,483,429	11,860,755	15,344,184
1868-69 - - - -	3,280,015	12,989,566	16,269,581	31,521	1,101,503	3,248,494	11,888,063	15,136,557
1869-70 - - - -	3,500,989	12,828,750	16,329,739	22,182	1,060,423	3,478,807	11,768,327	15,247,134
1870-71 - - - -	3,525,497	12,549,303	16,074,800	18,463	943,685	3,507,034	11,605,618	15,112,652
1871-72 - - - -	3,642,014	12,036,098	15,678,112	55,080	889,340	3,586,934	11,146,758	14,733,692
1872-73 (Revised Estimate) -	3,621,100	12,024,900	15,646,000	17,500	870,500	3,603,600	11,154,400	14,758,000
1873-74 (Budget) - -	3,679,100	11,844,900	15,524,000	13,000	857,000	3,666,100	10,987,900	14,654,000

3662. Will you be good enough to give the Committee an account of the expenditure under Grant 4, for the Commissariat Establishments, Supplies and Services; what was the expenditure under that head in 1856?—It was 1,470,391 *l.*

3663. And what was it in the last year?—In 1871-72 it was 1,929,369 *l.*

3664. Now will you explain first more fully what this grant comprises?—It comprises the pay of the officers of the Commissariat Department, of the Native establishments, also the cost of Commissariat supplies and stores.

3665. When you say officers, you mean non-commissioned officers as well, do you not?—European commissioned and non-commissioned officers, and all the Native subordinate establishments connected with the supply and transport of the army, the cost of provisions and forage, the maintenance and hire of transport cattle, and the provision of sea, river, and land transport. I may mention that the increase of expenditure under this grant is due to the presence of a larger British force, the Indian commissariat being employed mainly for provisioning the British troops in the country.

3666. Then is the character of this expenditure also affected by the prices of provisions?—Yes, it is affected by any abnormal causes—a year of famine, for instance, or any time of war.

3667. The special expenditure you mean, for getting supplies is affected then?—Yes.

3668. What was the expenditure in 1861-62, under this head?—£. 2,566,490.

3669. Was that year a settled year, or was it still affected by the proceedings consequent on the mutiny?—The effects of the mutiny were no doubt experienced in that year, and there was a larger European force in consequence.

3670. Then may we take 1862-63 as a year free from the disturbance of the mutiny?—Yes, the charges amounted in that year to 2,343,893 *l.*

3671. And what were they in 1863-64?—£. 2,299,739.

3672. How was that reduction caused?—There was a less purchase of supplies in that year 1863-64, owing to the utilisation of surplus stores previously laid in for a larger force.

3673. What was the effect of that upon 1864-65?—In 1864-65 the reserve stock had to be increased, and the charges of the Umbeyla campaign raised the expenditure under this grant by 53,580 *l.*

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3674. Was there any special rise in the price of commodities and supplies in that year?—Yes, in the price of grain, necessitating compensation for dearness of provisions to the Native army in Bengal. I may mention that any compensation given for dearness of provisions affects this particular Grant as regards the Bengal troops only; the corresponding charges for Bombay and Madras occur in another part of the estimates, namely, Grant 14, or Miscellaneous. Then, there was a large increase in the feed of horses in all the three Presidencies, in consequence of the dearness of grain.

3675. Was that the whole of the increase of expenditure?—Yes.

3676. Was there any diminution?—Yes; there was a less outlay for malt liquor. The malt liquor used to be purchased in this country, and partly paid for here and partly in India, but there was a less quantity supplied in that particular year.

3677. Did it produce a considerable reduction?—Yes, to some extent.

3678. What was the nett result?—The nett result was that the commissariat expenditure in 1864-65 was about 100,000 *l.* in excess of that in 1863-64.

3679. What was the expenditure in 1865-66?—There was an exceptional outlay for malt liquor in this year, exceeding that of the previous year by 186,000 *l.*

3680. For what purpose?—To bring up the reserve stock. There was a less purchase in 1863-64, reducing the charges of that year, and in order to bring the reserve stock up to the established proportions, there was an increased outlay in 1865-66.

3681. Were there any special charges in that year 1865-66?—Yes, the charges of the Bhootan campaign. I may mention that in time of war the Commissariat Grant is the grant that is principally affected by any military operations.

3682. What was the charge which that expenditure caused?—£. 363,000 for the Bhootan campaign.

3683. Were there any charges on account of scarcity?—Yes, there was scarcity experienced in the Bengal and Madras Presidencies, and a very considerable rise in the prices of all articles of commissariat supply in Bombay, owing to the prevailing commercial speculations.

3684. What was the effect upon the whole grant?—It raised the expenditure to the highest point it has ever yet attained, that is 3,126,633 *l.*

3685. What was it in 1866-67; that was an exceptional year of 11 months, was it not?—Yes, it was an exceptional year of 11 months, but the effect of high prices was felt in this year, and there were arrear charges on account of the Bhootan campaign amounting to a very considerable sum. I have a statement of the cost of the various campaigns so far as they affected the military expenditure during the whole period under review, which I shall put in before the Committee.

3686. What was the expenditure for the 11 months?—£. 2,565,700.

3687. Then, passing to 1867-8, what was the expenditure in that year?—£. 2,159,190.

3688. How was that great reduction effected?—There was a general fall in prices, owing to a more favourable season; and a very large sum was taken off this particular Grant by the transfer of the cost of malt liquor to the home charges.

3689. It was not any saving or economy, therefore, but a mere shifting of expenditure?—It was a mere shifting of expenditure from the Indian to the Home accounts.

3690. Was there any other transfer?—The cost of the Hyderabad Contingent was taken off the military estimates and charges.

3691. Was there any temporary relief felt in consequence of the Abyssinian expedition?—Yes; in consequence of the Abyssinian expedition the commissariat saved the cost of provisioning the troops drawn for service in Abyssinia.

3692. Was that an absolute saving to the Indian Treasury?—Yes.

3693. Then, in point of fact, the Indian Treasury rather benefited by the Abyssinian expedition?—To a certain extent it did, certainly.

3694. What occurred in 1868-69?—That was another year of scarcity; the cost of compensation for dearness of provisions and forage in the Bengal Presidency increased by about 40,000 *l.*; then there was a large increase in this year for the Hazara campaign of about 80,000 *l.*, and a considerable increase in railway transport charges amounting to about 138,000 *l.*

3695. (To Colonel *Johnson*). What was the cause of that increase in railway charges?—It is mixed up with the whole question of the inland transport, which is one of the very large items of increase. (Mr. *Kellner*.) In consequence of the establishment of the Overland Troop Service the reliefs to and from England are now all effected through Bombay; the relieved and relieving troops are carried from and to every part of India through Bombay.

3696. (To Mr. *Kellner*). But in former times the troops would have on an average a considerable journey to any port of embarkation, would they not?—Quite so, and we now carry them by rail.

3697. But were they not previously carried by rail to the port of embarkation?—No, only since the completion of the railway system, and the connection of the other Presidencies and Provinces of India with Bombay.

3698. Supposing the troops were in Peshawur, they would either be embarked at Kurrachee or in Calcutta in the former state of things.—Yes.

3699. Then they would have been conveyed by railway as far as they could have been to those ports?—No; there were no railways then, and there is a considerable difference in the cost of railway transport as compared with marching.

3700. But in 1868-69, the railway from Delhi was complete, was it not?—Yes.

3701. And some two or three years previously?—Yes; but now they are all taken to Bombay. (Colonel *Johnson*.) When they went to Kurrachee, they were taken by river generally; they hardly went any part of the distance by rail.

3702. (To Mr. *Kellner*.) But all in the Valley of the Ganges, went to Calcutta by rail?—Generally.

3703. And there is very little difference in the distance from the North Western Provinces to Bombay as compared with the distance to Calcutta?—The troops in Lower India would be embarked in Calcutta, and Madras troops at Madras; but now they are all carried by rail to Bombay.

3704. The average distance to Bombay from all the stations in India has to be compared with the average distance from the station of the four ports of embarkation?—Yes.

3705. Do you understand that this charge of 192,000*l.* is the gross sum paid to the railway companies, or is it the net increase after deducting what would have been paid for all the commissariat transport?—It is the gross increase in railway charges.

3706. But then would you not have, in order to arrive at a just view of the expenditure, to deduct all the commissariat supplies and transport which would have been provided under the old system?—Yes, to a certain extent; but the old means of transport are still maintained to a certain extent.

3707. But not to the same extent as formerly?—No.

3708. What I want to know is, whether any attempt has been made to prepare an accurate statement of account, showing what would have been the exact charges if this new system had not been introduced as compared with what has been under the new system; or are you giving us merely the gross increase of charges in the railway debited to this?—Yes; I am giving you only the gross increase; but I think that there is a statement which I commenced in India, showing the relative cost of transport by railway of a regiment of infantry, and the cost of marching the old way; the cost of railway transport is of course considerably greater.

3709. That is subject to the further question of the expense of getting the troops to Bombay, instead of getting them to the several ports of embarkation formerly used?—Yes.

3710. I meant have you prepared any statement showing the result of carrying them to the old ports without railways, and the present mode of carrying them to one port by railway?—No.

3711. Mr. *Cave.*] To complete that calculation, you would have to take the difference in cost of sending a troopship to Calcutta or Bombay, I suppose?—Yes.

3712. The cost of coals, for instance?—Yes.

3713. *Chairman.*] That is another point, the coaling in the cost of Marine Transport?—Yes.

3714. We should like if you could give us any distinct statement of what effect the railways have had, in reducing what may be called the establishment of the commissariat for transport purposes which is charged to this Vote, I mean the regular establishment in barracks and other ways?—I am afraid that there has been no corresponding reductions there.

3715. But can you tell us what has been the reduction, and what is the charge now for railway transport?—I will endeavour to ascertain that.

3716. You had an expenditure of a two-fold character; one an expenditure for what may be called the Commissariat Establishment; another an expenditure under running contracts, which were only paid for work done?—Yes.

3717. That last item would of course be entirely saved to the extent of the work saved?—Yes. There are the moveable column establishments maintained at certain military centres; the camel and other carriage is hired besides, as required.

3718. But we want to know how far the fixed establishments have been increased or diminished, since the railways have been used; that you will ascertain?—Yes.

3719. Now, you have been giving us the expenditure in 1868-69 under Grant 4; what was the expenditure in 1869-70?—In 1869-70 the expenditure amounted to 2,425,745*l.*

3720. That was an increase over the previous year, of how much?—£. 62,000. There was an increase on the one hand of the cost of provisions for British troops, and the feed of army and commissariat cattle, compensation for dearness of food and forage to Native troops, and the extra cost of establishments.

3721. What does that amount to?—All those items amounted to about 215,400*l.* in the Bengal Presidency alone.

3722. What is the reason of that increase of expenditure?—An unfavourable season, a year of famine; then this was partly counterbalanced by a less outlay for reserve stock, for hire of transport, and for water and railway carriage.

3723. What was the saving in that respect?—£. 192,000, leaving a net increase of about 23,400*l.* over the commissariat charges in Bengal for 1868-69.

3724. Was there any change in Madras?—The extra cost of provisions for Native troops, feed of cattle, purchase of live stock, and railway charges, amounted to 30,000*l.*

3725. Was there any saving affected in Madras?—There was less outlay for rum and arrack, and hire of transport, to the extent of 8,000*l.*, leaving a net increase in Madras of 22,000*l.*

3726. In Bombay, was there any increased expenditure?—There again, there was the extra cost of provisioning Europeans and Natives, feeding cattle, purchasing reserve stock, hiring of transport, and sea and inland water carriage, which amounted to 69,000*l.*

3727. That is all exclusive of the regular service?—Yes, all were extra charges; there were less payments on the other hand for malt liquor, rum, and arrack, and railway carriage, making the net increase in Bombay over the previous year, about 16,600*l.*

3728. What was the total increase in the year?—The total increase over 1868-69 was 62,000*l.*

3729. What was the expenditure in 1870-71?—It was 2,195,134*l.*, a decrease which was owing to favourable seasons and a general fall in prices, and to the effect of the military reductions ordered in the autumn of 1869.

3730. That is reductions of strength?—Yes.

3731. Was there any counterpoise to that in the way of a charge?—There was an increase of 65,000*l.* in railway and water transport, 7,000*l.* in the purchase of spirits for the troops, and 13,000*l.* in giving provisions in kind to the Native troops on the North Eastern Frontier, in lieu of money compensation.

3732. What was the reduction in the Bengal Presidency?—There was a saving of 112,000*l.* in establishments, provisions, hire of transport, reserve stock, cattle gear, and miscellaneous charges, and a reduction of 175,000*l.* in compensation for dearness of food and forage, and keep of army and commissariat cattle.

3733. Had you any further reduction?—The commissariat charges in 1870-71 exhibited a net reduction of 201,000*l.*

3734. Is that for Bengal only?—Yes.

3735. In the other Presidencies what were the reductions?—In Madras the charges remained much the same as in the previous year; in Bombay the charges for establishments, provisions for Europeans, feed and gear of commissariat cattle, malt liquor and spirits, exhibited a reduction of 48,000*l.*; there was on the other side an increase of

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of 19,000 *l.* in railway charges, feed of horses, and purchase of reserved stock, giving a net reduction of 29,000 *l.*

3736. Have you the charges for 1871-72, under this grant?—Yes, 1,927,269 *l.*

3737. How was that reduction effected?—It was in various items, chiefly in supplies of provisions for Europeans, which exhibited a considerable decrease on the previous year.

3738. Was there not in this year a transfer of the Hyderabad Contingent?—No, that occurred in 1867-68.

3739. The reduction from the previous year amounts to 200,000 *l.*?—Yes, owing partly to the presence of a less number of European troops in the country, also to lower prices, and economical arrangements.

3740. Will you just compare then the expenditure of 1871-72 with the expenditure of 1862-63 and 1863-64?—The actual commissariat charges for 1862-63 and 1863-64, averaged 2,321,816 *l.*

3741. What is the decrease from that amount in the year 1871-72?—The commissariat charges in 1871-72 amounted to 1,929,369 *l.*

3742. But for the purpose of comparison have you not to put in the Hyderabad Contingent?—Yes, the accounts of the earlier year included the Hyderabad Contingent commissariat charges and the malt liquor; together, I should say that they would amount to about 350,000 *l.*; if you add 350,000 *l.* to the 1,929,369 *l.* spent in 1871-72, you get a total of 2,279,370 *l.* in 1871-72, and the actuals for 1862-63-64 averaged 2,321,816 *l.*

3743. That would show a decrease of 42,446 *l.* in 1871-72, under the head as compared with those years?—Yes.

3743.* Sir *G. Balfour.*] And I think you have got it down lower since?—Yes; we have got it down lower since; there has been general economy, especially in the arrangements for the provision of bread and meat for the troops.

3744. *Chairman.*] Still, that is a small reduction, having regard to the decrease of force, is it not?—Yes.

3745. Mr. *Dickinson.*] But there is a more rapid relief now than there was?—Yes, a much greater expense in relief.

3746. *Chairman.*] Still, as regards the force, it is a greater expenditure per man?—Yes.

3747. As regards the mere food of the men, and charges of that kind, the sum due per man would produce a much greater reduction than this; and how, therefore, has that reduction been counterbalanced in this expenditure?—In higher prices, for instance.

3748. Do you suggest that the rise in prices has been such as between 1862-63 and 1871-72, as to account for the whole increased expenditure per man; or are there other causes which have produced increased expenditure?—There are other causes. We have improved the rations, for instance; the soldier has better food.

3749. But are there any special increases of expenditure in connection with this grant?—Yes; chiefly in transport.

3750. Will you explain that?—For instance, the annual reliefs are now effected by railways; for the most part British regiments are carried by railway. When it is remembered that about 20 British regiments are relieved annually throughout India, that will account for a large expenditure.

3751. That is, you mean removals in India?—Yes; the annual reliefs in India generally include about 20 British regiments, and these are for the most part effected by means of the local railways. Then, in addition to these, the British troops going home are all carried by railway to the port of embarkation, whilst the relieving troops are carried from the port of debarkation to their respective stations by railway. If I said 24 regiments that would include the reliefs from England, but 20 is about the number of annual reliefs within India. (Colonel *Johnson.*) For three years, 1862-63, 1863-64, 1864-65, it was 14 battalions of artillery, $3\frac{2}{3}$ regiments of British cavalry, $19\frac{2}{3}$ regiments of British infantry, $1\frac{1}{2}$ companies of Sappers and Miners, $6\frac{1}{3}$ regiments of Native cavalry, and 19 regiments of Native infantry; for the eight years 1865-66 to 1872-73, it was 21 batteries of artillery, $2\frac{3}{4}$ regiments of British cavalry, 24 regiments of British infantry, $1\frac{1}{2}$ companies of Sappers and Miners, six regiments of Native cavalry, and $14\frac{1}{3}$ regiments of Native infantry.

3752. (To Colonel *Johnson.*) Has there been any change in the rule in the reliefs as to the length of time which troops remain in a station?—Yes, they remain now a considerably shorter time than they did before the Mutiny. Ordinarily, a British regiment only remains three years in a station now; formerly, and particularly with the British cavalry, they remained even 15 to 18 years in the same station; but then there were only two regiments.

3753. Mr. *Dickinson* (to Mr. *Kellner*).] Have you any calculation of what the average distance of the reliefs of the regiments is?—No; I daresay I could get it, but I have not prepared it.

3754. *Chairman.*] Could you give us a view of the difference of expenditure in 1871-72, as compared with the average of 1863-63 and 1863-64, for the transport services of the commissariat?—There has been an increase of 235,460 *l.*

3755. Will you give us a summary of the expenditure at both periods?—£. 619,828 for 1871-72, and in 1862-63-64 it was an average of 384,365 *l.*; that shows an increase of 235,460 *l.*

3756. Now can you give us any illustration of this increased expenditure in transport to show how this is brought about?—Yes; as I mentioned, the annual reliefs would account for it, to some extent.

3757. But have you any particulars to show how it has mounted up in this way?—Yes; the cost of conveying a regiment of British infantry a certain distance would be more than double the cost of marching.

3758. Can you give us any idea what it would be per mile under the old system, and what under the new?—It is 4 *l.* 10 *s.* per mile by railway, and it would be less than half that sum by marching. Then I should wish to mention that the Overland Troop Transport Services between Bombay and England require the concentration at Bombay of all the reliefs to and from England. Again, the cost of transport by railway of Ordnance *materiel*, machinery, malt liquor, army clothing, medical supplies, barrack and other military stores, is very considerable. I have a detailed statement for the year 1871-72, showing the transport charges on account of officers and troops of the British and Native Army, and for the carriage of war *materiel* of every description. I will put that in.

Tuesday, 13*th May* 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Grant Duff.
Sir George Balfour.	Mr. Eastwick.
Sir Thomas Bazley.	Sir James Elphinstone.
Mr. Beach.	Mr. Fawcett.
Mr. Campbell-Bannerman.	Mr. Hermon.
Mr. Stephen Cave.	Mr. Lyttelton.
Mr. Baillie Cochrane.	Mr. M'Clure.
Mr. Crawford.	Mr. John B. Smith.
Mr. Beckett Denison.	Sir D. Wedderburn.
Mr. Dickinson.	Sir Charles Wingfield.

THE RIGHT HON. ACTON SMEE AYRTON, IN THE CHAIR.

Colonel ALLEN BAYARD JOHNSON and Mr. GEORGE WELSH KELLNER re-called; and further Examined.

Colonel *A. B. Johnson* and *Mr. G. W. Kellner*.

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3759. *Chairman* (to Colonel *Johnson*).] HAVE you any further explanation to give with reference to the increased cost of the inland transport?—Yes; I should like to make some general remarks in continuation of what was said at our last meeting. The expenditure was shown to have been in 1861–2, 390,549 *l.*, and in 1871-2, 619,824 *l.*, or an increase of 77 per cent. This increase has been in great degree inevitable, but is not, I think, progressive, it having been lower in 1871–2 than in any previous year since 1864–5; between that year and 1865–6, it jumped from 383,664 *l.* to 699,239 *l.* I am unable to give the figures, or to distribute the rates of each item of increase; but generally, I believe that they may be placed under the following heads: 1st, military operations; 2nd, the re-introduction of a fixed system of reliefs; 3rd, the establishment of the troop ships; 4th, the extension of railway communication; 5th, the extension of hill stations and sanitaria, and the employment of European working parties in the hills; 6th, the transfer of charges to this head; 7th, the general rise in the cost of carriage and wages of establishments; 8th, the assistance it was found necessary to afford the soldiers' families; 9th, a similar concession to native troops proceeding to their homes on sick furlough; 10th, the great increase in the stores, ordnance, medical, machinery, &c., which it has been necessary to transport since 1865; 11th, the organisation of the system of cholera camps; 12th, the increased number of invalids sent home. There may be some other causes which do not, however, occur to me at present. First, as regards military operations; these, of course, if undertaken on any scale, or at any distance, or for a prolonged time, involve a very material addition to the cost of inland transport; for on each occasion not only is probably the bulk of the force moved to the base of operations by rail, but the entire charge for the conveyance of all stores and supplies for the extra establishments connected with the provisioning of the force falls on this grant. Thus the year 1865–66, which showed the first marked increase in the rates of inland transport, was the year of the prolonged war in Bootan, which cost altogether 363,000 *l.*, a large proportion of which was certainly for inland transport. That there was no such increase in 1863–4 during the short Umbeyla campaign, is probably due to the fact that the troops were at hand, and that there were no railways above Delhi; that a large proportion of the native corps engaged had their own establishments of mules; that they were close to their supplies, and that it only cost altogether 53,580 *l.*; a very small proportion of which was, I take it, chargeable against inland transport. Second, as regard reliefs, I gave on Friday what the average relief had been for the three years 1862–3, 1863–4, and 1864–5, and for the eight years 1865–6 to 1872–3. I would add, that these include all movements to and from England, and corps proceeding to Abyssinia.

3760. When you say proceeding to Abyssinia, you mean proceeding to the port for the purpose of going to Abyssinia?—Yes. (Mr. *Kellner*.) They went from the Bengal as well as from the Bombay Presidency. (Colonel *Johnson*.) These reliefs include also in 1868–9, the return from the port of debarkation of that force. They do not include movements of corps proceeding to camps of exercise otherwise than in relief, nor troops proceeding on service. The length of rail opened in 14 years between 1858 and 1871, rose from 332 miles to 4,778, namely, 1,506 miles in Bengal and the North Western Provinces; 854 in Madras; 1,412 in Bombay; and 674 in Scinde and the Punjaub; or an increase of 4,446 in all. Formerly, reliefs from England took place at longer intervals, and for far fewer troops; so that before the Mutinies, and for some time subsequent to them; until, in fact, the regular system of

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reliefs was organised, regiments remained for long periods together in the same station; sometimes for as long as five years; in the cavalry, even longer. Now the more frequent relief of troops from England, and through one port, necessitates a movement throughout India, in the distribution of the troops arriving, and the relief of those leaving India; for I need hardly point out that it is rarely feasible to effect a direct relief of the departing by the arriving regiment.

3761. (To Colonel *Johnson.*) May we understand that the system of more frequent reliefs has been adopted for the efficiency of the army?—Certainly.

3762. Was it considered necessary for the maintenance of discipline?—It is a disputed point. Proposals were made by the Government of India in 1868, at the instance, I believe, of Sir William Mansfield, that the tour of Indian service of a British regiment should be extended from 10 to 17 years; and of cavalry, from 11 to 15 years. The objections shown to this proposal on sanitary and military grounds were so strong that the measure was abandoned as impracticable. I mentioned that all the debarkations and embarkations are made at one port of troops arriving from and proceeding to England, that is. The question of using Calcutta and Madras was discussed and rejected on apparently sufficient professional grounds. Rangoon and Beypore have, however, been used on occasions; but these make no great difference in the charges for inland transport. The third reason I named was the greater use of railways instead of route marching. This no doubt adds very greatly to the charge for inland transport; for the railway rate, which, as Mr. Kellner has informed the Committee, is for a regiment of British infantry, 4 *l.* 10 *s.* a mile, is double that of route marching. If, therefore, you add to this double rate, the larger number of troops moved, and the greater extent of line traversible, the item becomes formidable. I believe I am not allowed to urge that, in the case of guaranteed lines, the money thus spent goes in great part back to the pocket of the State, and that in this view it is actually less cost to the State to move troops by rail than by line of march; less, in fact, by 22 per cent.

3763. That is provided that the railway companies are not making a dividend in excess of their guaranteed interest?—Yes.

3764. Mr. *J. B. Smith.*] Which is the case, is it not?—I believe that very generally the railways are not paying anything over the 5 per cent.

3765. And therefore anything received for the transport of troops is so much given to the Government?—So much given to the public. (Mr. *Kellner.*) So much debt repaid.

3766. Mr. *Fawcett* (to Colonel *Johnson*).] But then, on the other hand, railways, like some of the railways which are merely military railways, involving a very heavy charge on the revenue of India, ought to be put down to military expenses, like fortifications?—Possibly.

3767. *Chairman.*] Have you anything further to add on this subject?—I would add that, whether or no, it is inevitable, that where lines of railway exist they will be more or less used for troop movements. If they were never to be used except in time of actual war, it is very improbable that they would then be provided with rolling stock or establishments for the proper performance of the special work required by them; nor would the staff, or the regiments themselves, have any idea of what to do when required to proceed at a few hours' notice by rail. But putting this aside, it is absolutely necessary to make very large use of railway communication for the movement of troops. With the reduced Native army we have in India, it is necessary to carry them over great distances to effect proper reliefs, that is, reliefs which shall give them a tour of their own country, and their turn of less agreeable quarters; while, from circumstances which cannot be controlled, it is obligatory to move the English reliefs to and from Bombay, as well as the invalids and time-expired men *en route* for England, by rail. In fact, with the best efforts not to use rail when the road could be taken, I doubt whether a third, or even a quarter, of the miles covered by British soldiers in each year could possibly be performed otherwise than by rail.

3768. Have you got any Tables showing the number from year to year of the invalids and time-expired men sent to England?—Yes; from the Sanitary Reports.

3769. Will you put that in a Table?—Yes. I admit that I have no precise data on the point of the number of miles that are covered by rail, that might be by route marching; but a Return giving this information might perhaps be made up in India. The charge for the use of rail on account of the Bombay reliefs, that is, the overland troops, is an addition to this head of inland transport of some 168,000 *l.* a year, and this is, I believe, susceptible of little if any reduction. In the next place the operation of the extension of hill sanitaria and depôts in increasing the land transport charges is simple. The need to give each European corps its tour of the hills, and to give them as short a tour as possible of unhealthy stations, such as Morar or Peshawur, necessitates also the frequent movement of troops. British infantry occupy hill stations only two years, and unhealthy ones for the same time or even less. So long, therefore, as the increase in hill stations does not reach a certain limit, their increase will necessarily increase the number of two-year stations. So with depôts; the more there are, the more invalids will be carried there by rail or line of march. Lately, too, the number of movements to depôt is increased by the adoption of a plan of sending two or more sets to a depôt during a season when practicable; thus for a depôt constructed to hold 500 men, 1,000 or even 2,000 men may be carried backwards and forwards in the year. I need not point out that though these items swell the charge for land transport, their economy in every other respect is conspicuous. The same may be said of the small extra charge involved in the employment of working parties in the hills. The advantages immeasurably outweigh the small drawback of expense. Then the transfer of charges from other heads has been explained by Mr. Kellner.

3770. Sir *G. Balfour.*] What stores have been transferred to other heads besides malt liquor?—Under their own heads, they were all charged to the cost of the stores.

3771. What was charged?—The cost of carriage; malt liquor and other stores were despatched by Government steamers.

3772. Were the spirits ever charged in any other department besides the Commissariat?—I am not aware. The amount now brought under the head of land transport which did not appear

under

under it before is very considerable, when you remember the thousands of hogsheads that you have to carry over so many hundred miles.

3773. Was it ever in any other branch, excepting the Commissariat?—No; but I am merely referring now to the increased cost of inland transport.

3774. But was inland transport charged for in any other branch besides the Commissariat?—I do not know. (Mr. *Kellner.*) No, it was not. (Colonel *Johnson.*) Still it is a fact that the inland transport, as a separate charge, has increased very largely, and it seems desirable to explain in what respect.

3775. Sir *G. Balfour* (to Colonel *Johnson*).] I was anxious to ascertain what charges have been transferred from this Commissariat Vote, excepting malt liquor?—Spirits.

3776. What charge has been transferred?—The charge for the conveyance of spirits is now shown as separate from the cost of the spirits; formerly it was included in the cost of the spirits. My object is to show why there has been apparently only as well as actually a great rise in expenditure for inland transport. (Mr. *Kellner.*) I think what Colonel Johnson means to say is this, that formerly the spirits and malt liquor charges were included in the cost of the respective articles, and adjusted in the Indian Accounts under this Commissariat Grant. The cost of the malt liquor (and of rum in the case of Bombay) is now written off in the Home Account, and therefore the expense of transport to the different stations of the army is a distinct charge in this Commissariat Grant. In the same way, the charge for transport was added to the cost of spirits formerly; it now is shown as a distinct item in this Commissariat Grant.

3777. Mr. *Eastwick* (to Mr. *Kellner*).] It is merely swelling the transport charges, in fact?—Yes, distinguishing them from the cost of the articles carried.

3778. Sir *G. Balfour.*] The transport of beer and spirits was invariably a transport charge?—Yes.

3779. And in the same manner with regard to the spirits?—Yes.

3780. And the same practice was followed in 1861-2 as at the present day?—Yes.

3781. And therefore we have no difference in the mode of charging the transports included in the Commissariat Vote?—There is this difference, that the transport charges are now shown as distinct from the value of the article that is carried, though they both occur in the same Grant as they did before.

3782. Have we got in the accounts a distinct head showing the charge for the transport of beer separate from the transport of stores?—We have it now distinct for 1871-2; but I am afraid that is not available for the earlier years. I have a distinct statement, showing what the cost of the transport of beer in the year 1871-2 was.

3783. But, excepting for that one year, we have never had these detailed statements prepared?—No.

3784. And the charge for inland transport was included in the Commissariat charge in former years?—Yes.

3785. *Chairman* (to Colonel *Johnson*).] What is your next point on this subject?—My next point refers to the general rise in the cost of carriage and wages, which is established, I think, and need not be insisted on. It includes also the increased cost of feeding cattle and draught, which are borne on this Grant.

3786. Mr. *Fawcett.*] Do you give any estimate of the increase of wages?—Not at present.

3787. Sir *G. Balfour.*] Can you tell us how many troops were moved in the year 1861-2 and 1862-3?—I am not certain that I can.

3788. You are aware, are you not, that from half to two-thirds of the whole European force was moved in those years?—No, I am not.

3789. Then perhaps you would kindly furnish the Committee with some information to enable them to judge of the comparative movements?—I have given the number of regiments.

3790. If you would take some particular year, we could compare it with a later year?—I will furnish the relief orders of the three Presidencies for any given year that is necessary.

3791. Will you compare 1861-2 and 1862-3 with the two latter years?—Yes, if I can find the reliefs for 1861-2, I will.

3792. Can you give us any statement of the movement of the troops for the Umbayla campaign, all those corps that were brought up either to take part in the operations or to support the force in the hills?—It can be procured, no doubt.

3793. Can you give us any details there connected with these various increases which you have stated to us?—Yes, I hope so; I have merely drawn up at present a general statement of the general principles on which the increase has occurred.

3794. Has the movement of troops to Bombay, necessarily connected with the transport ships between England and Bombay, been the cause of an increased charge, do you think?—Yes, if you accept as an increased charge the movement of troops by rail instead of line of route.

3795. Do you think that selecting Bombay as the head-quarters for the reliefs between England and India, and moving all troops to Bombay from England and from Bombay to all parts of India, has added to the cost of the overland transport?—Certainly, I should think.

3796. Have you any idea what that increased cost is?—I have given that; at this moment I cannot say the authority, but I said that it was 168,000 *l.* a year.

3797. Did that include the batta for the troops, and the detention of the troops also in India?—I presume so.

3798. Then that is all the increased cost of the transport service?—Possibly; I got this information from some authority which satisfied me at the time.

3799. I was anxious to see in what way I could ascertain from the accounts the financial results of the opinions which you have so clearly expressed?—I suppose it could be done, but it would be extremely laborious to give detail by detail, item by item; I think the general view may be gathered and accepted.

3800. *Chairman.*] Would you not have to estimate the cost of the hypothetical operation of sending the troops to the port of embarkation under the old system, as compared with what has taken place under the new?—Yes, and under the old system with entirely different conditions.

3801. Mr. *Eastwick.*] I want to know why this charge was made as to landing the troops all at Bombay instead of sending them round to Calcutta?—I have said that it was discussed, and

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it was decided on professional grounds that it was not safe or desirable to send the troops ships to the Hooghly; it was not considered a safe port for those large vessels.

3802. Is that, then, the only ground; is there no other ground but that?—I fancy that there are other grounds, connected with dockyards and marine establishments.

3803. *Chairman.*] And length of voyage?—Length of voyage, certainly, would be one ground; but it is all to be found clearly, laid down, I have no doubt, in the reports which are already before this Committee.

3804. Mr. *Bourke.*] Is there any authority for saying that the new system is more expensive than the old?—I believe that the transport of the individual soldier does cost something more than it did.

3805. Is that all due to the change in the mode of transport?—That I cannot say, because unless you carried men simultaneously now by the old system and the present one, it would be almost impossible to strike any average; it is not a subject, however, with which I have any intimate official connection.

3806. Sir *G. Balfour.*] But you seem to have got up a Paper setting forth very clearly the various changes under this head, and we are only anxious to ascertain where we can get information?—I have stated to the Committee what I have ascertained.

3807. Mr. *J. B. Smith.*] Is not the expense of sending troops by way of Bombay greater than that of sending them to Calcutta?—I presume it is, by sending all troops to one port.

3808. If you send them to Bombay, they have to go along the railway to Calcutta?—A good deal would depend upon the intelligence with which the relief was managed. You move troops to produce as little expenditure as possible, restricting as far as possible the distances or directions in which they shall move.

3809. Have you any calculation or facts to show what is the difference in the expense by way of Bombay to Calcutta, or direct by ship?—No, and I think it would be impossible to give that; it would be a mere hypothesis. (Mr. *Kellner.*) I believe there is no doubt that if the charges were taken together (it so happens that these charges for the overland transport occur partly in the Home Accounts and partly in the Indian Accounts) and, divided by the number of men carried, it would show a considerable increase; but it would be a matter of calculation; we have the materials to a certain extent already.

3810. Sir *G. Balfour* (to Mr. *Kellner*).] Will you read off the cost of the overland transport between England and India?—The following statement exhibits the total charges for sea transport by chartered vessels before the institution of the Transport Service and since; and I may explain to the Committee that the charges occur partly in the Indian Accounts and partly in the Home Accounts. In 1863-64 (these statements do not go further back) the charges in England were 174,357 *l.*; and in India, 286,855 *l.*; giving a total of 461,212 *l.* These are the charges for sea transport by chartered vessels. Then, in 1864-65, in England, the charges were 182,244 *l.*; and in India, 354,853 *l.*, making a total of 536,827 *l.* In 1865-66, in England, the charges were 280,417 *l.*, and in India, they were 340,945 *l.*, giving a total of 621,362 *l.* In 1867-68, in England, the charges were 159,048 *l.*; and in India they were 161,191 *l.*, giving a total of 320,239 *l.* In 1868-69, the charges were 145,359 *l.* in England, and 179,302 *l.* in India, making a total of 324,661 *l.* This reduction of expense for chartered vessels was cotemporaneous with the introduction of the Government troop transports. In 1869-70, the charge in England was 53,465 *l.*, and in India, 149,510 *l.*, making a total of 202,975 *l.* In 1870-71, the charge in England was 49,850 *l.*, and in India, 112,563 *l.*, making a total of 162,413 *l.* In 1871-72, the charge in England was 19,828 *l.*; and in India, 70,212 *l.*, making a total of 90,040 *l.* In 1867-68, the charge for Government troop transports, excluding cost of construction (these are working charges) amounted to 181,684 *l.*, both in England and India. In 1868-69, they amounted to 440,034 *l.*; in 1869-70 they amounted to 340,175 *l.*; in 1870-71 they amounted to 345,139 *l.*; and in 1871-72 they amounted to 300,704 *l.*

3811. Can you supply the estimated cost of the last two years?—Yes.

3812. *Chairman.*] The account is now kept so as to show the whole expenses of the working of the transports separately?—Yes; the outlay for the construction of these troop transports, as charged in the Home Accounts, amounted to upwards of a million sterling.

3813. Mr. *Eastwick.*] Then the interest has got to be added?—Yes.

3814. *Chairman.*] But then, in making that comparison, is it not an element on one side of the question that the troops were maintained for four months, included under the contract system, in the voyage round the Cape, whereas they are only maintained for one month in the system of overland transport?—Yes.

3815. And, as regards persons coming home invalids, they had a prolonged sea voyage, which was highly conducive to the restoration of their health in coming home, whereas now they have a voyage through the Red Sea, which is rather conducive to the other result?—Yes.

3816. Sir *G. Balfour.*] And they arrive in the most unfavourable period of the year in England, do they not?—Yes.

3817. *Chairman.*] On the other hand, it was said that under the old system the Government were deprived of the services of the troops during the four months that they were on the sea, and now they save three months of that time either in India or in this country?—Yes.

3818. The effective result then, as regards men going out, would be that it would depend upon whether discipline and drill could be maintained on board ship in the voyage?—Yes.

3819. The loss of the services must be regarded as an advantage, if the men are invalids recovering?—Yes.

3820. Mr. *J. B. Smith.*] Have you any statement of how much per head it cost [redacted] the two systems. (Mr. *Kellner.*) Colonel Johnson is preparing one, I think. (Colonel *Johnson.*) General Pears gave it in his evidence before this Committee last year.

3821. Sir *G. Balfour* (to Colonel *Johnson*).] And it has been laid before Parliament?—I believe so. (Mr. *Kellner.*) I may state that from the year 1863-64 to the year 1866-67, that is before the institution of the Government Transport Service, the expenditure for sea transport in England and in India together averaged 546,985 *l.* per annum. If we take the expenditure from 1867-68 to 1871-72, adding the cost of transport by chartered

chartered vessels to the cost of transport by the Government troop transports, with interest on the capital expended in constructing the transports, and an allowance for depreciation of stock, we obtain an average annual expenditure of 620,619 *l.*; that is more than 13 per cent. in excess of the expenditure in the years prior to the institution of the Government Troop Transport Service.

3822. Sir *G. Balfour* (to Mr. *Kellner*).] And the European force was greater then than it is now?—Yes; but it is my impression that the reliefs were much less. We now relieve one brigade of artillery, one regiment of British cavalry, and four or five regiments of British infantry, every year, besides the invalids, and time-expired men, and the importation of recruits; whilst formerly, I believe, it was much less; but we have promised to put in a statement of the reliefs at the two periods.

3823. Mr. *Fawcett.*] I should like you to explain this: what does that 390,000 *l.* in 1871-2, which you gave as the cost of the transport, include?—It includes all the working expenses.

3824. Sir *G. Balfour* (to Colonel *Johnson*).] In addition to these charges, you think that the 168,000 *l.* which you mentioned is to be added to that transport service?—That is additional, not in the Grant for the Inland Transport, but it adds that amount to the charge for Inland Transport.

3825. And you think that the Inland Transport for India has been augmented by the necessity of moving the troops?—Yes.

3826. So that the measure of the two systems is to compare the totals?—I suppose so.

3827. *Chairman.*] Are there any further points in connection with the increase of this Grant which you wish to bring before us?—There is next the assistance which it is found necessary to afford soldiers' families in moving. The need for this assistance is great, and caused partly by the rise in rates of carriage, which put it out of the power of a married man to hire a sufficiency for the decent accommodation of his family, and partly by the action of the Government which operated thus. Formerly there was a very large profit to canteens on the sale of rum, where but little beer was obtainable by the men, and their allowance was two drams of spirit. In 1864 Sir H. Rose recommended the Government to encourage the substitution of malt liquor for spirits, and to reduce the allowance to one dram. This was done, but the result was, that as beer is not sold at a profit, the profits of the canteen were materially lessened. As one of the chief objects to which these profits were applied was the assistance of the married women to get carriage on the line of march, it followed that the State had to do it.

3828. Do you happen to know whether, as a matter of finance, the profits were brought in as a casual military receipt and the whole expenditure shown, or whether the fund was administered separately?—It was administered separately.

3829. Sir *G. Balfour.*] Do you think that the malt liquor has increased?—The consumption of spirits only, which is the only point at issue here, has decidedly decreased by a reduction of one-half.

3830. You think half the quantity of spirits only is consumed?—Supposing every man to have taken two drams per diem, he is only allowed to have one; there is a reduction to that extent more or less. Then I may add that the Government gave one bullock cart free between every two married families moving on the line of march. Then there was the assistance also given to the native troops, which was pressed on the Government by successive commanders in chief. It had been the practice in Bombay, and it was found inconvenient that their sepoys born in the North West Provinces should return with a free passage, while those of the same village belonging to the Bengal army had to pay their own passage.

3831. *Chairman* (to Mr. *Kellner*).] To clear up the question of the charges for malt liquor, is the transport charge for the malt liquor added to the price of it in charging the price at the canteen?—No, it is sold at cost price by the Government, and the Government therefore bears the charges for transport.

3832. In point of fact, it is sold at less than it costs the Government to place it in the canteen?—At much less.

3833. Sir *G. Balfour.*] But do the Government lose less now or more than they did in 1861-2?—I think that the cost of transport, if I remember rightly, is more.

3834. The actual outlay, including the prime cost of the malt liquor and the transport charges is now actually less in the account than it was in 1861-2, is it not?—We get the beer cheaper than we did in 1861-2 from England; I think it is very much cheaper now than it used to be.

3835. Then the actual charge in the accounts will be less than formerly?—The transport charges are more.

3836. But still, putting them together, we have a less expenditure falling on India?—In the old time, the malt liquor was carried from Calcutta to Allahabad by Government steamers, and the total charge was shown against the Government Steam or Marine Department.

3837. *Chairman.*] There were no charges made between the Army and the Steam Department?—My impression is that there were not, certainly in the earlier period, 1856-7. It cost in 1871-2, 88,000 *l.* to transport malt liquor alone; that was one item of the transport charges.

3838. Sir *G. Balfour.*] But since 1861-2, the whole charges on account of transport have appeared in the military accounts?—My impression is that the charges were treated similarly in 1861-2 and 1862-3, as in 1856-7. I think we have been more particular in charging accounts to particular services since 1864-5 generally; that is my impression.

3839. Mr. *J. B. Smith.*] Have any experiments been made to endeavour to produce beer in India, in order to save this enormous expense?—Yes; during the last two years the Government have afforded every encouragement to the local breweries; the Murree and Simla breweries have furnished beer to the Punjaub, and I believe the troops in the recent Camp of Exercise at Hussun Abdul expressed a preference for the Murree beer over the English beer.

3840. What is the difference in cost between them?—The cost price of the English beer is very much enhanced by the cost of transport, so that the cost of a hogshead of beer valued at, say, 3 *l.*, on arrival at Kurrachee would be valued at about 6 *l.* 10 *s.* or 7 *l.*, by the time it arrived at Peshawur. The Murree Brewers Company provide beer at a cost of 6 *l.* to 6 *l.* 10 *s.* per hogshead; so that there is not much difference between the two.

3841. *Chairman.*] Do you mean that that is

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the supposed real cost of the beer there?—It is the price they put on it. An endeavour was made to reduce the rates; but it is the price which they get from the public.

3842. Have the Government made any experiments to ascertain the real price of producing beer in India?—No; the Murree Brewery Company is quite a new enterprise.

3843. Sir *T. Bazley* (to Colonel *Johnson*).] Do they import their malt and hops?—They make their own malt, and import their hops, I think.

3844. Mr. *Eastwick* (to Mr. *Kellner*).] Is it known what profit they make?—No; but I have understood that they make a very fair profit. We have not had much beer from them. I think not much more than 4,000 hogsheads in the year.

3845. Mr. *Denison.*] But then in this case you do not run the risk of wastage to the beer, which used to be very enormous?—It used to be very enormous; we do not run that risk with the beer produced in India.

3846. *Chairman.*] Do you think that it may be looked upon as an important economy to obtain the beer made in the northern part of India?—It is quite an experiment for the present. I may say, however, that in considering the question, the Government had statements before them to show that the cost of transport was enormous, especially from Kurrachee, and that the cost of the beer would be considerably reduced by adopting other means of transport, that is, by landing it at Bombay, and sending it to destination by rail or bullock train.

3847. To get it on the line of the Ganges Valley?—Yes. (Colonel *Johnson.*) Lord Mayo, I know, was under the impression that it would hereafter be a source of economy.

3848. Mr. *Denison.*] There was a very old established brewery at Mussourie; is that gone now?—Yes; they have other breweries now at Simla and Kussowlie, and they depend on them for a supply of beer.

3849. *Chairman* (to Colonel *Johnson*).] As regards the transport, what is your next point?—I was speaking of the assistance given to the natives proceeding to their homes on sick furlough. This was pressed on the Government by successive commanders in chief. It had been the practice in Bombay, and it was found inconvenient that their Sepoys born in the North Western Provinces should return with a free passage, while those of the same village belonging to the Bengal Army had to pay their own passage. There were other reasons, such as popularising the service, and sanitary persuasion, which induced the concession. The amount cannot be great, but I cannot say how much. Personally, I would not have made the concession; I think it is more sentimental than necessary. Then, as the next point, the increase in the amount of stores, the carriage of stores and machinery, has been considerable. Since 1864-5 this increase forms a considerable item in this charge. I have obtained from the Store Department of the India Office a Return which shows the value of the several classes of stores furnished from 1860-61 to 1867-8. In 1862-3 the cost was 258,196 *l.* In 1867-8 (for I could not obtain the figures from the office for a later date) it was 640,040 *l.*

3850. And those stores, for the most part, have to be distributed throughout India from the ports of landing, have they not?—To a great extent. I should say that the cost of 1867-8 includes malt liquor. If you take 1864, when the cost of the stores imported was 218,789 *l.*, as the year in which the stock in India was at its lowest since 1853-4, and 1868, when the reserve stock having been nearly replaced, the demand was not abnormal, you get this result, that the cost of stores from England in 1864 was 218,789 *l.*; in 1868 it had risen to 316,000 *l.*

3851. That is excluding the malt liquor?—Excluding the malt liquor. The increase being in machinery, ordnance, provisions, small arms, and so on. There is a further cause to be noted under this head, the institution of cholera camps, which are the practical outcome of the only discovery that the doctors have made in respect to cholera, that the only hope of avoiding it is to leave the cantonment.

3852. You mean, to leave the cholera behind?—Yes. As soon as cholera declares itself, the troops hold themselves in readiness to leave the cantonment by rail or by march, or by both.

3853. Sir *G. Balfour.*] Is that a new discovery, do you think?—I am not at all certain, but it has lately been brought anew into practice.

3854. I remember it in existence 45 years ago?—Were the orders then, that the troops were always to move, on cholera declaring itself?

3855. To break them up into small detachments?—It was not done in Bengal; whenever cholera is rife now the troops have to be moved, and as it is generally rife in some part of India or other, the amount of charge for this purpose is very considerable.

3856. *Chairman.*] Are the circumstances of the Bengal troops such that the troops cannot be hutted out without this general migration?—No; they did try the experiment of having standing cholera camps, but the medical officers (and I believe rightly) decided that it was no good; that you must move the men constantly.

3857. I meant separating the troops some little distance from the town or barrack where the cholera was?—They are broken up into detachments; the whole garrison does not move out in a body into another place; possibly only the women and children, or the inhabitants of one range of barracks are moved out to tents at a certain distance, sometimes at a considerable distance, sometimes close, as the judgment of the principal medical officer leads him to suggest.

3858. (To Mr. *Kellner.*) I should like to ask you, with reference to the comparatively small diminution of the commissariat expenditure from 2,321,000 *l.*, which you gave us as the average of the year 1862 to 1864, as compared with the actual expenditure of 1871-2 of 1,929,000 *l.*, showing only a diminution of 392,000 *l.*, whilst there had been such a very large reduction of the European and Native forces; are you able to explain to the Committee generally why the reduction has not been greater?—Because the reduction of the ordinary commissariat expenditure has been counteracted by increments in other directions; notably, in the land transport charges, in increased wages for labour, in compensation for dearness of provisions for the Native Army, in the higher prices of grain and forage throughout the country.

3859. Mr. *Denison.*] Are the accounts of the year brought to account within the year; for instance, in any year when there has been an expedition like this some time Looshai Expedition, those charges do not come into the account for some

some time, do they?—Charges of that kind, I am sorry to say, do sometimes drop out of the year's account; but the Indian accounts are framed on precisely the same principle as that on which the English accounts are framed, viz., that everything paid in the year is charged to the service of the year, and belongs to the account of the year. In the Looshai Expedition there were many payments made by the Civil departments, on account of transport of troops and supplies, which were not communicated to the Military department before the year closed; but that is quite exceptional; as a rule, everything paid in the year is charged, and belongs to the account of the year.

3860. *Chairman.*] You mean the payments made out by the chief accountant and the vouching of the sub-accountants goes on afterwards; the payment is treated as a payment within the year if it is paid to the chief accountant?—Yes; it may happen that the charge paid by a civil district officer on account of transport, or for the hire of labourers or coolies, may not be communicated or audited in sufficient time to be included in the military accounts for the year, and will therefore fall into the account for the next year, but that is quite the exception.

3861. Every payment that is vouched and accounted for within the time of finally adjusting the military accounts after the close of the year is brought within the year's accounts?—Yes.

3862. And if it is not vouched and complete at the time that the military accounts are closed, it is passed on to the next year?—Yes.

3863. Mr. *Denison.*] It is all lumped up as commissariat charges for the year; there is no head of Extraordinary Commissariat Charges in connection with special services?—No, but I have a statement which I mentioned before, showing what the charges are for each head.

3864. Sir *T. Bazley.*] The stores in reserve have been diminished by the rapid communication, have they not?—No doubt the effect of the quicker means of transport should be to reduce the reserve stock; this has occurred in many cases, and we are now reducing the established proportion of the stock in every department from two and a-half years to eighteen months, and in some cases one year's consumption; that matter is now under the consideration of the Government.

3865. Have you any idea of the extent of the diminution of stock?—No; the reduction is now being effected.

3866. Then that reduction in the reserve stock through the more rapid communication has diminished the apparent amount of expenditure within the year?—The arrangements for reducing the stock are only now in progress; they have been carried out to a certain extent, and, no doubt, with that result.

3867. Owing to more rapid communication you have less occasion to import stores during that period of diminution than previously?—That should be the effect, and it has occurred to a certain extent only.

3868. Then your expenditure has been greater within the year than you were aware, because you have been consuming stock in store, and not consuming stock previously purchased?—The reserve stock is utilised as far as possible, before incurring expense in purchasing new stock.

3869. You have had occasion to buy less by reason of the more rapid communication during the period that was required to absorb the additional quantity of stores thrown upon you by the more rapid delivery?—Yes.

3870. *Chairman.*] That has been only an apparent saving during the last two or three years?—Yes.

3871. The price of stores has diminished of late years?—Yes, in some articles, but there has been a distinct increase in others, such as grain and forage.

3872. Sir *T. Bazley.*] If the stock has been diminished by as much as 200,000 *l.*, for instance, of course the expenditure would have been greater by that amount?—Yes.

3873. *Chairman.*] And the normal expenditure will rise to that amount when you cease diminishing your stock?—With a diminished reserve stock, the loss by deterioration and wastage must also decrease; this, combined with economy in expenditure, must tend to a diminished annual outlay for replenishment of stock.

3874. Taking this and other matters into account, and the transfers to other services, it would seem that there ought to have been a much greater diminution in the Commissariat Department?—Yes, but for the counteracting causes to which I have already referred. I should like to illustrate it in this way: the Indian Commissariat is maintained chiefly for the British troops; I am merely using this as a test of the expenditure for three distinct periods, that is the year 1856-57, the year before the mutiny, the year 1863-64, when the expenditure was greatly reduced, and the year 1871-72, which is the last year for which the accounts have been completed. I say that the commissariat is maintained chiefly for the European troops; and the average strength, so far as I am able to gather it from the statements that have been given from time to time before Parliament (it is from a Parliamentary statement that I am quoting), has been as follows: The number of European troops without officers in 1856-57, was 39,352; the commissariat charges then amounted to 1,470,391 *l.*; that gives an average charge per head of 37·3 *l.* In 1863-64, the number of Europeans effective, according to my return, was 67,712, and the total of the commissariat charges amounted to 2,299,740 *l.*; that gives an average of 33·9 *l.* per head. In 1871-72, the strength of Europeans was 58,437, and the charges amounted to 1,929,370 *l.*; that gives an average per head of 33 *l.*; so that if you try it by that test, that is the strength of Europeans, you find that the average charge per head in 1856-57 was 37·3 *l.*; that in 1863-64 it was 33·9*l.*; and that in 1871-72 it was 33 *l.*, whilst, both in quality and quantity, the rations are superior to those issued to the troops during the earlier periods.

3875. Sir *G. Balfour.*] Have you added the malt liquor in each case?—No, because as I mentioned in the last examination, I think, whilst the commissariat grant of the present day has been relieved of two things, that is, the cost of the malt liquor, and the commissariat charges for the Hyderabad contingent, there are transport and new charges that have occurred, which more than counterbalance the reductions. That was my reason for omitting the malt liquor.

3876. Will you hand in another statement to show the malt liquor for those three years?—Yes.

3877. Have you got the amount of the malt liquor included in 1856-57?—Yes.

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3878. And for 1861-62, and for 1862-63, and for 1863-64?—No, it is not included, I think, in 1863-64.

3879. Would you be good enough to give us the malt liquor for those years, in order to make the comparison exact?—Yes, that can be added.

3880. Is this strength of 39,000 men in 1856-57 made up of the same description of men as in the later years?—Yes.

3881. And will you be able to give us the strength in those years, so as to show the comparison?—Yes.

3882. *Chairman.*] Then is it your opinion on the whole, that the commissariat is now more economically administered than it was in that former period?—Yes, I think that the tendency has been distinctly to economy in the commissariat expenditure.

3883. Now will you give any explanation of that more in detail, by taking the leading items of commissariat expenditure, and first with regard to the establishments?—The establishments have decreased.

3884. Do you know what they were in 1856-57?—The number of officers has increased in recent years. In 1871-72 there is a decrease compared with 1861-62 and 1862-63; but with a larger European force we have had to increase the number of commissioned officers in the commissariat. They numbered 80 in 1856-57, and 101 in 1871-72. Then there has been not only an increase in numbers, but increase in military pay and allowances, owing to the higher military rank of the commissioned officers, and also higher staff salaries. In some cases the staff salaries have been reduced, and in others raised, but the increase in number, and the higher rank of the officers in the commissariat, have contributed to increase the charges.

3885. Can you give us the charges in 1856-57 of the establishment, and in 1862-63, and in 1871-72?—The cost of the commissariat officers was 49,840 *l.* in 1856-57, in Bengal alone, and it was 103,000 *l.* in 1871-72.

3886. Mr. *Denison.*] That includes military pay as well as staff pay?—I have not the details of 1862-63.

3887. Sir *G. Balfour.*] What was the establishment in that Blue Book (*handing a Blue Book to the Witness*)?—It was 49,840 *l.* in 1856-57 for commissioned officers in Bengal. In 1862-63 it was 159,654 *l.* for the executive establishment; in 1863-64 it was 109,582 *l.*; in 1871-72 it was 103,948 *l.*, and in 1872-73 it is estimated at 110,766 *l.*

3888. We had better finish it for the whole army; under the old *régime*, what was the executive establishment of the whole army?—I am sorry to say that we have no details of these charges in 1856-57 for Bombay; we have them for Bengal and Madras, and we have endeavoured to get them for Bombay, but they could not be made out.

3889. Sir *G. Balfour.*] But you could make them out from the Auditor General's statement in the India Office, could you not?—Yes; but I am afraid that they would not correspond with these accounts.

3890. *Chairman.*] What was the charge then in 1865-66 for the executive establishment?—For all India it was 194,035 *l.*

3891. And what is it for 1871-72?—Much the same, 194,186 *l.*

3892. Sir *G. Balfour.*] Then you include in that the contingencies, do you?—Yes.

3893. Then for the year 1872-73, have you made up the expense?—An estimate only.

3894. *Chairman.*] Have you not, in addition to that, all the subordinate establishments?—Yes.

3895. Can you give us a statement of the cost of those?—In 1865-66 the subordinate establishments amounted to 171,932 *l.*, and in 1871-72 to 157,384 *l.*; I may say that the subordinate establishments depend very much upon the military exigencies of the period; for instance, in 1865-66 the Bhootan campaign increased the charges.

3896. It would be very convenient if we could have these expenses in the minimum year of expenditure?—I will furnish them for 1856-57, 1862-63, and 1863-64, and the last three years; I have mentioned the Bhootan campaign as having increased the charges for 1865-66.

3897. Therefore, that was an exceptional charge, was it not?—Yes.

3898. Putting that aside, there would seem to have been no reduction in the cost of the subordinate establishments?—Very little, owing to higher rates of pay to the cattle establishments, and to doolie bearers in the Punjaub; to the scale of carriage for camp equipage being increased in consequence of the introduction of improved pattern tents, and to new charges being added by the location of British regiments at the new hill stations. Again, the charges under this Grant were increased by the pay of hospital purveyors, a grade substituted for that of hospital stewards whose pay was formerly included in the regimental grant.

3899. Then with regard to provisions, which would be one of the largest items, can you state whether there has been any economy effected in the provisions?—Yes; the total charge for provisioning Europeans in 1865-66, was 1,036,416 *l.*

3900. What was it in 1867-68?—£. 752,378.

3901. And what was it in the year 1871-72?—It was 626,048 *l.*

3902. Sir *G. Balfour.*] What do you include in these amounts; is that the total of the head in your estimate of "Supplies"?—It is the provisions for Europeans only. If you look under the head of "Commissariat Supplies" in the estimates you will find "Provisions for Europeans," "Ditto for Natives"; this is on account of the provisions for Europeans, and purchase of reserve stock, including the bread, and meat, rice, vegetables, and condiments, tea, coffee, and sugar.

3903. *Chairman.*] 1865-66 would seem to have been an exceptional year, for some reason or other?—Yes; it was owing to the famine in the Bengal and Madras Presidencies that the charges were unduly high, and the Bhootan campaign also had an effect on the charges.

3904. Then would the reduction in this head be proportionate to the reduction in the number of men in the subsequent years?—Yes, quite in proportion; in fact, the charges for provisioning Europeans have distinctly decreased in the last few years man by man.

3905. To what do you ascribe that?—I ascribe it to more economical commissariat arrangements for obtaining the bread and meat.

3906. That is a real economy?—It is a real economy.

3907. Sir *G. Balfour.*] And effected by good management?—By good management.

3908. Then has the fall in the price of provisions

sions for Europeans maintained itself in 1872-73, and 1873-74?—I think so.

3909. Is the estimate larger in 1872-73?—The estimate would be larger. The year 1871-72 was a year of very low prices, and in the estimate of 1872-73 provision was made for possibly higher prices; the actual charges for 1872-73 promised, however, to be very much of the same amount as those for 1871-72; but you know that the practice always is to allow a margin in a budget estimate of ways and means.

3910. And, as a rule, the commissariat charges have fallen within the estimate, have they?—I think so.

3911. Especially with regard to provisions?—Yes.

3912. *Chairman.*] Now we come to the next item, the item of compensation for the dearness of provisions to natives. Has that been an increasing or diminishing one?—It has been a very largely-increasing charge of late years, but for the last two years it has diminished.

3913. What was it in 1865-66?—I will read out a statement of it from 1861-62. The compensation for dearness of provisions in 1861-62 was 59,593 *l.* for all India (the actuals); in 1862-63 it was 72,755 *l.*; in 1863-64 it was 79,961 *l.*; in 1864-65 it was 152,194 *l.* In the next year, 1865-66, which was a year of famine in Madras and Bombay, and of scarcity in Bengal, the compensation for dearness of provisions to the troops, and for dearness of forage for the army cattle, amounted to 356,712 *l.* The forage compensation is for the irregular cavalry. In 1866-67 the charges amounted to 432,964 *l.* In 1867-68 they fell again, owing to the fall in prices consequent upon a more favourable season; the amount was 271,508 *l.* In 1868-69 they amounted to 297,602 *l.* In 1869-70 they amounted to 468,635 *l.*; in 1870-71 they amounted to 302,956 *l.*, and in 1871-72 they amounted to 194,256 *l.* That is, in 1871-72, the charges were lower than in any year since 1864-65.

3914. Sir *G. Balfour.*] Will you add the estimates for 1872-73 and 1873-74?—The estimate for 1872-73 was about 220,000 *l.*, but the actual expenditure was probably less.

3915. *Chairman.*] Do you know whether this may be regarded as now the average allowance that will continue, or would that expenditure get back to the previous allowance?—It will depend very much upon prices and the continuance of favourable seasons. The season of 1871-72 was a specially favourable season: and, no doubt, the effect of the irrigation works in progress throughout the country, combined with the increased attention that has been given to the examination of claims for compensation for dearness of provisions, will be to keep down this item of military expenditure in future.

3916. Do you mean that they are very generally recognised in time of famine without particular consideration?—Yes, I think the claims have not been very strictly scrutinized.

3917. Sir *G. Balfour.*] Was there any other cause besides that?—I am afraid that the local price currents were untrustworthy. They were in many cases, it is believed, purposely enhanced to favour the claims of the soldiery to compensation.

3918. And had the audit of the accounts of these claims fallen into arrears?—The audit accepted the price currents of the district officers implicitly, without further inquiry.

3919. Ten years ago there was some system established, was there not, by which they could ascertain the cost of provisions and rations?—Yes; the publication of the prices in the "Gazette," I think, at which the various commissariat articles were purchased.

3920. And that was carried on for some time?—I think it was discontinued in 1864-65.

3921. And since then we have had no such publication as that?—The local gazettes publish the prices in the civil department, but there is no publication of the commissariat purchases.

3922. That was one means by which this important item could be checked?—Yes.

3923. And it was then effectually done, as far as the outlay was concerned?—No doubt the publication of the rates had the effect of checking the purchases.

3924. And you were able to see what was the price of articles in one part of India compared with the prices in another?—Yes.

3925. Could you have exercised any control in Calcutta, and ascertained the proper prices of provisions and things of that kind?—Yes, I think so, by means of the price currents that were established in the Civil Department and published in the local civil gazettes.

3926. Would you say from that that the admission of these claims had not been duly looked to?—Well, I should be sorry to say that, although that is my impression, to a certain extent.

3927. In getting this total sum on account of the dearness of provisions, have you taken any expenditure in the Madras and Bombay Presidencies which comes under Grant 14?—Yes.

3928. Then the expenditure is partly in the Commissariat Department of Bengal, and partly in Grant 14 of Madras and Bombay?—Yes.

3929. Then in any correction we make we must see that the commissariat charges of the three Presidencies are prepared in a uniform manner?—Yes; this is a statement outside the regular accounts of the Military Department, merely with the view of illustrating the increase of charge under this head of compensation.

3930. *Chairman.*] Now let us get some accurate view of the charge for malt liquor which was transferred to the Home Accounts in 1867-68; what was the charge for malt liquor in the last year before the transfer; the charge for malt liquor, I mean in the commissariat accounts in India?—In 1865-66, the cost of malt liquor was 505,087 *l.*

3931. Then that was eliminated altogether in 1867-68?—Yes, it was transferred to the Home Accounts.

3932. From that time forward may we understand that there has been no charge in the Indian Accounts except for the Hill beer?—Yes.

3933. Can you give us a statement of what that has been?—I think the first payments were made in 1871-72, and amounted to about 15,000 *l.* I may say broadly that the quantity of Murree beer purchased was 3,000 hogsheads in 1871-72, and 4,000 or 5,000 in 1872-73. There is provision in the Budget for 1872-73 for the purchase in the coming year of rather an extra local supply to the extent of 20,000 *l.* And the Government have taken care that as the local contracts are extended, the indents for English beer are correspondingly diminished.

3934. In what year was the change made of issuing only one dram instead of two of rum and arrack?—In 1864-65.

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3935. Can you state what the difference in the cost was?—I have a statement here showing the payments by the Commissariat Department for rum and arrack between 1865-66 and 1871-72. The payments for rum and arrack in Bengal amounted to the sums which I will give. In Bombay the rum and arrack are not purchased locally, but imported from England, and the charges appear in the Home Accounts, whilst the sale at the canteens and recoveries are all in the Indian Accounts. I find that in Bengal the payments for rum and arrack amounted to 23,061 *l.* in 1865-66; the amount was 28,141 *l.* in 1866-67; it was 24,769 *l.* in 1867-68; it was 23,498 *l.* in 1868-69; it was 21,002 *l.* in 1869-70; it was 26,754 *l.* in 1870-71; and it was 25,483 *l.* in 1871-72.

3936. Sir *G. Balfour.*] Will you give us the estimate for 1872-73?—Yes. The figures already stated give a total of 181,709 *l.* in the seven years which I have mentioned.

3937. But the expenditure in 1872-73 was increased by 50 per cent.?—It is estimated at 33,650 *l.*, the reserve stock having run low.

3938. *Chairman.*] Are you aware whether any arrangement has been made by which a man may draw the money instead of drinking the spirit?—No, I am not aware. The Commissariat sells the spirits to the canteens, and the canteens retail the spirits to the men.

3939. This is entirely canteen spirit?—Yes.

3940. It is issued to the canteen, and they buy it or not, as they please?—Yes, the soldier pays the canteen for the spirits he is permitted to buy. I may perhaps, in connection with this, mention the recoveries in Bengal, and you will see that it is more than the total of the payments for these seven years. The recoveries in Bengal in 1865-66 amounted to 63,942 *l.*; in 1866-67 to 60,735 *l.*; in 1867-68 to 64,204 *l.*; in 1868-69 to 62,659 *l.*; in 1869-70 to 63,857 *l.*; in 1870-71 to 58,063 *l.*; and in 1871-72 to 55,893 *l.*

3941. Do you not mean, by recoveries, receipts of the canteens?—Yes, the profit to the State by the sale of spirits.

3942. Sir *G. Balfour.*] But you have to deduct from that the cost of the transport connected with these spirits, have you not?—Yes.

3943. Therefore we have to diminish that amount?—Yes, to the extent of the transport.

3944. This receipt is an item which ought fairly to be credited to the Indian Accounts, in diminution of the expenditure?—Yes.

3945. But the recoveries on account of malt liquor stand in a different category now?—I think they also should go in aid of the military expenditure, instead of being paid into the Exchequer.

3946. But looking at the malt liquor charged for in the English Accounts, and the money realised by the sale of that malt liquor, it ought plainly to be credited in diminution of the home charges, less the sum which has been incurred on account of the transport in India; that is the mode in which these receipts should be shown, is it not?—I think it would be a preferable way to lump the English and Indian expenditure together, and deduct the receipts in India and England in aid of the military expenditure.

3947. (To Colonel *Johnson.*) Will you explain to the Committee the recommendation made to the Government in the recommendation of Sir Hugh Rose, connected with the diminution of spirits?—Sir Hugh Rose, giving two reasons, one, the health of the troops, and the other, a preference the soldier was beginning to show for malt over ardent spirits, recommended in 1864 the reduction of one dram out of the two drams that the British soldier was allowed to buy from the canteen, and he was thenceforward allowed to buy only one dram per day.

3948. And what recommendation was made in regard to the malt liquor?—In malt liquor he was allowed, I think, a quart per diem, instead of, as formerly, a pint.

3949. (To Mr. *Kellner.*) Do you remember the calculation very carefully made in regard to the consumption of malt liquor per head of the European soldiers?—Yes.

3950. It amounted to how much, according to the calculations made in former years; a pint a day, was it not?—Yes; I find here that during the year 1871-72 the consumption in Bengal was six gallons per month per man. The wastage was very considerable; it was 5,499 hogsheads in Bengal, in Madras it was 1,508, and in Bombay, 1,140.

3951. *Chairman.*] What do you mean by wastage?—The diminution of quantity, by evaporation and leakage. The hogsheads before being sold at the canteens are filled up, and the deficiency made good.

3952. Do you know whether all the hogsheads are carefully gauged on their arriving in India?—I believe so, by the commissariat authorities.

3953. Sir *T. Bazley.*] Is the evaporation considerable?—It is.

3954. *Chairman.*] Then this wastage includes every kind of loss from beer being spoiled and otherwise, I presume?—That is so, I believe.

3955. Everything, in fact, that is not brought to account as saleable beer at the ultimate destination as compared with the quantity dispatched from the port?—Yes.

3956. Sir *G. Balfour.*] Then you are calculating the quantity consumed by the European soldier as the actual quantity which the Government are concerned with. I was asking you rather the average consumption in former years of each soldier as compared with the consumption now of each soldier from the canteen; have you that calculation?—I have one for 1864-65; there I find that the average consumption per man per month was five gallons, one quart; it is now six gallons; that is in Bengal.

3957. (To Colonel *Johnson.*) Then, from that statement, it would seem that Sir Hugh Rose's proposed consumption of malt liquor by the diminution of the spirits, has not answered the end which he expected?—Apparently not to that extent.

3958. Then you have no information to induce you to say that the change in 1864-65 has been successful in that direction?—In the direction of the men drinking more beer, it has been little; but at the same time they drink less rum.

3959. That is to say, they buy less rum from the canteen?—Of course I cannot say what they do in the bazaars. (Mr. *Kellner.*) I see that in Madras the consumption was four gallons per man per month in 1864-65, and it is six in 1861-62.

3960. (To Mr. *Kellner.*) But you will look over the calculation in 1861-62, which was so carefully made, and see whether you can give us any information on the subject?—Yes; I shall put

put in a statement of the malt liquor and the rum and arrack consumed.

3961. *Chairman.*] Are we to attribute the increased consumption of those commodities in any way to the increased pay of the men, and their means of buying more?—No doubt.

3962. Then, let us pass on to the other item which you gave us as affecting the commissariat expenditure; the purchase of live stock, what have the charges for that been?—In 1865-66 the amount was 76,757 *l.*, in 1866-67 it was 77,408 *l.*, in 1867-68 it was 24,854 *l.*, in 1868-69 it was 53,966 *l.*, in 1869-70 it was 42,555 *l.*, in 1870-71 it was 27,529 *l.*, and in 1871-72 it was 6,958 *l.*

3963. Sir *G. Balfour.*] And has it decreased in 1872-73 and 1873-74?—No; I think that the estimate was for a larger amount of commissariat bullocks; it was estimated at 22,100 *l.* for 1872-73.

3964. Has the purchase of the reserve stock very considerably decreased of late also?—Yes, I think it has decreased.

3965. Have you got that for the three Presidencies?—Yes. In 1865-66 it was for all India 394,631 *l.*; it was 219,402 *l.* in 1866-67; it was 145,091 *l.* in 1867-68; it was 175,251 *l.* in 1868-69; it was 99,916 *l.* in 1869-70; and it was 102,505 *l.* in 1870-71.

3966. *Chairman.*] Will you explain the effect of the purchase of live stock upon the apparent diminution of expenditure?—These charges depend upon the necessities of the hour; mules, and ponies, and horses, and commissariat cattle, if they are wanted, are purchased, and the expenditure necessarily varies, according to the necessities of the army in ordinary times, and in time of war, pestilence, or famine.

3967. It is not what you may call an economy, but a diminution of demand arising from want of military operations?—Yes.

3968. Sir *G. Balfour.*] Taken for a series of years, that expenditure ought to approximate very near in one year to another, ought it not?—It depends upon whether there are military movements going on or not; for instance, the effect of a campaign, and even of camps of exercise, would be to induce the purchase of a larger number of horses, to replace casualties.

3969. But you have diminished them even in spite of these camps of exercise, have you not?—I think this year there will be a large increase. I think the purchase will be much higher.

3970. Your Budget estimate for 1872-73 shows a very much smaller outlay?—Yes, owing to contemplated reductions in the Government stud establishments, but that also will necessitate a larger amount of purchases in the market.

3971. Then will you add 1872-73 and 1873-74 to the figures to complete them?—Yes.

3972. Sir *T. Bazley.*] The accurate consumption is not to be ascertained unless you have the stock you begin with, and the stock you terminate with?—Yes.

3973. And that you do not seem to possess?—Yes; in the Ordnance and Clothing and other Departments, there is a ledger account of every article, the consumption is deducted from that, and the balance in hand at the end of a certain period is distinctly shown. That statement is used in checking the indents for a further supply of stores, either to be purchased locally, or to be imported from this country.

3974. But a short time ago you said that the expenditure in Europe was computed by the purchases of the year?—That is the system now in regard to all stock purchased during the year; the purchase-money is included as a final charge in the accounts of the year, though it is merely a conversion of money into money's worth. But a similar procedure is adopted in the Public Accounts of the United Kingdom.

3975. And not representing actual consumption?—Quite so.

3976. Sir *G. Balfour.*] But you are aware that we have had as much as 15 or 20 years' stock on hand of the commissariat in some articles, have we not?—Yes.

3977. And that was so in earlier years, in 1861-62 and 1862-63?—Yes.

3978. And you have gone on with the stock in hand?—They have been very carefully examined of late years with the indents, and very large reductions have been made in the indents in every department.

3979. So that you have been keeping down the stock in hand as much as possible?—As much as possible, considering the representations of the heads of departments.

3980. *Chairman.*] Has the apparent reduction of this item of expenditure in recent years been due at all to the economy of horse food, the reduction of the rates of the food for the horses?—No doubt.

3981. Can you state what that has been?—Yes, I find that in 1862-63 and 1863-64, there were 16,978 horses at an annual cost of 8 *l.* 18 *s.* a head. In 1870-71, the established complement of horses was 13,253, and they cost 12 *l.* 16 *s.* a head, but in 1871-72 the cost in Bengal was reduced to 7 *l.* 5 *s.* a head.

3982. Sir *G. Balfour.*] These horses were the European cavalry and the Artillery horses?—Yes.

3983. No other horses belonging to the Native cavalry?—No; these include all the horses of the army fed by the commissariat. The irregular cavalry horses are fed by the Native troopers themselves. In 1871-72 the established complement of horses in all three Presidencies was 13,253, and the average cost was 9 *l.* 8 *s.* per head.

3984. That included grain for the horses?—Yes.

3985. *Chairman.*] Does the cost of the feed in the different provinces vary very much?—Yes.

3986. Will you state what it is?—In 1871-72 the cost in Bengal was 7 *l.* 5 *s.*, in Madras it was 9 *l.*, and in Bombay it was 16 *l.* 8 *s.* per annum.

3987. I do not see, therefore, that the diminution of the cost of keeping horses has kept pace with the diminution of the allowance to native troops, in consequence of the cheapness of provisions; can you explain why it is that the cheapness of provisions has not affected the cost of the keep of horses in the same proportion from 1865-66, or rather 1866-67, when the provisions were so costly; in 1866-67 and about that period provisions were very much enhanced in price, in consequence of the general famine; do you know why it is that the cost of the keeping of horses has not fallen proportionately?—No.

3988. Because it would seem that according to your view in 1864 the cost was 8 *l.* 18 *s.*, and in 1870-71, when provisions were very much cheaper, as I understand it, the cost was 12 *l.* 16 *s.* per head?—Those are the earlier years, 1862, 1863,

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1863, and 1864; there was an increase in 1864-65 and in 1865-66.

3989. On account of the scarcity of provisions?—Yes, but irrespective of years of drought and famine, there has been a general rise in prices throughout the country, and the rates are higher comparatively now than they were in 1862-63 and 1863-64.

3989.* But according to the allowances made to the native troops in consequence of the diminution of the cost of provisions, it would seem that there ought to be a diminution in the cost of keeping the horses, instead of which they rose to 12*l.* 16*s.* in cost?—I get that average of 8*l.* 18*s.* upon the whole.

3990. Sir *G. Balfour.*] It is difficult to understand how it is that the same number of horses for the Madras Presidency should have cost in 1862-63 exactly the same sum as in 1872-73; in 1872-73 they cost 3 lacs and 31,000 rupees, and in 1862-63 they cost 3 lacs and 31,440 rupees; 44*l.* difference only in the two periods; and yet, as the Chairman has remarked, these rates of compensation for dearness of provisions to natives are not in keeping?—No.

3991. The feed of horses put in contrast with the compensation paid to natives for dearness of provisions shows that there is a great disparity between the reduction in the one case, and that in the other?—Yes.

3992. Do you think that that is owing in any way to the slackness of looking into the price currents with regard to the rates of dearness of provisions for the natives; the commissariat look after the charges for the horses, and pay the market price, whereas the compensation is paid in a different manner?—I am afraid that would be one explanation.

3993. Have you ever looked in that particular point of view at the fact which the Chairman is putting to your notice?—No.

3994. Perhaps you would kindly do it by the next meeting?—I will endeavour to do so; I have a statement here which I shall present before the Committee, showing the average cost of feeding elephants, camels, bullocks, or mules.

3995. And would you contrast those figures with the statement which I prepared myself in 1861-62 and 1862-63?—Yes.

3996. Have you the number of camels and elephants and Government cattle maintained at the present time?—Yes; but this statement gives you the annual charge.

3997. Are you aware that the Estimates do not give any information, such as the Estimates in 1862-63 did, as to the numbers?—The Estimates prepared by the Government of India do not give these details, but they are given in the Estimates sent up from the local Controllers.

3998. *Chairman.*] I think we had better go on now to the next Grant, No. 5, for the Stud and Remount Establishments, Supplies, and Services; will you describe again what that Grant 5 is?—It includes all charges connected with the supply of horses to the army, whether through the Government breeding establishments, or by purchase in the open market.

3999. What was the expenditure under that head in 1856-57?—£. 202,212.

4000. And what in 1869-70?—In 1869-70 it was 253,415*l.*; in 1870-71 it was 196,796*l.*; in 1871-72 it was 180,732*l.*

4001. Have you got a statement of the establishment of the horses; I do not mean the strength of cavalry, but the allowed establishment of horses in India for these periods?—The complement of horses of the army would not be the measure of the cost of mounting the army. The expense of maintaining the studs, less the value of the stud remounts made over to the army, *plus* the cost of remounts purchased in the market, would fairly represent this branch of the military expenditure. I may mention that the established complement of army remounts is 13,253, showing a reduction of 3,725 horses from 1863-64.

4002. Will you give the figures in the several years, the year 1856-57, and the other years; will you state what has been the supply of horses to the army in each year during these particular years 1856-57 and 1863-64, and the three last years?—I will endeavour to do so.

4003. Can you give us some detailed explanation of the nature of this expenditure; and first, with regard to the establishment of the Government studs, separately from the purchase of horses, will you state what is the nature of this stud establishment?—There are several studs maintained in the Bengal Presidency; Koruntadhee and Buxar are the breeding circles; there is a depôt for colts at Ghazeepore, and a depôt for fillies at Poosah; then there are depôts at Haupper and Saharunpore, and the home stud at Kurnaul; there is also a cattle farm at Hissar. In Madras there is a remount depôt, where remounts purchased in the market are kept in reserve to meet army requirements, the depôt being in charge of a military officer. In Bombay there is no depôt, but the remounts purchased by committees in the local market are drafted to regiments as soon as possible.

4004. Then there would seem to be three systems in force, one an actual breeding of horses, the second the purchase of horses from natives in the circle of supply, and the third the purchase of horses imported in the market?—Yes.

4005. Is there a large establishment of officers kept up for this purpose?—Yes, there is a large establishment of officers; there are 15 commissioned officers.

4006. Has the number increased or diminished?—It has increased.

4007. Can you explain how far this expenditure has kept pace with the state of the complement of horses?—Yes. In 1862-63 and 1863-64 the purchases were comparatively trifling; the total in 1862-63 was 153,571 *l.*, and in 1863-64 it was 159,741*l.* It increased in 1864-65 and 1865-66; but I may mention that in 1862-63 and 1863-64, few remounts were purchased, as, owing to reductions in the army, the existing stock of horses sufficed to meet all the requirements, even after selling a very large number of army remounts.

4008. Would not those go to army receipts, not in diminution of this charge?—Yes.

4009. Sir *G. Balfour.*] I thought in 1862-63 we began to obtain supplies from the Stud Department?—Yes.

4010. All the horses of the time of the Mutiny had disappeared then?—There was a reduction in the mounted troops, and the reserve horses were sold off to other regiments.

4011. But were not all the reserve horses exhausted in 1861-62?—No; I say that few remounts were purchased in 1862-63 and 1863-64. In 1864-65 there was a considerable purchase of remounts in Madras.

4012. Then

4012. Then that was merely to supply the usual demand, was it not?—Yes, but that was one of the causes of increase over the previous years, when no purchases were made. In 1865–66, there was an increase of 19,000 *l.* over 1864–65; the increase arose chiefly in Bengal by the feed of cattle, no doubt from its being an unfavourable year, and there was also an increase in the miscellaneous charges, for road and cultivation expenses, by which I mean the cost of carrying the stud cattle from one depôt to another, and sending them to regiments, and also the cost of the management of the farms attached to the studs.

4013. *Chairman.*] Then in 1866-67, what is the result?—There was a considerable increase over the charge of the previous year; there was a purchase of army remounts amounting to 26,959 *l.* in that year, and an increase of 10,000 *l.* in the outlay for grain and forage in the Bengal Presidency.

4014. Did you also increase the establishment?—Yes, there were two veterinary surgeons added to the establishment. The pay of the veterinary surgeons was largely increased about this time, and that tended to increase the charges under the grant.

4015. In 1867–68, what occurred?—In 1867-68 the payments were 44,780 *l.* in excess of those of 1866-67.

4016. On what account?—The increase in Bengal was due to the additional road and cultivation expenses, the cost of feeding cattle and remounts, and the promotion of one of the veterinary surgeons to higher rank.

4017. In Madras what occurred?—In Madras there was a purchase of 734 remounts, at a cost of 36,492 *l.*; in the previous year the purchase for Madras amounted to only 13,000 *l.* The increase in Bombay was also due to the purchase of remounts, being 17,000 *l.* against 5,000 *l.* in the previous year.

4018. And what was the state of things in 1868–69?—An increase of 19,480 *l.* over 1867–68.

4019. How was that brought about?—Chiefly through Madras and Bombay. There was an increase in the Bengal Presidency, owing to the formation of the stud committee, but there was a saving in the charges connected with farms; it is supposed that the outlay on the farms was reduced owing to the uncertainty as to the effect of the stud committee's deliberations in contracting the operations of the studs. Then, there was a less purchase of remounts for the same reason, the cost was 14,000 *l.* against 23,000 *l.* in the previous year. Then there was an increase in Madras owing to the retention of a large number of remounts at the depôt; the feeding charges were also increased, and there was an additional charge for the establishment of a farm.

4020. In Bombay what occurred?—In Bombay there was the purchase of a large number of remounts; the Government sanctioned the purchase of a number of chargers, the property of officers who had been with the Abyssinian expeditionary force.

4021. Was that an advantage to the Government?—No; they paid the ordinary rates, and it was a convenience to the officers to get rid of them. (Colonel *Johnson.*) They were officers who had been specially employed on the staff in Abyssinia, and for whom chargers were not required on their return to India.

4022. *Chairman* (to Mr. *Kellner*).] In 1869–70 what was the amount?—There was a decrease of 15,830 *l.*

4023. How was that brought about?—Owing to the purchase of fewer remounts and the smaller number retained at the depôt.

4024. In 1870-71 what occurred?—A reduction owing to the same cause, a comparatively small purchase of remounts. As there had been a short purchase of remounts in Bengal in 1868–69 the charge on that account in 1869–70 exhibits an increase. In 1870–71 there was a decrease of 51,000 *l.* in Bengal alone.

4025. Will you explain the charges of 1871–72?—The Budget for 1871–72 provided for an expenditure of 216,724 *l.*

4026. But the actual expenditure would appear to be only 180,000 *l.*?—Yes, 180,000 *l.*; it was considerably less than the estimate.

4027. Sir *G. Balfour.*] And have you it for 1872–73?—£. 228,427.

4028. Then, will you compare it with 1862-63; the amount in 1862–63 appears to have been 133,000 *l.*?—The total in 1862-63 was 153,571 *l.*, and out of that 132,000 *l.* was in Bengal.

4029. Will you look at this Blue Book (*handing a Blue Book to the Witness*)?—It is here stated 132,525 *l.* in 1862–63 for all India. My statement shows 153,571 *l.* as the total, and 132,226 *l.* in Bengal alone. Then here the total for 1863–64 is 159,000 *l.*, and I have the same. It is a fact that the outlay for the purchase of horses was very much less in 1862–63 and 1863–64 than in any of the subsequent years.

4030. *Chairman.*] Are we to attribute that to the redundancy of horses belonging to the Government, or to the cheapness of horses in consequence of the large number of horses that had been disused after the military operations; or to what cause?—Partly to a redundancy of horses, and partly to the fact of every regiment and battery having, in fact, been remounted after the Mutiny.

4031. Sir *G. Balfour.*] But that reduction of the purchase of horses would apply to Madras and Bombay only, not to Bengal?—My impression is also to Bengal; that the amount of outlay for purchase of horses was less in Bengal in 1862-63 and in 1863-64 than in subsequent years; in fact, in Bengal, in Madras and Bombay generally.

4032. But it was not till 1866-67 that the Stud Department of Bengal was enabled to supply remounts for corps, and in that year there was a purchase of remounts for corps, so that five years elapsed before any purchases were made for remounts for corps by the Stud Department of Bengal?—I am not able to answer the question immediately.

4033. *Chairman.*] But to come to the material point, have you any comparative statement of the cost of supplying horses from the various stud departments, and from the purchases in the circles, and from purchases at the remount depôts, so as to show the relative charge for each?—A statement can be given in, showing the average cost of the horses purchased during a series of years.

4034. I mean under the three different systems which you have described, can you show what the average cost of the horses has been?—There have been the most conflicting statements as to the cost of the stud horse. For instance, a stud horse, fit to be passed into the army,

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was valued by Sir Walter Gilbert at 100 *l.*; the valuation of the stud officers was something between 30 *l.* and 40 *l.* I made a calculation myself some years ago, and made it out about 45 *l.* to 50 *l.*; but according to more recent calculations, taking into account all the charges of the breeding establishments, the outlay for the farms, and every charge connected with the studs, the whole pay of officers and men, the rent of the buildings, roads, and land, the charge is something beyond Sir Walter Gilbert's figure; I think it is 111 *l.* or 120 *l.* a head.

4035. That is as to the stud establishments?—Yes; the stud establishments. That is one of the causes which have led to the formation of a committee for revising the whole subject of the Government stud establishments.

4036. Is that subject now under consideration?—Yes.

4037. In consequence of the Government not having been able to ascertain what they ought to regard as the average cost of a horse, and also with reference to the actual goodness of the horse?—(Colonel *Johnson*.) I think the principal ground was the expense of the horses sent out from the stud.

4038. (To Mr. *Kellner*.) Then have you got a statement of what the cost of horses is when purchased in what are called the circles?—Yes; they are purchased as yearlings for certain fixed amounts; say 10 *l.*, 11 *l.*, or 13 *l.*, according to quality.

4039. What do they cost by the time they are available?—That is just the matter that is in dispute; the purchase of the young stock is on a certain fixed scale, averaging from 8 *l.* to 13 *l.*

4040. Mr. *Denison*.] You mean colts?—And fillies as well.

4041. *Chairman*.] Then it is a disputed point how much the horse actually costs from the time he is bought?—Yes; and there are many casualties amongst the young stock, for which a corresponding charge has to be put upon the stock remaining to be made over to the army.

4042. Have you a statement of the average cost of the horses purchased at the remounts depôts in Bengal or generally in India?—Yes; I have a statement for a series of years.

4043. Mr. *Denison*.] In regard to the return that we have just now had, does it include all the outlay of the Public Works Department upon the buildings?—No, not in this grant.

4044. *Chairman*.] But you have made a statement for the purpose of ascertaining the real cost to the Government?—Yes.

4045. In the same way you can give us a statement of the cost of horses purchased for remounts?—Yes.

4046. And all the statements would be on the same basis; either the cost to the establishment of the Government, or the cost delivered to the regiment?—Yes; the remounts are purchased and made over to the regiments.

4047. If they were landed at Bombay, there would be the cost of forwarding them to the regiments?—That would be only in Madras and Bombay; in Madras they are kept for some time at the depôt, but in Bombay they are forwarded to the regiment for which they are intended as soon as possible, there being no depôt there. It would be a most difficult thing to make a statement with regard to the Bengal studs; however, we will endeavour to do it; I am afraid that I can hardly promise it; it has been attempted frequently with such varying results.

4048. Sir *G. Balfour*.] You were yourself employed to report on the studs?—Yes.

4049. Then the general result is this, that the expenditure on account of the stud department of Bengal has run up very considerably, although it is now somewhat on the decline?—Yes.

4050. *Chairman*.] So as to make the cost per horse very much greater than it was before?—Yes.

4051. Sir *G. Balfour*.] And although this is a considerably reduced establishment as compared with the establishment of horses a few years ago?—Yes; the established complement would be about 3,275 fewer than in 1863-64, as I mentioned in answer to a previous question.

4052. Sir *D. Wedderburn* (to Colonel *Johnson*).] In a return which I find at page 9 of the Return, No. 467 of 1871, the stud and remount establishments for the four years, from 1865 to 1869, are given for Bengal, and Madras, and Bombay respectively, and the cost per horse in each of these presidencies; now I find, speaking generally, that the cost per horse in Madras is just about double that in Bombay, and the cost in Bengal just about double that in Madras; I should like to know whether those differences are real or apparent, and if real, what are the causes?—There is scarcely any establishment at Bombay; the horses are bought by an officer who merely buys horses in the market at Bombay itself, and then they are at once sent off to the regiment; the establishment would only be the horse-keepers, and a little clerical assistance, and I fancy nothing more.

4053. Then in Madras it is just about double what it is in Bombay; how is that?—In Madras they have a regular establishment, and they keep the horses from one to two years before issuing them. It is a depôt, in fact, for the supply of horses to the Madras army generally; and they have an officer superintendent of the remount depôt, and a permanent establishment for looking after the horses while in the depôt; a charge which is wanting in Bombay.

4054. Then in Bengal the charge is double that of Madras; how is that?—There again you have a totally different system by having a breeding establishment with the zemindary system, the circle system, and a variety of expenses. I have not seen the report, but the committee that was appointed by Lord Mayo has recommended some considerable reductions of depôts and studs.

4055. Mr. *Grant Duff*.] Are you aware that that whole question of the studs forms the subject of a correspondence which is going on now between the Secretary of State in Council and the Viceroy?—I cannot say about the correspondence, but I know that the matter is under immediate consideration, and that steps are being taken for carrying out, to a certain extent, the main recommendations of the Committee. (Mr. *Kellner*.) I am aware of the fact of that correspondence.

4056. (To Mr. *Kellner*.) And these papers have been promised to be laid before Parliament as soon as they are completed?—Yes; I may add that the statement referred to by the honourable Member just now was prepared in the India Office, and probably I can obtain the details and see of what items it is composed.

4057. Sir *G. Balfour*.] Will you look at the last paragraph on page 137 of that Blue Book, 467 of 1871, and state what you read there as the

the result of the inquiry in consequence of the Secretary of State's Despatch of 1869, to which your attention has been directed?—"The remounts at Bombay do not cost above 500 rupees, or at Madras 729 rupees, whilst in Bengal the average is 1,485 rupees, or, allowing for increase of stock, 1,287 rupees each."

4058. Would you consider that now to be a fair calculation of the result of stud operations with regard to supplying remounts for corps?—I should think the average at Bombay is correct; it is between 500 and 550 rupees; at Madras it is a little over 700; perhaps between 700 and 750; but I should think that Bengal would be covered by 120 *l.* to 130 *l.* I see it is given here, 1,485 rupees, or, allowing for increase of stock, 1,287 rupees; 128 *l.*, I should think, would represent the average.

4059. That is nearly the same as one of your calculations for 1856, is it not?—No; I think the stud officers in 1856 maintained that the remounts cost about 30 *l.* a head.

4060. But you have never been able to agree with that?—No, never. I made it out, I think, between 45 *l.* and 50 *l.* then, and since then the increased figure of about 65*l.*, I think, in 1861.

4061. *Chairman.*] Would you consider that the only true criterion of the out-turn of these various operations would be the number of efficient horses delivered to the army?—Yes, dividing the expenditure by the out-turn.

4062. Year by year?—Approximately, that would be a fair way.

4063. And putting the whole expenditure in a series of years as current expenditure in the year, whether for buildings, or for any other service whatever?—Yes; and taking on the other hand the number of horses provided, as the result of that expenditure, to the army.

4064. Sir *G. Balfour.*] Then considering that to be General Broome's mode of calculating the operations of the stud in Bengal, you would say that that deduction would be a fair result to be obtained from the system which the Chairman has indicated to you?—Yes.

4065. *Chairman.*] Could you present to us, in the successive periods in that form, the different modes of providing horses in India?—I will endeavour to do so.

4066. Mr. *Denison* (to Colonel *Johnson.*).] Will you tell us whether the origin of these studs was not the impossibility of finding within the limits of India itself horses of sufficient bone and muscle for the heavy draught of artillery, and also for cavalry purposes?—Yes, a sufficiency of horses of such stamp. You could find some, for the Bombay Artillery was admirably horsed with Arabs, which they purchased in their own market. With the exception of the Gulf Arab, which was used for the Bombay Artillery, and a few colonial horses, you were obliged to breed in the country, to get remounts for the Bengal army.

4067. The Australian horses have not been largely used, except for artillery purposes, have they?—Now they are being largely imported.

4068. Sir *G. Balfour.*] You are aware that there has been no deficiency of horses imported into India for the ordinary supply of the Madras and Bombay armies?—No, I believe not.

4069. Both Presidencies have obtained Gulf horses, have they not?—I do not understand that the Madras remount depôt has been largely supplied with Gulf horses; they have imported largely from Australia.

4070. But for a number of years they partly depended upon the Gulf horses?—Possibly; but the Gulf, I think, would hardly supply the whole of India with a sufficiency of horses.

4071. Mr. *Denison.*] Is the latest opinion in India, to the effect that the army could be thoroughly supplied without the aid of studs?—That it could be supplied from abroad, I fancy there is no question.

4072. And at a lesser cost?—Certainly, at present rates at a lesser cost.

4073. Then the only question that would remain would be the improvement of the breed of horses throughout India?—Which is indirectly a distinctly military question, because with the large body of Native cavalry that mount themselves, it is important that there should be a local supply of horses good and sufficient for all purposes, and not over expensive, otherwise we should have to raise their pay in accordance with the rise in the price of horses.

4074. It is not necessary that there should be a nursery for colts and fillies as a part of that system, but you might still improve the breed of horses without having the great expense of the studs?—As is being done now in the Punjaub through the civil agency.

4075. What is found to be the result of that?—Nothing very satisfactory, yet; they hope to extend it considerably, and at the same time, by giving really valuable prizes for mares and produce at the head-quarters of the different breeding districts, to induce the zemindars to devote themselves to breeding.

4076. You know that unless great care is taken in the selection of mares, that system leads to no good result?—Yes, that is the case; but it is meant at first to encourage the men to bring almost any mare they will, and in time you may resort to selection and rejection.

4077. You are depreciating your stallions all the time, are you not, unless that care is taken?—Yes; meantime, when you have introduced a better system among the zemindars, you will be able to replace your stallions.

4078. *Chairman* (to Mr. *Kellner*).] Now, as to the clothing establishments, &c.; will you kindly give an account of what is the expenditure under Grant 6 of the clothing establishments supplies and services?—The expenditure in the clothing establishments in 1856-7, was 77,217 *l.*; in 1869-70, it was 110,428 *l.*; in 1870-71, it was 87,857; and in 1871-2, it was 119,134 *l.*

4079. Have there been any changes made in the system affecting this Grant, or does it depend entirely upon the number of men?—There has been a very considerable change since 1856-7.

4080. Will you explain what that is?—The principal change was that of manufacturing the clothing of the British troops in India, instead of getting their clothing out from this country.

4081. Has that been attended with any diminution of expenditure per man, or per suit?—Yes.

4082. Can you give any statement of what has occurred in reference to this expenditure passing on from the period of 1861-2?—Yes, the expenditure for the clothing establishments, supplies, and services in 1862-3, amounted to 152,279 *l.*

4083. You did not tell us when the new system was introduced of making up the clothes in India?—In 1862-3 or 1863-4.

4084. What effect had it upon the expenditure

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of this year; will you give the expenditure, first, in 1861-2?—In 1861-2 it was 89,825; in 1862-3 the manufacture of clothing for the British troops in India was undertaken by the local agencies, and clothing was issued in advance, instead of at the termination, of each year.

4085. Had that the effect of increasing the expenditure for the year?—Yes; and there was a further increase by the charge for arrears of money compensation; that increased the expenditure to 152,279 *l.*

4086. In 1863-4 the new system would be in full operation?—Yes.

4087. What was the expenditure then?—£. 84,952.

4088. Then the material for the clothing was sent out wholesale, I suppose?—The material has always been sent, and is to this day. The cost of other material, that is, the cloth, garniture, laces, and other imported articles, are all charged off in the Home Accounts; it is the local manufacture and local supplies that come under this Grant in the Indian Accounts; also the money compensation, when clothing is not issued in kind.

4089. This does not include the material, then?—No, it does not include the material which is imported from England; it includes only the petty supplies purchased in India, and the cost of manufacturing the clothing.

4090. Sir *G. Balfour.*] But the cost of the clothing is included in the Indian Accounts for a portion of the last ten years, in the same way as the ordnance stores?—Yes; but I think this includes the cash expenditure only in India.

4091. *Chairman.*] What was the expenditure after 1863-4?—It rose in 1864-5, to 201,780 *l.*; that was also due to several causes.

4092. Will you explain how that arose?—It was due to the improved scale of clothing, and money compensation sanctioned for the British army in 1861, and to the payment of these claims in 1864-5, with retrospective effect. It was a settlement of a large amount of arrears under this general order.

4093. Sir *G. Balfour.*] But it also depended on the kind of articles issued during each year; it varied with the cloth or serge, did it not?—Yes.

4094. That is a cause of variation?—Yes, the charge of one year is different from that of the next. In one year it is an issue of serge clothing, which is cheaper than the cloth clothing issued in the alternate years.

4095. *Chairman.*] What was the charge in the following year, 1865-6?—The charges in 1865-6 were also increased exceptionally in the same way; they amount to 153,213 *l.*

4096. In the following year what were the charges?—In the year 1866-7 they amounted to 115,115 *l.*

4097. Was there any permanent increase of charges?—There was a slight increase of charges in that year by the Royal Warrant permitting the re-enlistment of the soldier after a shorter term of first service; he obtained a money compensation in lieu of clothing. In 1866-7, the total expenditure was 115,000 *l.*, as I have stated, and in 1867-8 it was 110,000 *l.*, and it has remained pretty well at those figures since, alternating as the year is one of serge or cloth issue.

4098. Will you explain how it happens that the army being reduced, the permanent expenditure under this head now is 100,000 *l.*, as compared with the expenditure of 1856, of 89,000 *l.*?—Because the effect of the reduction of strength has been counteracted by the grant of additional advantages to the soldier, whilst the cost of making up the clothing of the British troops in India did not occur in 1857, and forms a large item in the Indian expenditure of the present day.

4099. Additional clothing, do you mean?—Yes; the effect of that one General Order which I have quoted was, that it gave the soldier in the mounted artillery an additional pair of trousers and an additional pair of boots per man, and the same to the field and garrison artillery; and a pair of trousers, a pair of boots, and a pair of gloves to the cavalry, and a pair of trousers and a pair of boots to the infantry.

4100. Is that the only cause of the permanent increase of the charge?—It is in the quality, also, of the clothing of the soldier; the patterns of the great coats and tunics for instance, have been greatly improved, and that has caused additional charge for the manufacture of clothing. And then there is the general rise in prices and wages; we have been obliged all round, in the clothing manufactories in India, to increase the rates of pay for the tailors, the pay having kept pace with the general rise in wages throughout India.

4101. Was there any actual saving in the manufacture being undertaken by the local agencies as compared with buying things ready made or whatever the plan was, when you say that a change was made?—On the whole it was more favourable; the local manufacture resulted in an economy. It was shown that it would do so at the time when the arrangement was pressed by the Military Finance Department in India, and the result has proved it.

4102. Has any account been taken showing what the economy has been?—I think I have an account showing the cost of each garment for each arm of the Service, which I shall put in before the Committee.

4103. Is there any sale of Army stores to set off against this charge?—Yes; the rejected clothing is sold in the market, and the proceeds are credited as military receipts and paid into the Exchequer. They have steadily increased. They were 20,668 *l.* in 1862-3, and they amounted to 66,540 *l.* in 1871-2; that includes the necessaries and clothing made up and paid for by the troops also.

4104. Mr. *Cave.*] What is this compensation which you mentioned?—When the soldier under regulation is entitled, for instance, to a tunic, and he does not want it, and his commanding officer is satisfied that he does not want it, he claims its value in money and gets the money.

4105. That is, of course, subject to the veto of the commanding officer?—Yes. (Colonel *Johnson.*) He gets compensation too, for the issue of serge instead of cloth; so that he is enabled to buy white clothing, which he must provide himself.

4106. (To Mr. *Kellner.*) How is there a less charge in the year that serge is issued if that is the case?—The money compensation is greater.

4107. But there is no real difference between one year and another?—No, so far as the soldier is concerned; but the payment of money compensation increases *pro tanto* the cash charges in India. These charges do not occur when cloth clothing is issued. Thus the State allows, and the soldier receives, the clothing in kind or in money, and there is practically but little difference

ence between one year and another. But the payment of money compensation does make a considerable difference in the Indian charges of the years in which it occurs. The cost of the materials for the clothing, as already stated, is shown in the Home charges. Then again, differences also arise from the different methods of treating the charges in the accounts. In Madras and Bombay the serge years do not correspond with the serge years in Bengal.

4108. Still as a matter of fact, there is no real difference between the serge year and the other year, as I understand you?—Practically there is very little.

4109. Sir *G. Balfour.*] Is it not a fact that this is the only vote almost which shows a satisfactory result as compared with ten years ago?—I am not prepared to answer that question off-hand. I think you would find that there are others which show a similarly satisfactory result.

4110. It is less in 1870-71 and in the estimate for 1872-3?—Yes.

4111. And the strength for 1870-71 is about the same?—Yes.

4112. Therefore the expenditure for 1872-3 as estimated for man by man, as compared with 1862-3, is very favourable?—If compared with 1862-3, it was 152,279 *l.* in 1862-3, but in 1863-4 it was 84,000 *l.*

4113. That being a year of serge clothing, the year 1872-3 may be compared to that?—Yes.

4114. Then although the strength of the army has decreased since that, still the expenditure has not decreased?—No.

4115. Still the vote itself, on the whole, is the most satisfactory of all the 21 votes, is it not?—I have explained the causes of increase, the additional advantages to the soldier in clothing, boots, and gloves, &c. I mentioned that the reduction of strength was counteracted by the additional advantages to the soldier from the Royal Warrant; he gets more clothing, and of a better description, than he did before.

4116. Then that would justify the vote being considerably greater than it has been since?—Yes, the strength being the same.

4117. But it is satisfactory to find that it is what it is?—Yes; I must also mention that the manufacture of the clothing has been concentrated in one agency; that has been another source of saving.

4118. *Chairman.*] Do you mean one agency for all India?—No, one agency for the Bengal Presidency; there were two or three agencies before. The question of having one agency for all India, or of dividing the manufacture into two agencies for all India, is under consideration now.

4119. Sir *G. Balfour.*] And it is satisfactory to find that the pay of European officers under this head has decreased?—Yes, very considerably.

4120. And this is almost the only vote where that has occurred, is it not?—I am not prepared to say that.

4121. Mr. *Cave.*] Is it shown, on the face of the accounts, how much is spent in compensation, and how much in actual clothing?—Yes; it is shown on the face of the accounts.

4122. *Chairman* (to Colonel *Johnson*).] You did not give us any information about the transport system, with reference to the former and present mode of making allowances or paying for the passage of officers, the cost of the officers going and coming between England and India, whether the system that was in force formerly in 1866-7 still prevails for the whole of the British officers serving in India, or whether a new system has been established?—A new system has been established, which is laid down in the new Passage Warrant of 1865.

4123. What is the nature of that, as compared with the former system; were the officers in the Company's service formerly allowed anything by the Government for their passage to and from India?—Certain officers were allowed their passage from the Government, others from the funds to which the officers had to subscribe; the Military Fund (I am talking of Bengal), for instance.

4124. That was from their own fund?—Yes; but an officer going home sick who had a certain rank, a subaltern, received a passage allowance or a free passage home from the Government; but he received it coming back again from his own fund, or *vice versâ*; I am not quite certain which, and it does not signify.

4125. Under the present Warrant, what is the system?—The Indian officer is in the same position.

4126. With regard to officers who belonged to the Queen's service, and go to the staff corps, what is the rule?—They come under the Indian rules at once.

4127. And what is the state of things with reference to the Queen's officer?—I am not prepared to say at once what the difference is, except that now they get a free passage on more extended terms, but cease to draw the six months' Indian allowance while in England on sick leave. The exact ground or scope of the change, without looking at the Warrant again, I could not give.

4128. Formerly, you mean, they received their passage-money?—Yes; but I will look the question up.

4129. Sir *G. Balfour.*] Will you also show the number of officers that come home?—I am not sure that I could do that.

4130. Sir *D. Wedderburn* (to Mr. *Kellner*).] Can you say when the issuing, in alternate years, of serge and cloth began?—It was introduced in 1861, I think.

4131. (To Colonel *Johnson.*) What was the object of that change?—To give the troops a lighter, and at the same time a warmish suit of clothes for the rainy weather, when white clothing is not suitable, and when cloth clothing would be unbearable.

Tuesday, 20th May 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Cross.
Sir George Balfour.	Mr. Beckett Denison.
Sir Thomas Bayley.	Mr. Dickinson.
Mr. Beach.	Mr. Grant Duff.
Mr. Birley.	Sir James Elphinstone.
Mr. Bourke.	Mr. Fawcett.
Mr. Campbell Bannerman.	Mr. Lyttelton.
Mr. Candlish.	Sir David Wedderburn.
Mr. Stephen Cave.	

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. THOMAS LAWRENCE SECCOMBE, C.B., called in; and Examined.

Mr. EDWARD FRANCIS HARRISON, re-called; and further Examined.

Mr. *Seccombe*, C.B., and Mr. *Harrison*.

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4132. *Chairman*] (to Mr. *Harrison.*) HAS your attention been directed to the objections taken by Mr. Goodliffe before the Committee to the accounts kept in India?—Yes, it has.

4133. Will you explain your views with reference to his suggestion that there ought to be a separate account shown for each railway appended to the general accounts?—Provision has been made in the Accounts which have been laid before Parliament for the year 1871-2 for exhibiting these transactions separately for each railway as to the capital account, and for a separate statement as to the account of advances for guaranteed interest. This Account which I hold in my hand is in the hands of the printer of the House, and it shows all the particulars which it appears to me can be desired with regard to the railways guaranteed by the Government of India.

4134. Was not that recommended by the Committee on Public Accounts a few years ago?—It may be so; I am not aware.

4135. (To Mr. *Seccombe.*) Can you state what the fact is?—The question as to the completeness of the Accounts of the Government in connection with railways, was raised by the Committee on Public Accounts, in the year 1869, and a statement has been added to the Home Accounts for subsequent years, showing the transactions of the year with the several companies in respect of capital, revenue, and guaranteed interest.

4136. Then, with regard to the next objection that was made by Mr. Goodliffe, that there was no security by the mode in which you drew bills in this country on India, and kept the accounts of the remittances against the forgery of Secretary of State's bills, can you explain what security exists?—The answer to that is that the remittance books contain a record of advances in India on account of London, and of advances in London on account of India; those transactions being once entered on the books, the record remains there until an adjusting entry appears. And with regard to the statement that a forged bill might be drawn and paid in Calcutta, that is guarded against by the arrangement that when the officers of the Bank of England draw for the Secretary of State bills on the Indian Government, the first post that could possibly take out the bills, whether in original or duplicate, takes out the advice and the check margin of each bill. Therefore, by the time that the bill reaches India, the advice and check margin of the original and duplicate are in the hands of the authorities there, and the payment of a forged bill is hardly possible; but, if such a circumstance could occur, it would inevitably be detected in the accounts. This was proved in the case of a bill of the Mauritius Government that had been debited to London. The debit on the remittance books remaining open, the attention of the Secretary of State was drawn to it, and it was found that the bill had not been transmitted to this country. Another bill was thereupon obtained from the Mauritius Government by the Government of India, and it was sent home and paid.

4137. (To Mr. *Harrison.*) Do you know or have you reason to know that in India, when the accounts are audited, the Secretary of State's or the Bank of England's letters of advise form part of the vouchers for the audit?—That is the case. Every bill is paid after comparison with the advices received direct from the Bank of England.

4138. And that forms part of the voucher for the audit?—That is so.

4139. Therefore, if any bill were forged, even supposing it were an accurate duplicate, in anticipation of the original it could only pass as a forgery in the event of the original itself being withheld?—That is so. All these bills are issued in duplicate, and we receive the counterfoil or check margin of each bill, both the first and second of exchange, so that there is not only a comparison with the amount advised but there is also a comparison with the actual bill prepared in the Bank of England.

4140. The check margin may be perforated?—I do

—I do not myself attach very great importance to that check, but it is of some value certainly.

4141. Mr. *Birley*.] I suppose you follow the usual mercantile usage in regard to bills of exchange; you send the advances in the same way that other merchants do; you send details of the bills drawn?—That is so.

4142. And the bills are not accepted or paid without that advice having been received?—No.

4143. Have you had any cases of forgery?—I believe there has been none. I should explain that up to the time that I left India, as far as my recollection serves me, the practice of perforating the check margin was not adopted, but they were all cut in an indented line. As far as I know this is still the practice.

4144. *Chairman* (to Mr. *Seccombe*).] Can you explain to the Committee what is the precise object of separating the accounts of the remittances from the ordinary accounts kept by the Accountant and having separate accounts kept by the Secretary?—The remittance transactions are very complicated, and much correspondence arises with reference to the several charges. In the year 1834, when the most experienced officers of the East India Company considered the question, it was considered that it would be much more convenient to have a separate set of books of account, which should be confined to remittance transactions, than that they should be mixed up with the ordinary cash accounts of the Home Treasury, and the remittance books were opened accordingly.

4145. But are those separate accounts that are kept in the Secretary's office audited equally with the other accounts by the auditor of the India Office Accounts?—Hitherto the auditor of the India Office has confined himself to auditing the actual cash receipts and payments, and has not followed them to see how far they are adjusted in India. Whether the audit should be extended or not is a question which is under consideration, but the books in themselves constitute an efficient audit with reference to those transactions.

4146. What I meant was, does he audit the accounts as far as the cash produced by the remittances from India to this country is concerned?—He does.

4147. Then are the balances of the Secretary of State's accounts brought into the general ledger when the whole accounts are periodically adjusted?—There are certain balances that stand only on the remittance books, that is the transactions that are for adjustment. If a sum be required to be recovered in this country, it stands on the remittance books till it is recovered; the Home Accounts showing the actual amount of cash received.

4148. But in making up the General Account laid before Parliament, does the Secretary's office furnish the items in that account?—The Accounts as laid before Parliament, are the Accounts of the actual receipt and expenditure, as shown on the Home books.

4149. Do you mean that when the transactions for adjustment are adjusted, they are carried into the books kept by the Accountant General in the India Office?—They are in regard to all sums paid and received.

4150. (To Mr. *Harrison*.) Then an objection was taken by Mr. Goodliffe with reference to the differences between the amounts of debt shown in different parts of the Accounts; can you explain that?—At page 57 of the Accounts for the year 1869-70, which were referred to by Mr. Goodliffe, under the first item "Government of India," will be found "Interest on Loans," 2,865,063 *l*. At page 61 there will be observed "Interest on Funded and Unfunded Debt," 2,773,414 *l*. But it will be observed that the description is not identical, the one is termed "Interest on Loans," and the other is termed "Interest on Funded and Unfounded Debt," there being certain loans which are not considered as forming part of the funded and unfunded debt. This distinction is an inconvenient one, and it arises from the amount of a particular loan, not having been treated as part of the funded debt from the circumstance that it was not negociable; this was the capital stock, created for the benefit of the decendants of Tippoo Sultan. That distinction is not a convenient one, and it has been remedied in the form of the Accounts, which will hereafter be employed; and the account of the interest in the funded debt will be found to agree with that of the interest on loans, the interest on this particular loan having been put into the former category as interest on funded debt. The Accounts for 1871-72, now before Parliament, get rid of the difference, which, however, was a real one, from that distinction having been observed, of the non-negociable character of a portion of the debt.

4151. Is that a definition equally applying to registered and funded debt?—The distinction observed in India between registered debt and other debt was an inconvenient one from another cause, that it introduced into the account of registered debt certain debt which was never considered to be part of the permanent debt, and that consisted of the Treasury notes issued to the service funds. These were registered, separate acknowledgments were issued for each sum paid into the public Treasury, and the notes were registered in the same form as the general promissory notes representing the debt of India, and therefore were treated as part of the registered debt, though not as part of the public debt.

4152. Then in times gone by, all those contributions were not carried to the receipts in aid of the disbursements of the year, but were carried into the account of the public debt through the Treasury?—I should say that the amount for which these Treasury notes was issued to service funds, did go into the fund available for the service of the year, not as income, but as cash available for the expenditure.

4153. They would go to swell the balances in the Treasury?—That is so.

4154. But would they be taken credit for as part of the miscellaneous receipts for the year?—No; certainly not.

4155. Then if the balances for the year were in excess of the requirements of the Government, they were available to be applied in reduction of the debt?—Quite so; in other words, they formed an addition to the debt.

4156. They would remain as cash in the Treasury, unless the Government applied any part of the balances in the Treasury to the reduction of the debt?—That is so.

4157. If any part of the balances equal to those sums were so applied, then they would be in fact invested in the debt?—Yes; it would be a substitution.

4158. A substitution of the existing debt?—Yes.

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4159. Then, in the next place, an exception was taken by Mr. Goodliffe, that there was a want of detail under the heads of revenue; can you explain that?—It is quite true that this objection was one which could have been very well urged against the old form of the Accounts. The revenue was shown by provinces, as indeed was required by the Act of 1858; but there was no detail; the most important heads of revenue were shown in a single line; this was no doubt very inadequate for many purposes, and it has been remedied in the revised form of the Accounts. I would ask attention to page 14 in the new form, containing an "Abstract Account of Land Revenue," and in this the principal descriptions of land revenue common to the different provinces are stated in separate columns. So again with the Forest Revenue, at page 19.

4160. Then in this revised form of account details will be given?—More details of revenue will be given; and in each case it may be observed that the expenses in connection with the realisation of it are placed in close connection. I should perhaps state that these Accounts were framed by me, under the orders of the Secretary of State, in consequence of the remarks in the Report of this Committee in 1871. It was then reported to the House that these Accounts were not in sufficient detail, and I was directed to prepare forms of account which would give sufficient information. These have been prepared, and perhaps the principal features of the change in the form may be noticed. Not only is additional information in regard to the heads of the revenue now given, but further information not arising immediately from the cash transactions is given in connection with some of the Revenue Accounts. At page 30, in the Account of the Opium Revenue, we have introduced information showing not only the number of the chests of opium upon which the revenue has been derived, and the average rate at which it has been sold, and the character of the further receipts of this department, but we have added to it an account of the store and cost of production of the opium connected with the Accounts of the year; this account, in fact, containing the elements from which the profit and loss of this branch of revenue can be determined. Further information is given on many heads of expenditure. The expenditure on the Army and Public Works is very much more fully stated. The expenses of the extraordinary Public Works Expenditure is stated in detail of works, and accounts have been added illustrating the working of the currency; and in some other departments. These forms were prepared two years ago, and the complete Accounts for 1871–72, having been made up in this form, have been presented to Parliament; that is to say, they are now in the printer's hands.

4161. Now, with regard to the objection that was stated, that there was a want of sufficient detail in the extraordinary expenditure, and a want of adequate division and appropriation of the expenditure in England under the same heads as the expenditure in India, what remark have you to make?—First, as to the extraordinary expenditure; this was a deficiency which was fully known, and the objection has been quite anticipated in the present revised form of Accounts. The expenditure will be found stated at very considerable detail at page 9 of the Account. Then, as to the charges in England, particularly on account of pensions, and the objection that they were not divided between the presidencies, this is not done in the Accounts, nor in my opinion is the distribution, even if it were always possible, one which is to be desired. I think that Indian Finance must always be treated as a whole, and that the preferable plan is that the general principle which is now recognised should be followed of making the time and the place of payment determine generally the mode of charge, instead of attempting to distribute the charges wherever paid, which is the opposite principle by allocating them to the service or object for which they have been incurred.

4162. Would there be a difficulty in attempting to do that in consequence of the Government in London not being exactly aware at the time of the expenditure what is the ultimate destination of it?—The difficulty it seems to me is, that it involves a departure from the plain fact of a payment of particular pensions into a determination which must always be more or less a matter of opinion of the objects which have led to the original grant of such pensions. They are for services rendered to different departments and to different presidencies, and it would be, as I conceive, impossible to make such a distribution as seems to be desired.

4163. Apart from the question of pensions, do you know whether, under the more general system of administration in India now, stores are delivered at one port for service in a presidency beyond the port?—That is so; and I think it introduces a difficulty in attempting to distribute precisely to each presidency the stores which are issued. Take for example the stationery stores; they are sent to Calcutta in common for all the provinces, except Madras and Bombay; from a common stationery store in Calcutta is issued all the stationery required for the North West Provinces, the Punjaub, British Burmah, and the Central Provinces, and so forth; the Account now shows the actual outlay for those stores and their immediate destination. If it were attempted to break them up and distribute them according to their ultimate distribution, I think we should introduce facts which do not arise upon simple payments.

4164. Do you think then that apart from the immediate objection that was raised by Mr. Goodliffe, there would be any difficulty in the local administration exhibiting its whole charge by indicating not as an actual payment, but as a statement of fact, how much it had received in the way of assistance by stores from any source whatever?—That, I think, can be done, and if it is desirable, may be done; and I think that that is the preferable mode of treating these facts; this indeed is the principle which has been observed in the compilation of these Accounts under certain heads. I would instance, at pages 32 and 33, the Accounts of the Receipts and Charges on account of the Mint. Here are shown first of all the receipts of the Calcutta Mint, and then the charges arising from the Accounts of the Calcutta Mint. Added to that there are certain charges on account of the Mint falling under other heads of service which are here brought together. For instance, "Additions, Alterations, and Repairs of Building," and "Pensions and Gratuities to Mint Servants;" the latter been taken from the Account of Superannuation, and the former from the Public Works Expenditure. Then comes the "Value of Stationery supplied;" and fourthly, the "Value of Printing executed by Government Press."

Press." These are added to the other expenses in order to show the whole expense of the Mint.

4165. This is a statement not of the actual operations of the Mint but a statement of account drawn from the whole of the expenditure of the Government of India in order to exhibit the financial results?—Yes. Another instance which I might draw attention to, is that of "Receipts, Charges, and Profits of the Paper Currency Department," at page 139 of this revised form of Account. Here the charges are made up of sums taken from several parts of the Account. There are the "Salaries and Charges of the Offices" taken from "Administration;" then charges connected with buildings taken from the Accounts of the Public Works Department; the value of the stationery, the value of printing; and a certain amount for "House Lighting, Police, and Water Rates," taken from the Account of Miscellaneous Charges; and then there are charges in England for the cost of note forms and superannuations and charges taken from the Account for the Telegraph and Post Office Department, making up the entire expenses connected with this account culled from different parts of the Finance Accounts.

4166. In the same way then, and to the same extent, it would be possible for each local Government in making up its statement of account, to show on the face of the Account how much of the expenditure was made out of the various sources?—Quite so, and I think that is the proper way of dealing with the question.

4167. But the Accounts themselves you think ought to remain as they are?—I think so.

4168. A further question was raised by Mr. Goodliffe that the character of the payments in India for the military funds was not clear; will you explain that?—It was stated in evidence by Mr. Goodliffe that he was strongly inclined to think that considerable abatements are made on the payments in India, and the net amount stated in the account there. It is not the case that any abatements are made from the payments in India, and I have no means whatever of conjecturing what has given rise to the opinion or supposition.

4169. The answer, as I understand it, suggests that instead of the Government entering all the payments which they make there, they first deduct the receipts which they receive on account of these funds, and only state the surplus as payments?—The view is erroneous, and I cannot myself see any grounds in the figures contained in the Account for a contrary supposition.

4170. (To Mr. *Seccombe*.) Have you anything to add with reference to the management of the railway accounts in this country, and the mode in which they are kept by the India Office?—There is a full account kept in the India Office of the transactions of the several railways. The books show from the date of the guarantee of each company, the amounts received on account of the subscribed capital, the amounts withdrawn therefrom, both in England and India, and the balance remaining in the hands of Government applicable to each company. The books also show the sums issued to each company on account of guaranteed interest, and the net revenue for each half year, applicable thereto. Prior to the 31st of December 1870, the net revenue only was recorded in the books in this country, but since that date the gross revenue and the working expenses have been shown. A statement has been appended to each of the Home Accounts presented to Parliament for the last three years, showing in an abstract form the transactions of the several companies during the year, in respect of capital, interest, and revenue.

4171. (To Mr. *Harrison*.) Our attention was also directed by Mr. Goodliffe to the deficiences in the Post Office Accounts, in the statement of receipts and charges; have you anything to observe upon that?—I find the point to which the objection seems to refer, in the Accounts of the year 1868-9. The Director General of the Post Office states the amounts as follows: receipts, 686,072 *l.*, and charges, 537,020 *l.*; the Finance Accounts giving receipts, 707,792 *l.*, and the charges, 577,554 *l.*; the Finance Accounts showing the receipts about 20,000 *l.* more, and the charges about 40,000 *l.* more than the Post Office Accounts. The general cause of this I find to be, that the Director General has omitted the sum paid to the railway companies for conveyance of parcel mails; that his account in short is not complete, this being paid not directly through the agency of officers of his department; and also that he omitted (perhaps quite properly omitted from his point of view) charges connected with a temporary service, which was maintained between Jubbulpore and Nagpore, before the junction of the two railways at Jubbulpore, for the completion of the communication between Bengal and Bombay. It was placed for the sake of convenience under the administration of the Post Office, and consisted of a train of bullock carts maintained by stages, for the transport mainly of troops and military stores; this accounts for the difference.

4172. There was also a remark made with reference to the difference of 116,000 *l.* between the charge for Public Works in the Finance Accounts, and the Paper laid upon the Table of the House, called the Moral and Material Progress Report; what have you to say to that?—This objection was taken in error; there is, in fact, no difference at all. The Public Works ordinary charges for the North Western Provinces will be found at page 61 of the Finance Accounts to be 786,520 *l.*, and the same amount is given in the Moral and Material Progress Report; the figures being, Public Works, 775,066 *l.*; supervision and cost of land for railways, 11,301 *l.*; and for State railways, 153 *l.*; making up the sum total of 786,520 *l.* In the detailed accounts in a portion of the Finance Accounts, in order to state it more fully, the expenditure in the Native state of Rajpootana will be found to have been separately stated; and that was left out apparently in the remarks which were made before the Committee; there is no difference in the two accounts at all.

4173. There was another inconsistency between the Finance Accounts and the Moral and Material Progress Account noticed respecting the Public Works charges in Bombay; does that exist?—In the remarks that were made on this subject, in answer to Question 2862, a comparison was made between the sum of 903,124 *l.* given at page 81 of this Moral and Material Progress Report, as the total of the ordinary expenditure with the sum of 846,125 *l.*, which is found at page 79 of that Report. But these remarks are again made in error, for this sum of 846,125 *l.*, given at page 79, is only a portion of the expense for Public Works ordinary. It is followed by three other items which have been included with it;

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it; the next item being supervision and cost of land for railways, 31,920 *l.*; State railways, 3,831 *l.*; and loss by exchange, 89,539 *l.* It was represented that the amount given in the later part of this Report was more by something over 50,000 *l.* than was given two pages earlier. The fact, however, is, that it is not more; but it is less when compared with the proper figures; they are not identically the same, but it is less, not more; and this abstract which appear to have been given later in the Report is a partial one, and apparently was prepared for comparison with similar statements in previous years; at all events, for this purpose the compiler has neglected the loss by exchange on the railway transactions, which will be found in the corresponding part of the Finance Accounts, and has also omitted a special item against guaranteed railways under the extraordinary part of the account at page 60 of the Finance Accounts.

4174. And if those are brought together, will the items correspond?—I am not sure that they will precisely agree; but the difference that was pointed out to the Committee will no longer exist.

4175. The Statement of Moral and Material Progress is not prepared as a financial statement; it is prepared rather as a narrative of the proceedings, and in the figures, of course, there may creep in inaccuracy; but that is not the leading feature of that printed document, is it?—Of course it is not desirable that there should be any differences in statements regarding the same subject made by different departments of the Government; but I do think it is not difficult to understand how naturally some differences will arise, and how very difficult it may be to avoid them. The Provincial Administration Reports on which the General Moral and Material Progress Reports are by law required to be based (for it is required that this Moral and Material Progress Report shall be prepared from detailed reports, to be received from each presidency and administration), must necessarily be taken in hand immediately after the close of the year by a large number of departmental officers, in order that they may be ready at least as soon as the Finance Accounts which, by the Act, when laid before Parliament must be accompanied by the Statement of Moral and Material Progress. It is quite inevitable that statements of account, prepared for the purpose of illustrating the Administration Reports, must be in a great degree compiled while the Finance Accounts are still incomplete; and as they are prepared by officers who are independent of those charged with the duty of preparing the the Finance Accounts, and who are often at a very great distance from them, it is not surprising that the very same material should be compiled in a somewhat different way; and from the fact that the Finance Accounts are incomplete, it may be impossible to make any agreement between the two results before the Administration Reports are published.

4176. The person who is preparing the Statement of the Moral and Material Progress takes such items of the account as he thinks are proper to exhibit those facts?—Quite so.

4177. And the accountant, who has to examine the accounts as matters of receipt and expenditure, groups them together as he thinks proper to exhibit the accounts and balances of receipt and expenditure?—Yes.

4178. And therefore they may take a different view of the mode in which any particular item of receipt or expenditure should be regarded?—That is so. As far as possible, this difficulty should be met and overcome; and as regards this, I think I am justified in referring to the recent Administration Reports, which have been prepared with the greatest care. In the report of Mr. Campbell on the administration of Bengal, these figures will be found to correspond almost precisely, and I find in that report these observations: "In so great an administration, comprising so many and so weighty departments, it is impossible to send in a complete report at a very early date, if it is to comprise the various facts, figures, and observations supplied by the heads of departments and the commissioners of the principal local divisions. If the report is hurried, much that is interesting and important must be omitted; if it is kept back for all the information, which is duly digested in each department at the end of each year, it cannot be commenced until a good many months after the close of the year. On the whole, the best method will probably be that adopted on the present occasion, viz., to wait for the detailed figures and reports of the past year, but to include in the general report brief notice of anything remarkable or important that has occurred in the intervening period. In this view six months may be allowed to collect the reports and figures after the close of the official year on the 31st March, and the general report may be completed in October."

4179. With reference to the observation which was also made by Mr. Goodliffe, that the special fund charges are not satisfactorily adjusted, will you explain that matter?—This also rests on a misconception. It appears to have been assumed that there is a transfer of special fund charges between ordinary and extraordinary. There is no such transfer.

4180. But in connection with this I see that it is also objected that there is an inconsistency in the charges for Public Works in Bombay, shown in the Financial Accounts, and the charges shown in the Moral and Material Progress Report?—That, I think, I have already referred to in a former answer. This point as to the Bombay Special Fund seems to have been assumed to be the explanation of the difference that has been already referred to, but it is not the true explanation, and that has caused a misconception. There is no transfer made of special fund charges between the ordinary and extraordinary as is supposed.

4181. Then it is also said, by Mr. Goodliffe, that there is a want of proper classification of the Telegraph expenditure; can you explain that?—That statement is made with reference to an account prepared by Mr. Kellner, to which reference was made, and it was said that there was no classification of expenditure of 130,000 *l.* But on examining that account, I find that there is quite as much information given in regard to this particular sum of 130,000 *l.* as in regard to any other portion of the account which was under consideration. This is the detail given in the Account: Marine Department, for vessels and stores employed in laying the cable and for political objects in the Persian Gulf, 7 lacs 90,295 rupees; Military Department, for commissariat, medical, and other stores, 98,328 rupees; Public Works Department, for erecting buildings at the various stations, and for stores supplied, 418,852 rupees; making a total of 13 lacs 7,475 rupees,

rupees, or in sterling, 130,747 *l.* This is quite as much detail as is given in any other part of the Account of which it forms a part. As to the detail given generally in the Finance Accounts the objection had been foreseen, and a considerably great amount of detail has been recently laid before Parliament in the new Accounts.

4182. It is also observed that there is no mention in the Finance Accounts of the losses from the irrecoverable loans to municipalities; what have you to remark on that?—It is quite true that the snm of 22,500 *l.*, part of a loan made to the Port Canning Municipality, was in the Finance Accounts for 1869-70 written off without specific mention. It will be found at page 49, or rather, it is included at page 49 in the total sum of 41,492 *l.*, but is not specifically mentioned.

4183. Mr. *Birley.*] What is that sum described as there?—"Sundry Items," under the "General Abstract Account of Miscellaneons Charges."

4184. Mr. *Candlish.*] Would it not have been better to have had that 22,000 *l.* set out on the face of the Account?—I think it would.

4185. How do you account for that not being done?—It is a charge of an unusual character; it did not admit of being grouped with any other. The amount of it was certainly sufficient, I think, to have entitled it to separate notice in this Account of Miscellaneous Charges.

4186. *Chairman.*] What is the whole amount of Miscellaneous Charges in that year?—In India the whole amount was 754,000 *l.*, of which two pages of details are given. I think another line or two might have been given to this item from its amount and importance.

4187. Mr. *Candlish.*] It is quite impossible to discover the nature of it in that entry of 41,000 *l.*?—Yes, I think the criticism so far quite just and true that there is a loss, an admitted loss, written off without specific mention.

4188. *Chairman.*] Then there was an objection taken to the form of the accounts in general; have you any remarks to make upon that subject?—I think that almost the whole of the objection, all certainly of that part of the objection which appeared to me to be of importance, has been anticipated and met in the new form of Accounts, which it is proposed to submit to Parliament. There were some more general objections taken as to the absence of an Exchequer Account, and so forth, on which an opinion was expressed, in which I certainly do not agree.

4189. With regard to the way in which these Accounts are made out, are the Government Accounts made out and kept upon the principle of the Treasury Account in India?—That is so.

4190. In which they are their own bankers?—The Treasury Account may almost be said to form our Exchequer Account; the treasuries are the depositories of our public balances, which, from circumstances in India must be very much more widely distributed than is necessary or proper in this country.

4191. Therefore, it is necessary to bring into the Accounts all the operations upon the Government Treasury?—I think so.

4192. And to some extent, is not the Treasury also used as a banker for transactions which are not strictly those of the revenue and expenditure for the year?—That is so, to a very considerable extent.

4193. Then it would seem to be necessary, in order to exhibit the whole accounts, that you should introduce the Treasury Account with all its subsidiary operations?—I think so.

4194. Then it was also objected by Mr. Goodliffe, that from the way in which the accounts are stated it is impossible to ascertain the net charge for the Army as separate from the Civil expenditure; what have you to say on that matter?—The net cost of the Army is most readily obtainable from the Accounts. The whole of the Army receipts are brought to account, and the whole of the Army charges; the net cost is the difference. I am unable to see the difficulty that anyone could experience in discovering this.

4195. Are there no expenses on account of the Army charged in the Civil expenditure?—No; none. There is of late a small part of the superannuation in connection with the way in which the funds of the Army have been treated, in regard to which I have already given evidence before the Committee; unless that is considered an exception, I think there is none.

4196. Mr. *Fawcett.*] When you say that, are none of the Establishment charges put down as Civil?—It may be a matter of opinion, whether the secretariat of the Government of India ought or ought not to be considered a military charge; it is treated as a civil charge.

4197. There is a Military Secretary at the India Office, for instance; is not he put down under the Civil charges?—I should say that it may be a matter of opinion whether or not that is an Army charge.

4198. Still if there were no Army it would not be required; therefore, it is an Army charge, is it not?—I am not sure whether that argument is conclusive.

4199. *Chairman.*] Do you think that you would have to treat the question of Army charge like all other questions of charges; that if you want to ascertain the whole expenditure, you must go through the whole Estimates and ascertain whether there is anything in each of those items which may be considered as due to the fact that an Army is kept up?—I think that that would be the proper way of dealing with these charges.

4200. Anybody who made up that statement, must exercise his own judgment and discretion as to what is to be considered such an expenditure?—Precisely; there the question of opinion, I think, comes in.

4201. I suppose if we come to a close analysis of the matter, we should have to invite the Postmaster General to discover how many soldiers' letters went free or at reduced rates of postage, and so forth, and ascertain what charge was made on the Post Office in consequence of there being an Army?—And further, it may be a matter of opinion whether a portion of the charges of the Council, and the Governor General's salary, and expenses might not belong to the Army.

4202. Then all the stationery would have to be reassorted to ascertain how much was used for the Army, and all the printing in like manner?—Yes, quite so.

4203. Mr. *Fawcett.*] But in our own country, for instance the Military Secretary of the Horse Guards, being an official there, is not put down as a Civil charge, is he?—No.

4204. Take again the stationery; as to the stationery used at the Horse Guards and the War Office, it is well known that that is part of the military expenses. I want to know whether I can

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I can find out from the Accounts as presented to Parliament, in making a comparison between the Army expenditure for England and the Army expenditure for India, that for instance an officer performing duties like those of the Military Secretary at the India Office, would in England be included in the military charges, and would not be included in India in the military charges?—That, I think, is the case.

4205. How could I find that out from the Accounts laid before Parliament. It may be true that it does not make much difference; all I say is, that it ought to be stated, and if it is not, the Accounts do not give us the information which we ought to have?—The cost of the Military Secretariat in India is clearly stated on the face of the Finance Accounts at page 52 of the new Accounts, but in the old form the general charge for the secretaries' establishment was given, without division, into departments.

4206. But what I want to know is this; you now are objecting to this evidence given by Mr. Goodliffe; I want you to show me in any Account that has ever been laid before Parliament, where I could find out, or any one else could find out, whether the Military Secretary was a military charge or a civil charge?—That has not hitherto been separately stated in the Finance Accounts.

4207. Are there not a great many other things in that same position; are there not a great many other things, which in England for instance, are distinctly a military charge, and are not a military charge in India?—I think not.

4208. Take, for instance, the Ecclesiastical Establishment?—It is true that the Ecclesiastical Establishment is not shown at all as part of the Military expenditure.

4209. It seems to me so extraordinary that you go through one item after the other, and you find the same. It is stated broadly by you, that you can ascertain at once the net military expenses of India, and then in cross-examination, charge after charge we find out is included as a part of the military expenses in England, and is not included in India. How do you reconcile your general statement with these facts brought out in cross-examination?—I have not been accustomed to think of these charges to which you refer as military charges, and I think that it must be in a great degree still matter of opinion how far and to what extent they are Army charges.

4210. *Chairman.*] But what I understand that your observation applied to is, that those things which are considered military charges, are all shown together under the military accounts?—That is so.

4211. And those things, which in the method of keeping the accounts are treated as part of the civil expenditure, will all be found with the civil expenditure?—Yes, that is so.

4212. Mr. *Fawcett.*] We want to find out the net military expenditure for India. Of course if any one uses the expression "Net Military Expenditure" in Parliament, I should take it to mean what would describe for instance the net military expenditure of England; but I find that on taking the Indian Accounts and the English Accounts, the military expenditure for India, and the military expenditure for England, mean two entirely different things; that from the military expenditure for India various charges are omitted which are included in the military expenditure for England; that is the case, is it not?—That is the case.

4213. Does it appear from the Accounts that are laid before Parliament that the military chaplains are not included in the military expenditure?—It is shown negatively, I think.

4214. But I object to having anything shown negatively; we have volumes of accounts laid on the Table, and we want, not negative information, but very positive information; does it show it positively or not?—It does not; but I think that there is an inherent difficulty in doing so in the case of the Ecclesiastical Establishment or the establishment of chaplains; as from the constitution and administration of that department, it is impossible to say how much is for Army purposes and how much is not.

4215. But then the Account might state that fact not as an inference but positively, so that one would know the fact; when they gave the expense of the Ecclesiastical Establishment they could state what that expense meant, and then let anyone draw his own conclusion as to whether it ought to be a military or a civil charge?—The whole expenses upon that branch are set out in the Accounts; I am quite aware that it is not stated in the Army charges.

4216. *Chairman.*] That does not profess to be in the Army charges, does it?—No.

4217. There is no difference in point of principle between the mode of these accounts and the mode in which the public accounts are made out in England?—Not that I am aware of.

4218. Where a service is in itself a complete service it is charged for as a complete service, whether it is for the Army, Navy, or Civil Service. Precisely the same thing is done in all the English accounts. For example, let me put it to you thus: the Auditor General's Department in England is charged under that head in the Civil Service Estimate; and you no doubt are aware that a certain portion of the Auditor General's expenses is for the Civil Service, a certain portion for the Naval Service, and a certain portion for the Military Service; there is, however, no splitting up of the Comptroller and Auditor General's expenditure into the heads of Civil Service, Army, and Navy, but it is charged as one expenditure; and if anybody wants to have that matter found out, he must move for an account, and have it estimated by somebody how much is to be put for each of those heads. And the same thing is done with the Governor General's office in India, which involves the Governor General in Council and the secretaries for carrying on his business; the whole of that is charged to the Governor General in Council Establishment, and not split up; otherwise you would have to divide the Governor General into three parts, and call them the Civil Governor General, the Military Governor General, and the Naval Governor General; is that so?—It appears to me to be a fair parallel.

4219. Mr. *Fawcett.*] But I submit to you this; I am not supposing that as to the Governor General or the Secretary of State that we should attempt the impracticable task of saying how much of the time of the Secretary of State, for instance, is devoted to military duties, and if we find one-fifth is devoted to them we should put down one-fifth of the Secretary of State's income to military expenditure; but what I say is this, you have given an affirmative answer to this question which I put to you, that taking, for instance,

instance, the Military Secretary at the India Office, whose work is purely military, the salary of an officer or official doing work analogous to that at the Horse Guards is put down as military in England but it is put down as civil in India. That is the point which I want you to give me some explanation upon; not that the Governor General's or Secretary of State's salary should be split up, and an impracticable attempt made to allocate it?—But I have been accustomed to think that the Military Secretariat rather stands in the position of the employer of the Army than as being a portion of the expense directly connected with the organisation or administration of the Army; that it is not, therefore, military in its character.

4220. But I will take your own reply. You said to me, "that the salary of a person (and I believe it is notorious) that is doing the work of a military secretary in the Indian Office if he were doing the same work for the English Army would be undoubtedly put down to military charges?"—It appears that there is a real difference in the way in which this expenditure is considered and treated in the English and in the Indian Accounts.

4221. I think you did express the opinion which I have stated; and after all it can make no difference that the various departments of the Indian Office happen to be centred in on building: what we have to considered, are the duties discharged by a particular official; it cannot make any difference whether there is a separate building for the military work of the India Office and it is under a separate roof; but did you not admit that if the same kind of duties which are discharged by the Military Secretary at the India Office were discharged for the English Army the salary of such an official would be undoubtedly a Military charge in the English accounts?—What I understand to be the case is that the whole expenditure in this country of the War Office is considered to be a Military charge; and that what may be considered in some measure to correspond with that in India, the Military Department of the India Office and the Military Secretariat of the Governor General's Council is not so considered; but that this is a matter upon which different opinions may be entertained by different persons; that some may consider the Indian practice to be the more accurate view of the character of these establishments; that the duties of the Secretariat are not military in their character, but rather represent the point of view of the employer of the Army.

4222. But you admit that that is not stated (I am not saying which plan is the best) in the Accounts?—Quite so.

4223. *Chairman.*] I suppose you do not deny that the Account, which I mentioned before, namely, the account of the Governor General and his office, is shown as one expenditure?—It is shown as one expenditure; the whole expense of the different branches of the Secretariat being grouped together in the past Accounts; but in the future they will be separately stated for departments.

4224. That is it will be split up into different items?—Yes.

4225. But the total will still be exhibited as the expense of the Governor General, and under the same heading?—Yes.

4226. Mr. *Fawcett.*] If these Accounts were not defective, why are they going to be altered?—There is no essential difference in the distribution of the Accounts of Receipts or Expenditure, the change is in the direction of giving fuller detail and altering somewhat the arrangement in which they are presented.

4227. Sir *D. Wedderburn.*] We were told that the military chaplains appointed to Roman Catholic and Presbyterian regiments are borne upon the Military charges, whereas, in the case of those of the so-called Established Church, their expenses are included among the Civil charges; what is the reason of that?—The reason I conceive to be this, that the Roman Catholic clergy and the Presbyterian clergy, are attached either to particular regiments or to particular military stations, the connection with the Army in their case being immediate. The answer which I gave just now had reference to what is understood as the general Ecclesiastical Establishment of the Government of India, and I did not refer to the circumstance that the Presbyterian and Roman Catholic clergy were borne upon the Army Estimates, and the expense treated exclusively as a Military charge.

4228. That is to say, the Presbyterian and Roman Catholic chaplains are regarded as *quasi* military officers, whereas chaplains of the English Church are not so regarded?—They are treated as being in a separate department of the Government, maintained mainly for the service of the Army, but still without that close connection which is observed in the case of the others.

4229. But they are attached to particular regiments, are they not?—No, they are not.

4230. Not in any case?—In no case, so far as I know; they are attached to particular stations, not to regiments.

4231. But the Presbyterian clergy are attached to regiments, as I understand you?—Yes.

4232. *Chairman.*] May not a clergyman belonging to the Ecclesiastical Establishment be doing one day military duty and the next day civil?—Yes.

4233. He is put on the establishment of the Government without being distinctly employed for either military or civil duty; he may be sent to sea, or may join a marching regiment, or may be employed as a civil chaplain?—That may be the case; they are not, however, attached to marching regiments, but to military stations.

4234. Is it not competent to the Government to order them to do duty with a regiment marching?—Yes.

4235. Sir *G. Balfour.*] But they are essentially military chaplains?—They are considered to be military chaplains.

4236. And formerly their pay was borne on the Army expenditure?—Yes.

4237. Sir *D. Wedderburn.*] Is there any reason why they should be put in a different position from surgeons of a military station, for example, whose expenses, I imagine, are borne by the military charges?—No, I think not. As a matter of fact, the surgeons are either attached to regiments or stations. If to stations they are civil surgeons; there are certain exceptions as to garrison surgeons, but those are exceptions.

4238. Then the fact is that the chaplains are almost identically in the same position with the surgeons; that some of them are in charge of stations, and a few of them are in charge of regiments?—Yes.

4239. *Chairman.*] But are there not surgeons to all regiments?—Certainly, there are surgeons

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to all regiments; the parallel is not complete, therefore.

4240. Sir *D. Wedderburn.*] Are the surgeons in charge of civil stations borne upon the military charges?—No.

4241. But the surgeons in charge of regiments are?—That is so.

4242. *Chairman.*] Are not the surgeons in charge of regiments under martial law, under the Mutiny Act?—They are in a different position.

4243. And the clergymen are not under the Mutiny Act?—I am not aware.

4244. Clergymen have no commissions under the Articles of War, have they?—I have no authority to say; but I think not.

4245. Mr. *Candlish.*] Would it not be as fitting that the clergymen of a regiment should be a military charge, as that the surgeons of the regiment should be a military charge?—I have explained that, with the exception of the Presbyterian and Roman Catholic clergy, there are no clergymen of regiments, but merely of military stations.

4246. Sir *D. Wedderburn.*] All the surgeons in charge of civil stations are officers of the Army, are they not?—Yes.

4247. Then is no part of their salary or pay borne on the military charges?—No, not so long as they are civil surgeons.

4248. Can you state altogether what the amount of the charge for surgeons in charge of civil stations is?—I can state from the Accounts. In the Accounts for the year 1871-72, the consolidated salaries of medical officers and allowances of regimental medical officers in charge of civil stations amounted to 169,518 *l.* for all India.

4249. Mr. *Fawcett.*] That does not include the entire medical charge, does it?—No; that is the entire salary of all medical officers who are considered as civil surgeons, and besides an additional allowance which is in some cases given to regimental surgeons for taking charge of the local civil hospitals.

4250. But will you look into the Accounts and see what the entire medical charge for the whole of India is, which I remember is put down somewhere as a civil charge?—I have the account before me of the whole medical charges as they are now stated, and I have given the principal item, and to that is to be added only the expense of the Sanitary Commission, 5,289 *l.*, to arrive at the total, which is now treated as the medical charge for all India. But there has been a great change in dealing with the expenditure in this department, from the assignment of a great part of the medical expenditure to the Provincial Service Account.

4251. I want to get at the bottom of this: I should like just to find out considering the medical stores, regimental pay, medical instruments, and all what is the aggregate amount taken either from the Imperial or Local Revenues of India, for the medical charge; and will you take it for som years previous to the time when this provincial allocation was made?—I hardly think it would be necessary to go back any further. The entire expenses connected with the Medical Department, which is dealt with under the Provincial Services, including the Vaccine Establishment, Government Hospital, medical college and schools, lunatic asylums, chymical examiner department, grants made for medical purposes, Health Officers' Department and the Sanitary Commission treated under the general head of Provincial Services, amount to 327,224 *l.*

4252. Does that include the former sum that you gave?—No.

4253. It comes to over 500,000 *l.* together, does it not?—It is a trifle over 500,000 *l.*

4254. Now, would it be an exaggeration to say that four-fifths of that charge is really after all an Army charge; that, for instance, where a medical man, although put down to the civil charges, attends one civilian he attends four soldiers?—I should not have thought that that was at all the case.

4255. I mean those that he attended gratuitously?—No; I think in no respect. For direct services rendered to soldiers there are the regimental surgeons and the regimental officers. Thus, what I have just stated includes services rendered to Government establishments that are not military.

4256. For instance, take the military station at Cawnpore, we will say; all the medical service, as I understand, which is rendered there to the official, civil, and to the military population, is put down as a civil charge?—All except the Army medical officers is put down as a civil charge; but then it is for civil duties; it is for the gaol, the police, and so on.

4257. But from your evidence, I understood you, that what services these medical persons render to the military population at the station was included in this item?—But I think that such services must be very trifling, if there are any, for the military population has its own medical officers.

4258. But then, if you look back at your evidence, I think you will find that you say that these are put down as a civil charge at this station?—Not the regimental officers.

4259. What is the medical charge put down in the Army accounts?—In the Army accounts there is a total for all expenses connected with the medical department, including the veterinary establishment, which is very trifling, of 421,500 *l.*

4260. But then, considering how small, comparatively speaking, the official civil population is in regard to the Army, it surely must happen that a very considerable portion of that 500,000 *l.* of which you have spoken must be really for services rendered to the Army?—There is the police and there are the gaols.

4261. Will you make an estimate of that, and say how much of that 500,000 *l.* is service rendered to the Army. If it is not as I say, then it indicates, comparing the two figures, that an enormous amount is spent upon the civil officials and the police as compared with what is spent for the Army?—I think that the whole of this must be considered as it is represented in the Accounts as charges for Civil Services.

4262. Sir *G. Balfour.*] The charges for the medical department are represented by 327,224 *l.*, and there is no portion of that whatever for duties done for military service in any form or shape?—No; I imagine no military service whatever, except so far as the Government General Hospitals afford aid to the soldiers. I apprehend that this includes the whole cost of what is known as the General Hospital in Calcutta, which affords aid to the garrison.

4263. But surely you are aware that in the military charges there are charges for general hospitals for their own soldiers, entirely distinct and

and separate?—Well, there has been a change in that respect. In the detailed accounts of the Army, at page 72, you will find that the general hospitals are only mentioned under Bombay.

4264. Then you have been transferring some portion of the medical charge, which was previously a military charge, to the civil charges, have you?—That, I think, has been done.

4265. Then, with regard to the 174,917 *l.* for salaries, at page 55, that is for civil charges for surgeons?—That is so.

4266. The police are under the civil surgeons, are they not?—That is so.

4267. And they are more numerous far than the Army?—Yes.

4268. There are upwards of 200,000 men in the police now, are there not?—I cannot speak to-day to the total number of the police, but they are more numerous than the Army.

4269. And the prisoners are almost more numerous than the Army?—Nor can I state the total number of prisoners under detention in our civil gaols, but they are extremely numerous.

4270. The medicines supplied to the civil surgeons are charged for in the Military expenditure, are they not?—They are in the first instance.

4271. Perhaps you would be able to show us an instance of medical stores of any kind charged for in these civil charges?—I have a difficulty in speaking to this to-day, but my impression is that it will be found that a considerable part of the sum shown at page 67 of the Army Receipts, under "Sale of Medical Stores," represents supplies to dispensaries.

4272. Perhaps you will examine your evidence, and verify that fact amongst the Military receipts, and see whether that is borne out by the facts. Now, the 421,500 *l.* which you gave as the medical charge, on account of the Army, is not the whole charge on account of the Army for the medical department, seeing that the surgeons and assistant surgeons and the hospital establishments are charged for under another grant, are they not?—That is a matter with which I am not acquainted.

4273. *Chairman.*] There was a suggestion made that it was impossible or difficult to determine how much of the Public Works Expenditure had been met from revenue, and how much from borrowed money. Do you concur in the view that the accounts ought to be made out in that form?—No; I admit the difficulty; but it appears to me that the difficulty is one not so much of accounts as of the policy of the Government in regard to this question. There would be no difficulty in presenting the account in this shape if it were at once decided that works were to be constructed from borrowed money, wholly irrespective of the result of the Revenue Account of the year. But that is not precisely the position which the Government has taken in regard to extraordinary works. The Government has paid out of revenue, as far as possible, the cost of all public works, meeting by means of loans such part of the cost of works of a particular character as they have recognised as proper objects for the expenditure of borrowed money; it in this view it is not considered necessary to row money to the full amount of works of this acter that have been executed, but merely to w such funds as are required after using the ces available to the Government; and e our accounts are quite consistent with y; they show the additions made to the public debt in the course of the year; they show the charge in the year on works of a character which makes them, in the view of the Government, proper objects for the expenditure of borrowed money; and they show the total expenditure, including extraordinary works, compared with the revenue; thus showing what part of the extraordinary expenditure, if any, is in excess of the capacity of the revenue to meet it, and must be otherwise provided for.

4274. Mr. *Fawcett.*] What accounts are you referring to?—To the Finance Accounts laid before Parliament.

4275. The revised ones?—Yes, the revised ones. My view is that all the facts are presented; but how much of the actual expenditure on extraordinary works has been met from borrowed money can only be determined on a review of the account afterwards.

4276. *Chairman.*] Do you mean that in the administration of the public works all the works are blended together and carried on by the officers in the district under one general system, and that the accounts therefore exhibit those transactions as the transactions of the Works Department?—That is not precisely so, though it is partly the case. The works that are recognised as extraordinary works are of two characters, Works of Irrigation and State Railways (I speak of what is recognised at the present time). For both these purposes there are separate branches of the General Department of Public Works. The whole of the expenditure, with a very small exception, on State railways is considered as an extraordinary expenditure, and there are separate offices charged with the duty of executing and superintending this expenditure; and therefore, so far it might be separated off at once. But what I mean is this, that at the commencement of the year the Government may determine to devote a certain amount for expenditure on extraordinary works, being prepared at the same time to borrow the funds, if necessary, to meet that.

4277. To make good any deficiency that they may create in the annual expenditure?—Quite so; but at the end of the year it may be that the revenue has proved sufficient to meet it without borrowing, therefore that connection of the loans and the outlay cannot, as I think, be advantageously preserved through all the stages, from the estimate to the result.

4278. But the result can be arrived at by saying what was the money borrowed in the course of the year, and what was the sum spent in the course of the year on works, and described as special?—That is my view.

4279. And if, therefore, the sum so spent is more than the amount borrowed, it is evident that the whole loan has been applied in aid of public works extraordinary?—Yes.

4280. Then there was another question raised by Mr. Goodliffe, namely, that money is applied to the expenditure on account of the telegraphs, out of the income of the telegraphs, without its appearing in the Estimates as an item of expenditure; is that statement correct?—I can only say, in regard to this point, that the accounts afford no ground for the inference; all expenditure on telegraphs is on estimate, and funds are issued against the annual estimate of the department; all receipts are paid to the Revenue Account in the public Treasury; and to show that receipts cannot be applied in the way imagined, I may refer to the form in which at the present

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time all telegraph revenue is realised, and that is by means of stamps, which are sold practically independently of the department, so that the funds are not at the disposal of the officers of that department.

4281. And the accounts are made out on the same basis, exhibiting all the receipts and all the expenditure?—That is so.

4282. Attention has been directed to the necessity that exists of separating the revenue and the service accounts; what do you say to that?—It appears to me that they are separate. Throughout India revenue is paid to the general treasury accounts, and kept apart from any accounts of money issued for expenditure of any sort.

4283. Are the deductions which are now made in aid of the pensions (which I presume represent now the service account) brought in as extra receipts, or are they deducted in diminution of the expenditure?—Yes; that applies to the Army and Medical Departments.

4284 And to the Civil Department also, does it not?—Not as yet; the Act has not yet passed giving effect to that arrangement; but so far as the change has taken effect, the deductions are brought to account as receipts in aid of the superannuations.

4285. Is there any longer any service account kept as regards the Army, to show the working of the superannuation of the Army, or is it treated as an annual receipt and an annual payment?—The balances of those service funds are shown upon the face of the new accounts.

4286. They are kept up?—Yes.

4287. But are the accounts kept up as separate and distinct accounts?—I am not fully acquainted with that, but the accounts are kept up with individual officers to prove the realisation from them of all dues; but I do not know the details sufficiently to reply to the question on all points.

4288. Are there no Civil Service funds now in the hands of the Government?—They are in a transition state; the arrangements have been practically completed for making them over, but awaiting the necessary Act for the purpose, complete effect has not been given to the transfer, and I cannot speak as to how far the intended changes have been carried out or are still in abeyance.

4289. Do you know if the funds are abolished by the Government taking them over, whether the funds will still be kept up as separate accounts or will they be shown as part of the general receipts and expenditure?—They will pass into the general receipts, and not be kept up separately.

4290. That is to say, the Government will make deductions and put them into the miscellaneous receipts, and the pensions will appear in the pension account?—Yes.

4291. And where will the capital appear?—That is under consideration, as to the precise way in which it will be proper to deal with that.

4292. Mr. *Dickinson*.] Does the capital exist in a separate form?—It is in the form of a liability of the Government, and the extent of it is now stated in that form.

4293. It does not exist in the form of any investment in its own favour?—No.

4294. Mr. *Fawcett*.] I understand that your evidence to-day is to correct what you conceive to be misconception in Mr. Goodliffe's evidence, and I gather from your evidence that in saying that some of his criticisms are wrong as to the accounts, they are simply wrong when you compare his remarks with the revised accounts, which are going to be presented, and which neither he nor any of us have ever yet seen?—This form of account which has been adopted was prepared by me, while Mr. Goodliffe was still at the India Office; Mr. Goodliffe was acquainted with the change.

4295. But he came here to give evidence on accounts which have been presented to Parliament; he took those public documents, and your criticisms upon his misconceptions are founded on a revised system of accounts, which have never yet been laid before Parliament?—I hardly think that I am in a position to say what a gentleman came to give evidence upon.

4296. But taking his evidence taken as a fact, he took up certain documents, and he said, "Here are Finance Accounts, Administrative Accounts, and reports on the Moral and Material Progress of India; these accounts show certain things, and do not show certain things which they ought to show." You have corrected his statements, as I understand your evidence, by referring to accounts which have never been laid before Parliament; his criticisms could not be answered in that way, could they?—I think that the criticism as to the general form of the account may be met with the reply that these objections on the face of the accounts have been anticipated; and further, that the gentleman who commented on them had the advantage of knowing what deficiencies had been felt by others who had examined them.

4297. I do not know what Mr. Goodliffe's information was, but his criticisms were on accounts which were laid before Parliament; and you say that those objections will be obviated in accounts which have never yet been laid before Parliament. Whether Mr. Goodliffe knew the new form that the accounts were going to assume, of course it is not for me to express an opinion upon; but it is the case, is it not, that his criticisms were directed to the accounts laid before Parliament?—It is the case that these objections have been felt, no doubt, by Mr. Goodliffe, in common with others, though how far he may have followed the changes I have no means whatever of knowing; but they have been anticipated.

4298. They have been, in your opinion; but it remains for us to judge whether we consider that they have been anticipated; we have never seen the accounts?—Certainly.

4299. Now, with regard to these funds which have been taken over by the Government, I am correct in stating, am I not, from your former evidence, that no account is in existence to show what has been done with those funds. The Government has taken over so much capital which involves a future charge on the revenues of India. That capital, if it had been kept intact, would have served to meet that charge, and no account shows what has been done with that capital, or do any accounts show that?—They do; they show how much has been spent, and how much is in existence.

4300. Do they show in what form, and in what investments?—As uninvested; it is a general liability of the Government.

4301. You cannot suppose that a fund exis[ts] can you, when you simply state that it [is] liability?—That is the only form in which it [can] exist.

4302. But is there no difference between [the] Suppose I refer to any particular fund

stance the Police Superannuation Fund; I say that fund consists of, so much: that that fund represents really a liability. I want to know what remains; where it exists, has it been spent, or has it been invested?—It has been spent.

4303. I want to know where do the accounts state that?—I have already explained in evidence to-day that the amount of these funds has been a practical addition to the debt or else a substitution for existing debt in another form; that is it has gone into the ordinary cash account of the year, and the funds have been available.

4304. They have been spent in fact?—Yes.

4305. But then as you cannot refer me to any statement in the old accounts, I want you to refer me to a statement in the new accounts, which will bring clearly home to the public this fact which I submit is a very extraordinary one, that these funds which ought to have been kept, which represent really a future charge on the Government of India have actually been spent as ordinary income; in fact that India has been spending as ordinary income what she ought to have kept as capital?—That is by no means the case; they have not been treated as part of income at all, ordinary or otherwise; they have merely gone to supply the means of expenditure.

4306. Do you not remember in your former evidence in one year there was a serious item of Miscellaneous Receipts, revenue 2,000,000 *l.*, and that when we looked into that matter we found out that a portion of it was not revenue at all, but was simply the spending of this capital fund?—That refers to a matter rather apart from what I am speaking of just now, which is the ordinary way of dealing with the income of these funds. The other question was as to the action taken when the capital of the funds was assumed by the Government.

4307. Would you read me out then the paragraph in your proposed new accounts, which will state distinctly to the public that when the Government took over the capital of these funds, they did not invest it, but spent it; I want to know whether that fact in the first place will be stated to the public, and if so, in what form it will be stated in the revised accounts?—It will be stated in the revised form of the account, as contained in the Account No. 23, at page 48. It shows the balances due on existing funds on which the Government pays interest.

4308. Will you state them?—To take them fully would be somewhat lengthy. There are Treasury notes in favour of service funds; the balance is stated at the beginning and the end of the year. The amount at the 31st of March 1872, was 617,266 *l.*, at 4 per cent. The Civil Service Superannuation Fund (I am speaking of Bengal now) is 1,939,295 *l.*, interest at 6 per cent.

4309. But, when you say interest at 6 per cent., what do you mean by that?—I mean that interest is calculated at that rate half-yearly, and is credited to the account of the trustees of this fund.

4310. Yes; but what I want to know is, whether the public is going to be informed of where that 1,939,295 *l.* is. Where is the paragraph in the accounts to explain where it is?—It is non-existent.

4311. Has the public been told that. Is it further stated in these Accounts that this capital fund was handed to the Government of India, and that they have spent it; that hitherto in the accounts it has been represented as a fund, whereas it is really a liability?—Of course there is no statement of that character to be found on the face of the accounts, but the nature of the obligation is, I think, clearly indicated in that account; and as to those accounts of which the capital has been taken over, they will be found in another part.

4312. I just want to see in what form it is stated?—At page 124 will be found the capital of those funds which have been taken over by the Government. As to Bengal, they are described in Account 53, Military Fund Deposits, not bearing interest; the balance at the end of the year, 249,852 *l.*; Military Orphan Fund deposited, not bearing interest, 425,764 *l.*; Medical Retiring Fund, deposits not bearing interest, 232,439 *l.* Then, under "Madras," Military Fund, deposits not bearing interest, 746,029 *l.*; Medical Retiring Fund, deposits not bearing interest, 557,150 *l.* And under "Bombay," Military Fund, deposits not bearing interest, 466,483 *l.*; Medical Retiring Fund, deposits not bearing interest, 105,122 *l.*

4313. But why are those funds stated as not bearing interest?—Because in connection with the arrangements for taking over the obligations of the funds by the Government, the body, the corpus, of these funds has been taken over, and no interest can accrue.

4314. But then, if on taking them over, the Government instead of spending them had invested them, they would have had an income from these funds?—They would have had to have created debt, to have borrowed, for the purpose; it would have been as broad as it was long.

4315. They took over the funds; the capital existed?—The capital existed in the form of a liability from the Government to the trustees. The trustees discharged the Government of that liability.

4316 I should like to examine you afterwards on these accounts, when I have had an opportunity of examining them. But your opinion is, that the public will be able to understand from these accounts, that these funds which have been taken over by the Goverment have been spent, and that these funds now simply represent a liability; is that so?—I think that the public will be able to understand that they form an obligation of the Government.

4317. *Chairman.*] The public will not understand anything that does not exist. In the first place, in order to make the matter clear, at the time when the whole system was put an end to the Government had certain obligations for these funds, either in the form of funded or unfunded debt, had they not?—That is so.

4318. There was no such thing as a fund in the sense of a pocketful of money, was there, to represent those?—No, there was no investment.

4319. In the first inception of these transactions between the Government on the one hand, and the public service on the other, the Government made itself accountable to receive the reductions made from the pay of the officers, and they agreed to allow a certain sum to keep that in deposit at interest?—That is so.

4320. And therefore from year to year the money actually received went into the annual receipts of the Treasury, and was exhibited in the form of an obligation on the other side of the account?—Yes.

4321. Therefore it was a mere matter of account, and there was nothing in existence at the time.

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It seems to have been a mere matter of account between the Government on the one hand, and the body of officers on the other?—That is the case.

4322. When the Government had no body of officers to account to, keeping up this account was merely a form of exhibiting the financial results of the obligation?—That is so.

4323. Mr. *Denison*.] Supposing that at any time previous to the late transactions, the managers of those funds had made a requisition to the Government to invest this large sum of deposit, the Government, I apprehend, would not have had the power to refuse complying with the instructions of the managers upon that point?—Well, of course from the relative position of the Government to their services, that of employers and employed, they had necessarily a great deal to say as to the way in which the services should be allowed to deal with these funds; but still the whole of these funds were dealt with by bodies of trustees, who stood between the services and the Government, and I apprehend that the services at any time, if it could have been conceived to have been for their interest, could have interposed to break the connection, which was a voluntary one, but an advantageous one to the services.

4324. *Chairman*.] Is it quite clear that they could break the connection; were not the obligations such on the part of the Government that they really could not break the connection; did not the Government undertake, for instance, the duty of collecting the subscriptions?—That was an advantage, certainly, to the services.

4325. Was it possible for the trustees to assume any independent action in the matter?—I think it may very well be doubted whether their position really admitted of it.

4326. As regards the Civil Service Fund, were they not allowed 6 per cent.?—They were. They could not have realised that independently of the Government.

4327. Nor could they have collected or managed their fund independently of the Government?—Not without difficulty.

4328. Sir. *G. Balfour*.] But was it not strictly enforced with reference to the military fund, that the whole monetary capital was in the hands of the Government, and that no dabbling with the fund in any form or shape was permitted to the directors of that fund?—That is so. But to show that there was a certain liberty of action I can refer, though I have not a perfect recollection of the details, to an occasion on which it was brought out, I think that the trustees or directors of one of the military funds, I think the Madras Military Fund, did invest a large amount, I think it was 25 lacs of rupees, in a certain loan of the Government. This action was disallowed.

4329. *Chairman*.] Was it not in truth from beginning to end a contract between the Government and the body of officers, that certain arrangements should be carried out by the Government. Did not the Government assume the function of compulsorily deducting from officers' pay, whether they liked it or not, the money necessary to keep up the fund?—I think that the very existence of these funds depended upon the approval and action of the Government in this way, that the Government forced every officer in their service to become a member, and to contribute to these funds; and without that condition in the original contract, it would have been impossible to maintain them on the footing on which they stood.

4330. Mr. *Fawcett*.] To bring out the point I will put a parallel to you. Was not what took place this: Suppose an Act of Parliament was passed to say that every civil servant employed in England should have 5 per cent. of his salary deducted, and that that should be invested in the Post Office Savings Bank, and that that should be called The Civil Service Fund, and that annually an account should be laid before Parliament of what that Civil Service Fund amounted to; at last we find that owing to there not having been a great demand in the earlier years from pensions coming in, that fund amounts to 500,000 *l*.; it comes out, that instead of the Government keeping that fund and investing it, for instance, with the Commissioners of the National Debt, as the savings banks' deposits generally are invested, the fund has been spent, and does not exist, that it is simply a liability, in fact. That is what has taken place in India, is it not?—That has been the result.

4331. It is exactly the same as if the Government now instead of investing the Post Office Savings Bank deposits with the Commissioners of the National Debt were to say, year after year, "There is a certain Post Office Savings Bank Fund, but we will not invest it," and then we suddenly found that all the time that we thought that fund was accumulating, it was in fact simply a liability?—I know nothing of the facts to which you refer. Here there has been no departure from the original intention or the original contract.

4332. That is really what has taken place, is it not?—Exactly; what has taken place is, that this sum has been absorbed into the general liabilities of the Government; that is strictly accurate.

4333. *Chairman*.] There never was an engagement on the part of the Government to do anything more than recognise an obligation to pay these monies?—Nothing.

4334. There was no contract of any kind to invest these monies in stock or securities?—In regard to a great part of them, there were promissory notes issued by the officers of the Government to the trustees of these funds for every rupee subscribed; the realisations were made through the action of the Treasury. The trustees claimed a certain amount to have been their income for the period, the month or the quarter, and for this they received a Treasury note, which was a promissory note, to pay on the part of the Governor General in Council to the trustees on demand the sum represented.

4335. Mr. *Denison*.] Those promissory notes bore interest, I suppose, the same as all other promissory notes?—Yes.

4336. And *pro tanto*, they were a direct addition to the public debt of India?—Yes.

4337. Mr. *Dickinson*.] In the account of the expenditure in the pay of Civil Service, was the whole pay charged against the year's expenditure, or the pay, minus the reduction?—The whole pay.

4338. I mean in the time when the accounts were in action, was the deduction made from all the different services included in the expenditure for salaries and otherwise of the services?—Yes, it was.

4339. Then was there any charge in addition to that of the interest on the capital at the time being existing?—There was.

4340. And

4340. And in what form was that stated in the accounts?—In the Interest on Service Funds.

4341. I understand that the gross annual salaries were debited as an annual payment?—Yes; that is so.

4342. Including the contribution to the funds?—Yes.

4343. Therefore, there was a payment shown of so much more by the Government than they actually did pay?—Yes.

4344. *Chairman.*] What was done with the annual deductions on behalf of the Military Fund? Was a separate account kept of those annual deductions, and were the annual charges on the Military Fund in the shape of donations, gratuities, and so on, entered against them in the account of the fund?—In the annual Finance Accounts will be found the amount due on account of these funds. I have before me the Accounts for the year 1869-70, at page 57 of which there is this: Civil, Annuity, &c., Funds, 2,400,000 *l.*

4345. Mr. *Fawcett.*] Is that stated as a debt?—That is stated as a debt.

4346. *Chairman.*] Then what was asked was this: after you had deducted the annual charges against the officers on account of the Military Fund, what was done with that money; was it taken to a separate account for the purpose of being administered as part of the fund, whether in the Government books, or in a separate account kept by the Military Accountant for the trustees of the fund?—The trustees had their own accountant, and as far as the accounts of the Government are concerned, it appears as an increase of their debt.

4347. We want to trace it a little earlier than that. There would be so much deducted annually from the pay of the Army for the Military Fund?—That is so.

4348. Then the Government would account for that deduction in gross, supposing it was 50,000 *l.* or 100,000 *l.*, to the trustees of the fund?—Quite so.

4349. That would appear to their credit at the end of the year?—That is so.

4350. Out of that, what did the trustees do; did they pay out of that the annual charges in the shape of pensions and gratuities to the officers?—They did so; they made demands upon the Treasury.

4351. Out of that fund they paid the annual charges of the fund?—That is so.

4352. At the end of the year there would be a balance either of saving or loss?—Yes.

4353. And if there was a balance of saving, did they hand it to the Government to be carried to the Capital Account, as balance bearing interest after a certain amount; was it so treated?—Yes.

4354. As those balances accumulated so the obligation of Government to pay those balances with interest would increase?—Yes.

4355. And is that the operation which has been going on ever since the fund began?—Yes.

4356. And at the end of the time there was an obligation of that sort of some very large amount?—Yes.

4357. Mr. *Fawcett.*] But as this balance accrued from year to year, it was spent?—It went into the Treasury.

4358. *Chairman.*] It remained; it would appear as a sum remaining in the Treasury, would it not; and the Treasury therefore would have that money in the Treasury, in general Treasury balances, with an obligation to pay it whenever it was required to be paid; and it would be a charge against the Treasury balances, would it not?—That is so.

4359. And if it were what is called invested, it would be merely converting what would be Treasury obligation against the Treasury balance into part of the Funded Debt?—It would be so; it would be little more than nominal.

4360. Making it part of the Funded Debt instead of making it a charge upon the floating balances of the Treasury?—That is so.

4361. Mr. *Denison.*] The capital of this fund, both in the military and in the civil fund, was divided into appropriated and unappropriated, was it not?—Yes, that is a matter of detail.

4362. The question follows upon that, whether the appropriated balance was not part of the fund which was supposed to be invested. You say it was a nominal transaction?—I do not think that there was any change in that respect between the appropriated and the unappropriated, The appropriated liability was simply liability on current annuities; the unappropriated liability was the remainder of the fund which represented the interest of existing subscribers. I do not think that that makes any difference as to the relation between the funds and the Government.

4363. *Chairman.*] The effect of it would be this in the end, would it not, that this money accumulating there would go to swell the Treasury balances, and it would render it unnecessary for the Government to borrow money, if those balances would be otherwise too small?—It would be so; it acted exactly as an addition to the debt.

4364. Mr. *Fawcett.*] But the point is this: If the money is in the Treasury balances, the expenditure of the Government is not controlled by the necessities of the case, but it is controlled by the amount which they have to spend; that is perfectly notorious, and we have had it in evidence again and again; therefore, if there was more money in the Treasury balances than there would have been, supposing the money was invested, for example, in the name of the Trustees, the Government thinking that they had more money to spend, would spend more; and it comes to exactly the same as I have tried to insist upon throughout, that really a great future charge has been thrown upon the revenues of India by these sums being spent, and not invested. What is your answer to that?—I cannot think that the facility for borrowing, which is what it appears to me to come to, means want of control over expenditure.

4365. It is not facility to borrow, but taking money as revenue; if you have got more money, you are more likely to spend it, are you not?—We have not taken this as revenue; it is simply as it appears to me, a facility for borrowing.

4366. It would form a part of the cash balances, would it not?—It is impossible to say what the cash balances are composed of.

4367. Are you certain that the balance, for instance, of the receipts for the Military Fund over the expenditure was not in any one year paid into the cash balances?—I am sure that it was.

4368. Are you perfectly sure, then, that the cash balances are never spent as ordinary income?—I think there is no relation between the two ideas.

4369. *Chairman.*] With regard to the income in the sense in which the honourable Member is

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putting it to you, the answer would be this: that the credits, or receipts rather, or deductions for the Military Fund were never taken into account as extra receipts?—No, never.

4370. Mr. *Fawcett.*] Can you prove that?—I can assert it.

4371. *Chairman.*] There is a difficulty in these Indian matters on account of there being no banker; the Government is its own banker; the true test of it is this: were any deductions for the benefit of the Military Fund ever brought to account as extra military receipts or extra civil receipts?—Never, until the recent change.

4372. Therefore there would always have been operations with the Treasury as apart from the income of the year in connection with the revenue resources of the year?—Yes.

4373. Therefore they were operations on the Treasury balances, and through them on the public debt, but never through the income and expenditure of the year in the sense in which we understand that expression?—That is so.

4374. The cash balances of the income and expenditure for the year form part of the Treasury balances; but there are many operations which go on in the Treasury which form no part of the cash balances?—Yes.

4375. Mr. *Fawcett.*] From the Accounts as published, could you prove to me that no portion of these funds has been paid into the cash balances, and having been since got there, how is it impossible that they have been spent as ordinary income?—I hardly know that I understand your expression "cash balances."

4376. *Chairman.*] The difficulty is with this question of the Treasury balance; if you use "cash balance" as meaning the balance of income and expenditure, that cash balance is part of the general Treasury balance; the general Treasury balance represents all the operations of the Government as its own banker in dealing with funds of different characters, which are all blended together in the Treasury; but in the Treasury itself there are separate accounts kept of each of these matters?—Certainly.

4377. And the whole of those brought together show the balance of money in the Treasury, and its obligations?—Yes.

4378. The difficulty arises from the peculiarity of this Treasury system in India, which we have no knowledge of here, and nothing like it, namely, the Government being its own banker, and having a Treasury on which it operates, and allows other persons to operate, and in regard to which it keeps separate accounts and separate funds. The true test of what the honourable Member would wish to make out is whether any of the deductions for the benefit of any of the funds, civil or military, were ever brought into the Finance Accounts as an extra receipt, or as part of the revenue for the year to be spent as part of the revenue for the year?—That is easily answered; they never were.

4379. Mr. *Fawcett.*] But they have been lately?—That is part of the recent changes.

4380. Referring to the Public Works, you seemed to think that these new Accounts were sufficiently clear; will those Accounts show that no part of the money borrowed for the Public Works is devoted to what is called Ordinary Public Works?—I think I have already stated, in answer to that, all that the Accounts will show; they will merely show the amount that has been borrowed, and they will show what has been spent on the two descriptions of works; they will not draw the conclusion to which you point.

4381. But then we shall not know from these Accounts whether that classification on which so much stress has been laid, about Ordinary Public Works being constructed out of revenue, and Extraordinary Public Works either wholly or partly constructed out of borrowed money, is not entirely fictitious?—I think you will know this, and I think not more; you will know how much has been expended upon works which are admitted or considered to be of the character of Extraordinary Works.

4382. But still we shall not know whether borrowed money has not been spent on Ordinary Public Works?—The account will state the general relation between the ordinary expenditure in all departments, including the ordinary expenditure in the Public Works Department and the income of the year; and that it appears to me supplies the comparison that is required.

4383. How does it?—It will show whether the income of the year has been sufficient or not to meet the whole ordinary expenditure of the Government.

4384. Yes, but then suppose that some of the ordinary revenues have been devoted to Public Works Extraordinary; it does not at all follow from what you state that a portion of the borrowed money may not have been devoted to Ordinary Public Works?—I should say that if the income was sufficient to cover the whole expenditure, including the whole of the Ordinary Public Works expenditure, that in itself shows sufficiently that no borrowed money has been applied to Ordinary Public Works.

4385. What seems to me to throw a difficulty over it is that you cannot say, can you, that the whole of the Extraordinary Public Works are done by borrowed money?—No I think not. Taking the Accounts of the year before me I find that the income was 50,109,000 *l.*; the ordinary expenditure is 46,985,000 *l.*, leaving a surplus of income over ordinary expenditure of 3,124,000 *l.* When the extraordinary expenditure is added to this, there is still a surplus of income over the whole expenditure of very nearly a million and a half, namely 1,496,000 *l.* Therefore in this case the whole of the extraordinary expenditure has been met from ordinary income.

4386. But the Accounts will not show, will they, how much in any one year of Public Works Extraordinary is paid for out of borrowed money, and how much out of ordinary income?—Yes, there are the same materials in each year for comparing the expenditure, both including and excluding the extraordinary expenditure with the whole of the income.

4387. *Chairman.*] That is by taking the deficit, if there be deficit, on the other side, and taking the amount spent in the same year for special Public Works or Public Works Extraordinary on the other side, if they are more than the deficit or equal to it, it shows that that is the result of the Public Works as separate from the rest of the expenditure, does it not?—Yes.

4388. Mr. *Denison.*] There is an exception to be made to that in the case of Madras Irrigation Works is there not, in which it is pointed out that it is quite impossible to give that detailed return, owing to the income being mixed up with the Land Revenue; I gather from Sir Richard Temple's exposition of the loan?—There may be a difficulty

a difficulty in stating the return from works of that character.

4389. Sir *G. Balfour.*] You have made every effort in the new accounts to make them clear and give as many details as possible, but I suppose you have found some difficulty, like most persons who have had to do with accounts, in satisfying everybody?—No doubt there are great difficulties to overcome.

4390. Now, about the police; you have given the details of police charges in an Appendix, and they amount altogether to 2,507,438 *l.* Do you think that, considering that that expenditure is nearly one-fifth of the whole Military expenditure, that is given in sufficient detail?—In regard to this portion of the accounts, that which contains the provincial services and local funds Expenses, I think there is a great deal yet to be done to present it in the most convenient form.

4391. I have been anxious to see an account of the police, because you are aware that in Lord Canning's Government the Police and Military charges were then taken together, and the expenditure for these two services was then supposed to be under 15 millions sterling. I will call your attention now to the fact that, including the English expenditure, the Police and Military charges of India have sprung up from 17,034,020 *l.* to 18,185,550 *l.* Would be able therefore to make your accounts so clear as to allow of an exact comparison between the Police expenditure of the present day, and the Police expenditure of 1862-63, we will say?—I think that the changes in the organisation of the police had been going on so actively in the early years succeeding the first period, which you have mentioned, that probably it would be difficult to make a comparative account, which should be perfectly clear. With regard to the comparison that you make of the general expenditure, I think that in 1862-63 it was estimated that the Police expenditure should not exceed two millions; that that should be the measure of the Police expenditure, and the present total of the charges exceeds this by about 400,000 *l.*; but this, I think, includes some important amounts that perhaps were not included in that estimate of 2,000,000 *l.*

4392. But you are aware that my calculations, by Lord Canning's desire, made up the estimate of the whole police force of India to be not more than 1,800,000 *l.*?—It was at one time, I know, put lower than two millions, namely, in 1861-62.

4393. In the year 1862-63, I observe that the Post Office revenue amounted to 425,528 *l.*, and that in 1869-70 it amounted to 711,698 *l.* Will you kindly tell us how that increase has taken place?—The major part of that increase is due, no doubt, to the change in the mode of dealing with official postage.

4394. What is the sum in the Account just before you of the charge for official postage, at page 34?—In the Account for 1871-72, the receipts for official postage are stated at 287,521 *l.*

4395. Will you kindly tell us from what year you began to charge the services with official postage?—I think it must have been in 1868-69.

4396. Can you account for the fact that you began to charge the services with official postage at the very time that the Post Office here ceased to charge that money?—That may be so; but I think that this is a proper consequence of the Indian Post Office Act of 1854, which it appears to me was never perhaps fully acted upon until this was done.

4397. Mr. *Candlish.*] Fourteen years after it passed, in fact?—This is a matter of personal opinion.

4398. Sir *G. Balfour.*] You have distributed the official postage over the different services in these new accounts of yours?—Yes.

4399. Do you think it is possible for anyone to make up from the entries in these accounts the sum of 287,521 *l.*?—That is a point which I am hardly prepared to answer, because the charge for official postage may in some cases be separately stated, and in others not.

4400. Do you not think that it is a defect in your Statement of Accounts, that in some instances you distribute this important charge among the services, and in others leave it out?—No; I think that if it is necessary that this should be shown distributed by departments, the proper place for doing so would be in the Accounts of the Receipts of the Post Office, and not in the charges of the departments; for when it goes into the charges of any department, it becomes an ordinary expense of the department, not generally entitled by its amount to separate notice. If it should be detailed, I think it should be detailed in the Accounts of the Post Office Receipts.

4401. When I mention to you that in the military charges it is impossible to ascertain the actual sum charged on account of official postage, I am sure that you will see that there is some defect somewhere?—From the system in force that is obtainable from the Accounts of the Post Office Department, in such an important department of the Service as the Army charges I think it should bear a separate place. My previous answer referred rather to the multitudinous departments in which this forms a very small and unimportant charge.

4402. I mentioned that, to show you that where the expenditure is shown in the Military charges, it is impossible to know how much was actually charged off during the year on that head, perhaps you will see to that part of the account being corrected. Now I will ask you with reference to the cash balances again; I suppose the same care is taken to ascertain what are the amounts in the 450 treasuries in India, and that the whole of the money in these places is very carefully brought to account in India?—Unquestionably; and in order to throw somewhat more light upon this subject, by describing the character of the balances, we have in the revised form of account, introduced an account which distributes the total cash balance, this account will be found at page 126. With the exception of what is in the mints it is a balance of actual cash, actual silver or notes payable on demand, which represent silver, and are equivalent to it.

4403. And the same minute care, I suppose, has been taken since Mr. Laing laid down the regulations, to see that the whole of the money in the different treasuries is actually accounted for?—I do not think that any new precautions have been taken; the precautions have always been extremely particular and efficient.

4404. (To Mr. *Seccombe.*) I would ask you with reference to the accounts of military charges with reference to India and England, whether they have been uniformly shown, subject to such changes as from necessity arose?—They have.

4405. That, for instance, after 1856-57, a

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change took place in calculating the rupee at 2*s.* instead of 1*s.* 10½*d.*?—In the Parliamentary Accounts.

4406. And that is shown upon the face of the accounts?—It is.

4407. And that the stores were charged in the Home Accounts up to 1856-7, and then were charged in the Indian Account after that date until 1866-7?—Yes.

4408. And from 1866-7 they have been charged in the Home Accounts?—Yes, including 1866-7.

4409. And that is shown in the accounts?—Clearly shown on the face of the accounts.

4410. (To Mr. *Harrison*.) With regard to yourself the transfers that have been taking place from the English Accounts to the Indian Accounts, and from the Indian to the English Accounts these transfers could be very easily ascertained and brought forward in a statement?—That is so.

4411. Do you think you could make up a statement of the transfers which have taken place between India and England, and England and India?—That is, I presume, of all the transactions in the course of the year affecting the revenue and expenditure which have been incurred in England, but they are all accounted for in the Home Accounts of the Government of India, which are presented to Parliament.

4412. Do you think that you could make up, for a series of years, a statement of the transfers from England to India, and from India to England; or would it be difficult to do so?—I am not sure that I apprehend what you describe as "transfers."

4413. (To Mr. *Seccombe*.) For instance, with reference to the pay of officers on furlough, a change took place with the officers coming home and receiving pay at home, that being a charge which had been previously charged in the Indian Accounts prior to 1868-9?—We can, of course, show the increase in the furlough charges.

4414. And that would give us the diminution in the Indian charges on account of that head?—No, not quite so; I am afraid that that could hardly be taken as a relief of Indian charge to the same amount.

4415. But still the Home charges would show the difference between that which in former years was charged off in the accounts, and that which was latterly charged off in the accounts, and the difference would show the diminution in the Indian charge?—It was undoubtedly a relief to the Indian charge.

4416. You have had a very important account connected with the transactions between India and England; I think it is called the Account Current?—Yes.

4417. Would you describe to the Committee the nature of that account, and the measures you have taken to render it as perfect as possible?—I have already described the nature of the account. The measures that have been taken have been the appointment, in the year 1861, of a gentleman, who from his experience of of Indian accounts was specially qualified to take charge of that account; he continues in charge of it to the present time, and he has made great strides towards the bringing it into a proper state; there is still some arrear, but by about Christmas next it is believed that the whole arrear will be done away with.

4418. And you have been able, by means of the care and attention you have given to that matter, to bring the miscellaneous transactions under your control in a manner more complete than they were formerly?—We have.

4419. And you are very sanguine that that important account will now be made complete and perfect, so as to enable you to check every transaction which requires to be dealt with in this country?—I am.

Tuesday, 10*th June* 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir George Balfour.
Mr. Beach.
Mr. Bourke.
Mr. Candlish.
Mr. Stephen Cave.
Mr. Cross.
Mr. Charles Dalrymple.
Mr. Grant Duff.
Mr. Eastwick.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Robert Fowler.
Mr. Hermon.
Mr. Lyttelton.
Sir Stafford Northcote.
Mr. John Benjamin Smith.
Sir David Wedderburn.
Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

The Right Honourable JOHN LAIRD MAIR LORD LAWRENCE, attending by special permission of the House of Lords; Examined.

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4420. *Chairman.*] WILL you kindly state what offices you have held in India of recent years?—I was actually in India 32 years; I began at the bottom of the Civil Service as a young assistant magistrate and collector, and I ended by being Governor General of India. I came home in the beginning of 1869. I was also five years in the Council of India. When I came home from the Punjaub after having been Lieutenant Governor, I was made a Councillor by Lord Stanley, the present Lord Derby, and after being five years in the Council, Lord Halifax sent me out as Governor General.

4421. In what year?—At the end of 1863, and I returned in the beginning of 1869.

4422. Was your attention directed to the permanent settlement in the Bengal Provinces very much when you were in India?—Yes, it was.

4423. Will you be good enough to state what your view is or was of that settlement, and its effect upon the Bengal Provinces and upon the revenue?—The permanent settlement of the land revenue in India is at present limited to Bengal Proper, Behar, Benares, Jeonpoor in the North West Provinces, and to certain tracts in Madras. Speaking more particularly of the permanent settlement in Bengal and Behar it is generally admitted to have been made on very imperfect data, at a time when neither the resources of the country nor the nature of the landed tenures were understood. The settlement was made when large portions of the country were waste and unreclaimed, and it was accompanied by no real investigation into the rights and interests of the different classes who were connected with the soil. The settlement was in many instances made with the wrong parties, while the rights of those who had the strongest claims to consideration were set aside or not recorded. On the other hand, the effect of the permanent settlement was to confer a safe and secure tenure in the land, subject to the payment of the revenue then fixed, thereby giving a great impetus to the cultivation and improvement of the land, and eventually leading to the creation of a comparatively wealthy class having a strong interest in the maintenance of order, and the security of British rule. A permanent settlement, such as that conditionally authorised by the Secretary of State in Council in 1862 was free in my judgment from all these defects, while it possessed all its advantage, because the landowners whom it affected, great or small, are for the most part the flower of the population, representing much more warlike races than those of Bengal. The improved system of settlement introduced into the North West Provinces in Lord William Bentinck's time, about the years 1833-34, for a term of 30 years, during which the assessments on the land were not to be raised, was an immense boon to the country, and produced important results, social and political. It was accompanied by a careful inquiry, and record of all the landed interests in the soil, village by village. From the time of this settlement the prosperity of the North West Provinces may be dated. These settlements were high; somewhat too high, as a rule, and had, in various places, to be summarily reduced; still, as a whole, with certain marked exceptions, they were probably lower, all things being considered, than the previous settlements; and the length of the leases, and the extent of the waste comprised in village areas, gave a margin for improvement, which enabled the people gradually to lighten the incidence of their taxation. The exceptional districts, which gave a large increase on previous settlements, were Goruckpoor, Azinghur, and parts of Benares, but more particularly Goruckpoor, where the area of cultivation was still small, though in 20 years the revenue of these districts had doubled. In the North West Provinces, during this settlement, not only has a great deal of the jungle land within village boundaries been broken up, but many wells have been sunk, and superior crops have been introduced. The construction of the Ganges Canal, and

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and the introduction of railways, and the extension of roads, have enhanced the general prosperity. Such being the general result of the 30 years' settlement, it may be asked, "Where is there any valid ground for a permanent settlement of the land revenue? There can be no sufficient argument for more than a settlement for a similar term of years as before, while a permanent settlement must lead to a prospective sacrifice of revenue, which the necessities of the State can ill afford." To this I would urge, in reply, that, though a settlement of the land revenue for so long a period as 30 years is a good arrangement for those connected with the land, a permanent settlement would prove a still better measure; and that it is of high importance for the general benefit of the country that such a boon should be granted. The productive powers of the land, as at present developed, are, on the whole, still very limited. It is very desirable that every inducement which we can fairly grant for the improvement of the quantity and quality of the crops should be offered. But as things now stand, the case is otherwise. As a 30 years' settlement approaches its termination, the minds of the proprietors become unsettled in their anxiety to obtain good terms; there is a strong temptation to throw land out of cultivation; to neglect to repair wells, and to diminish the quality of the crops which are raised. And though it is quite true that the settlement officers will understand and meet such artifices, nevertheless, to the extent to which they are employed, they impoverish the landholders, and are a source of weakness to the body politic. The expenses also of one kind or the other to which the owners or occupiers of the land are put are often very considerable during the period that settlement operations go on, which of course operate, to a certain extent, as so much more taxation. In this way it is no exaggeration to say that the landowners are harrassed for probably five years on an average in every cycle of 30 years under the present system. Then it may further be urged, that one of the chief causes for the enhanced revenue, which has flowed from the periodical re-assessments of the land, is due to the gradual extension of cultivation which has taken place in these intervals. But in the North West Provinces, which so far as the Bengal Presidency is concerned, is the part of India to which I more particularly refer, though my remarks equally apply to every province in a similar condition, there no longer exists within the areas of villages much culturable land still uncultivated. As settlement has followed settlement, the culturable area has diminished, and what is now left is scarcely worth breaking up, unless abundance of water at a moderate cost be available, and perhaps not even then. Again, we ought to bear in mind that for the future, much of the improved condition of the cultivation will depend on irrigation of one kind or the other. If canal irrigation be largely introduced, the State will obtain a large revenue in the shape of water rent, and it seems to me to be nearly certain that this mode of irrigation will supersede other systems of irrigation. I admit that one important cause of the increase of the land revenue has been due to the general rise of prices which of late years has prevailed; and that if this goes on, the State in consenting to a permanent settlement would, no doubt, forego some revenue in future years. But it appears to me that the probability is, that prices will not go on increasing in the same rapid manner as hitherto; and even if it be otherwise, that the State will be in other ways remunerated. Against the revenue to be derived from the rise of prices, must be put the increased cost of cultivating the land by the occupiers, and the saving to the Government of the expenditure arising from these periodical settlements, which is very large. Moreover, it must never be forgotten, that though the present settlements are fixed on a moderate scale, when compared with those of former times, these settlements, in point of fact, do absorb a large proportion of the estimated rental of land. The public demand in one shape or the other, represents 60 per cent. of the rent, to which should be added some extraordinary expenses to which the occupiers of the land are constantly put. Then we should recollect that they have to bear the accidents of seasons and the oscillations of prices, which also vary a good deal, to their disadvantage, between harvest time and the days when the land revenue falls due. Lastly, when we reflect that probably two-thirds of the whole population depend for their subsistence in one shape or the other on the cultivation of the land, and that the population has largely increased of late years, and is going on increasing, it seems to me, that if the proportion of the produce which the Government demand represents, could be reduced, it would prove a vast relief to them, and that this reduction could not better be brought about for the public interests, than by the introduction of a permanent settlement under proper restrictions, which would gradually lead to an increase of the general wealth of the country. It may be convenient that I inform the Committee that when the question of the permanent settlement was under the consideration of the Secretary of State for India and his Council in 1862, we had then before us a despatch from the Governor General, proposing that a general redemption of the land revenue in India to the extent of ten per cent., should be authorised. Such a measure would have involved either a serious sacrifice of future revenue, or the previous introduction of a permanent settlement. The Secretary of State and the Council almost unanimously objected to a redemption of any important portion of the land revenue, but were willing to grant some indulgence to the owners and occupiers of the land, provided it could be done without any undue sacrifice for the future. It was at this time that we had also to deal with the reports of the late Colonel Baird Smith, on the famine which had prevailed in the North West Provinces in the previous year. After much consideration, it was at last decided to allow the introduction of a permanent settlement under conditions, at that time deemed sufficient, but which were subsequently made still more stringent. I adhere to the conclusions which at that time I came to on the subject.

4424. In your first explanation of the settlement, you observed that it was made in many cases no doubt with the wrong parties; but was it not made generally with the holders of several villages or large estates?—It was made with what were called the zemindars who in Bengal are in contra-distinction to the village communities.

4425. But they themselves were not in any way cultivators of land, were they?—No. They may have had individually home farms; among thousands

thousands and tens of thousands of acres, they may have had a few hundred acres in the villages adjoining their residences for their home purposes.

4426. Were they not, in fact, the mere collectors of rent out of which they were to pay a certain sum to the Government taking the risk of the collection?—I would not say that they had always been in that category. I should say that had there been a careful investigation, it might have turned out that many villages were really their private property; but in a great number of villages, probably in the larger number, that they were only the collectors of revenue.

4427. In what way did the permanent settlement assist to promote the cultivation of the land by the occupants with whom no settlement was made?—Though the proprietors of land in India, especially large proprietors, do not treat the occupiers of the land, that is the cultivators, in the same way that they do in England or in other highly civilised countries, still the fact of the demand being limited, no doubt gave an impetus to cultivation in various ways, direct and indirect.

4428. But do you know whether it led to any considerable extent to their making permanent settlements with the persons under them, or had they any power to do so?—In many cases they did make settlements and permanent settlements with parties under them. For instance, take the case of the Rajah of Burdwan, his estates represent something like the land in two whole districts (I am talking generally); but he and his successors of that day alienated lands to such an extent, that his rental is not now more than, as it were, a quit-rent.

4429. But in that case, was not the alienation what may be called an alienation in chief, part of his holding which the Government itself recognised as a separate permanent settlement with the assignee?—I think the parties in whose favour the alienations were made pay the revenue, but only that portion which represents their quota.

4430. Was there not some arrangement made by which, where the assignment was made of a certain extent and character, that is to say whole villages, they might themselves become holders in chief from the Government?—I fancy that there was, but upon that detail I would speak with diffidence; because I never served as an executive officer in Bengal, and though I have studied the general system and the effect of it, I am not very conversant with the minute details.

4431. That has an important bearing on the conclusion, because if those were alienations to persons in the nature of the original zemindars, they would not touch those who are really responsible for improving the cultivation of the land, which is the point which I want to get to?—They are not certainly in the majority of cases the parties who cultivate the land, and who were the representatives of the old village communities; still I should say that from the fact of the limitation of the Governmment revenue, these men did more or less stimulate the cultivation of the land, and made advances, and helped the people in various ways to extend their cultivation.

4432. Do you know, as a general proposition, whether the large alienations which took place in the permanent settlement, have not been in favour of bankers who have become creditors by making advances to the zemindars as mere property?—I believe, in point of fact, that in Bengal proper a great part of the original persons with whom the settlement was made were swept away from various causes, and others have stepped into their room, and among other persons bankers.

4433. A general cause of such a state of things would be that of indebtedness or default on the part of the zemindars to pay the revenue, from want of funds?—I think that went on to a great extent for the first few years after the permanent settlement; but that has operated all along to this day, at any rate to a very late date. I have met native gentlemen in Bengal, holding large zemindaries, who have purchased them all within their own lives.

4434. But are you aware as to the extent to which the holders under the zemindars have been complainants against the zemindars, of the treatment which they have received?—As I understand the history of Bengal from the time of the permanent settlement, it has been a continued struggle between those representing what is called the zemindaree interest, that is the large proprietary interest, and the occupiers of the land. Of course those again would be divided into two classes; some would represent the descendants of the old village proprietors, and others would represent the ancient tenants, and so forth; but there has been a great struggle between the two parties.

4435. In fact, under the zemindars there has been the same nature of tenure as was found in the direct settlements from the Government with occupants, when the zemindaree system did not prevail?—Yes, with this exception, that in many cases, as a zemindar became stronger in his position, he worked to destroy the rights more or less of these under occupiers, these holders of the under tenures.

4436. The Government in Bengal, therefore, have never performed the duties to the occupant that they have in the 30 years' settlement, of ascertaining and registering the rights and interests of all persons in actual possession of the land?—Never to that extent, or even to an appreciable extent. What the Government of India, *quâ* Bengal, have done, is this: they have from time to time passed regulations, Acts of the Legislature, sometimes rather in favour of the one party, sometimes in favour of the other; but the last legislation, which was in 1859, the well-known Regulation 10 of 1859, did define to a considerable extent the rights of tenants holding on beneficial interests of one kind or the other; but still it is nothing at all equal to what has been done in other parts of India, particularly in the North West Provinces, and that particular tenure, namely, of the village landed proprietors, has been entirely swept away in Bengal and Behar; at the best, they have only retained what you may call a slight beneficial interest.

4437. That Act, in a general way, tried to define rights without providing any machinery for the ascertainment of particular rights, did it not?—Yes.

4438. Therefore, as a comparison between the permanently settled land in Bengal and the 30 years settled land in the North West Provinces, it would seem that the occupants and cultivators of the land in the latter case had guaranteed to them a much greater amount of beneficial interest

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and security than they had under the permanent settlement?—No doubt they had; but in the North West Provinces, and in all settlements which have been made after that pattern, we have, practically, registration of every holding in the settlement, and whenever a question comes to a collector's court or judge's court, we have only to turn up that registry and see what had been settled at the time of the settlement.

4439. Had you not more than that, namely, a legal definition and limitation of the claim of any superior to rent or service out of the land?—The settlement was made with those who were decided to have the first interest in the land. They got a formal acknowledgment from the Government, saying from that time they were the proprietors, and then all rights were defined and recorded from the highest to the lowest class in the village papers. The tenants-at-will, having no rights, however were simply recorded as tenants-at-will.

4440. Those were persons who were merely lessees for the year, or whatever it might be for?—Yes; very often they had been for long periods in the village, but still were tenants from year to year.

4441. It was understood that they were merely tenants-at-will under some person who might be called the freeholder?—Yes.

4442. Do you think that the increased prosperity of Bengal and the increased productiveness in the permanently settled provinces is due so much to the settlement system, as to the fact that English enterprise was brought to bear both upon the productiveness of the soil and its peculiar capacity for producing exportable products by the English who came there, instead of being left merely to the zemindars and cultivators and the persons under the zemindars?—I think it was more due to the natives connected with the soil, whether proprietors or otherwise, than to the English who settled in the country, such as indigo planters and mulberry planters, and so forth. But of course there are exceptions the other way. I should say that the great improvement had arisen partly from the peace and security of our rule, and that a great deal was owing to the limitation of the Government demand, and I think also to the industry of the cultivators themselves; they are very docile and very laborious.

4443. Do you consider that the great impulse which was given to the cultivation of the valuable exportable products, adding so much to the wealth of Bengal, arose from any action of the natives themselves, or from the action of enterprising Europeans?—Of course the cultivation of indigo and silk, and of exceptional produce, was due entirely, I should say, to the English capitalists; but, on the other hand, the great extension of the cultivation of jute, for instance (I speak under reservation, not having been in those districts), I should think was all due to the natives themselves.

4444. But do not you think that the stimulus to the cultivation has arisen from the enterprise of the English merchants in making arrangements for the export of jute to foreign countries?—Of course there is a great market in Calcutta for the produce, and there are facilities given for bringing it down there; and I daresay in many cases capitalists go into the districts where it is produced, and buy it up; and in that way the producers get a better price than they would under other circumstances have got; and all this has indirectly stimulated, no doubt, the production of better crops. But I think that anybody well acquainted with any part of India would say this, that, give the people a good tenure, and give them peace and security, and limit the amount of the taxation, they will exert themselves immensely to improve the land, and to develope the prosperity of the country. No sooner is a settlement made than they all turn to cultivating better crops. Before the settlement is made you see nothing but the cereals. Go into the villages two or three years afterwards, and you see sugar-cane and tobacco, and all kinds of crops.

4445. There was also, I presume, a very large element of increase of wealth in the great development of the population of Bengal, and the very great quantity of land which was uncultivated at the time that we took possession of it, in consequence of the horrible misrule it had been subject to before we took possession of it?—Yes.

4446. A great part of it had been devastated almost, had it not?—Yes, there had been a great famine in 1773 or thereabouts, which was only about 10 years before the settlement. I have no doubt the country had not recovered from that.

4447. That famine, then, would have attacked the cultivators and the working people only, but would not have affected the zemindars, who were bankers and people of means?—No, it would not of course to the same extent have affected the upper classes; but even under the natural state of things the country wanted population, and a great per-centage of the population no doubt had died during that famine, and of course a new population had not grown up when the settlement was made.

4448. Therefore the increase of wealth in Bengal, considering the extreme fertility and goodness of the land generally, except the hill parts, may be ascribed to that circumstance very largely?—I think so.

4449. What I am anxious to do is to get clearly before us how much we are to ascribe of any improvement in Bengal to the permanent settlement with the zemindar and how much is to be ascribed to the other peculiar circumstances which have all tended in one direction to promote the wealth of Bengal?—It is quite true that many circumstances have tended to the development of that wealth, but I should say that no circumstances have tended in the aggregate to the extension of cultivation, and the development of wealth so much as the permanent settlement; if you had not had the permanent settlement in Bengal you would not have had a 30 years' in early days or even a 10 years' settlement; the chances are that in those times you would have had a three years' settlement or a five years' settlement even perhaps, or one from year to year.

4450. But we do not know what settlement the cultivators of the soil had during all that period, and whether they did not have, in fact, merely an annual settlement?—I think they had practically a bad settlement, but still I think they were better off under the zemindars with a permanent settlement than they would have been with a shorter settlement, for this reason, that however exacting the proprietor may be, still in some degree, he regulates his demands by reference to the demands made on himself.

4451. Then, taking the axiom of some revenue officers

officers of the Government, if their capacity had been measured by the quantity of revenue which they collected (which has been said of some other provinces), you think that it might have been more harrassing to them?—I have no doubt that was one of the considerations which influenced Lord Cornwallis, namely, that the cultivators would be better off under the people, whom we supposed to be the great landed aristocracy or gentry, than they would be under the revenue collectors, the great bulk of whom were natives on very wretched pay, miserable pay in those days.

4452. Then are we to understand that the distinctive feature of the proposition of 1862, as compared with what is known as the permanent settlement is, that it would have been a settlement with the freeholders and occupiers of the soil as contra-distinguished merely from the intermediate agents with whom the permanent settlement was made?—You know that, in point of fact, the settlements in some cases in the North West Provinces have been made with a similar class to that of the zemindars in Bengal, namely, the talookdars. One of the great questions which arose in those days, and which led to an inquiry, to my mind a very proper and suitable inquiry, with a suitable result, but a result which has been challenged very often by others, was whether we did wrong in the North West Provinces, in not making the settlements with the talookdars wherever they existed. What happened was this, that previous to the 30 years' settlement, there was an inquiry on the spot by men, generally picked men, I will say; mostly men chosen from the very best of the service; these men under the name of settlement officers, began by supervising the demarcation of boundaries, and the measurements of the lands; there was going on at the same time a scientific survey under professional officers of these lands, but contemporaneously with that, there was a measurement made by these settlement officers; and when that was completed, or while it was going on, they went into question of the tenures, the relative claims of those who came forward claiming the land. In many cases the lands were held by what we call talookdars. In a great many cases these men's claims were set aside, but in consequence of a prescription which they had acquired for various reasons, they were allowed a certain per-centage, which varied from 10 per cent. to 20, generally 15 or 18 per cent.; and the settlements were made in those cases with what were considered the old village proprietors, or their descendants; but where these village proprietors were extinct, or partially extinct, or had sold their lands to the talookdars, or so forth, then, in that case, the settlement was made with the talookdar, and then the village proprietors were only recorded as having certain rights of occupancy and the attendent advantages thereof.

4453. But still the rights of all the sub-tenures under the talookdars, whatever they were, were scheduled as part of the talook?—They were so, village by village.

4454. And wherever the talookdar was merely in the capacity of what may be called the grantee, that grant to the extent of his interest was recognised, but he was not allowed to be the proprietor of the freehold of the soil so as to turn anybody out?—No, in cases where he got this per-centage it was in lieu of all claims, and he had nothing to do with the village community; they held under the Government, and it was clearly defined that they were proprietors; they were called biswardars, that is to say, owners of the land; it was their inheritance; they could buy or sell or transfer it, or it might descend to their children, and so forth; and the settlement was made with them, and the direct engagements taken from their representatives. Where the talookdar was held to be proprietor, the settlements were made with him, and the cultivators of every class held under him.

4455. Do you conceive that any difficulty would arise in permanently settled districts in introducing a large system of irrigation upon a great scale beyond the mere limits of the particular talook or zemindary?—I do not think there would, but, of course, you should carry the zemindars, or the village proprietors, with you; that is to say, if they thought that canal irrigation was useful and desired its introduction, then there would be no difficulty whatever about it; but, of course, if they did not wish for it, if they thought that the province did not require it, then they would remonstrate at the time, and even if they did not remonstrate, they would probably be always more or less dissatisfied at its introduction, and be indisposed to the use of the water, and the payment of the water rate.

4456. Has the effect of the permanent settlement been to convey to those with whom it is made a notion that there is a distinct obligation on the part of the Government not to put any charge upon the land without their consent?—I think that is the universal opinion.

4457. That being so, you could not put any kind of water rate upon them in consequence of an irrigation scheme, unless they individually accepted it?—No, you could not, unless they individually accepted it. One of the principles which we always maintained in the introduction of canal irrigation, as regards, say, the Ganges Canal in the North West, or the Bari Doab Canal in the Punjaub, or on the East and West Jumna Canals, was this, that the people should have the option of refusing to take the water; if they took it they paid for it; if they did not take it, they did not pay for it. The consequence was that Government lost a little revenue, but on the other hand, they carried the people with them, and though the people are naturally parsimonious and economical, and disinclined to spend money if they can help it, yet in course of time, year after year, they saw the enormous advantages of the irrigation; and when a drought year came, then the impetus given to the sale of the water was immense, and the consequence was that in the course of 20 years or so, the water was fully taken as a general rule.

4458. You think that apart from any question of that kind, it is better and right that the Government should accept the risk of making large irrigation canals, and the parties be left to take the water or not at their option?—Decidedly; I would almost rather not make a canal at all, however much I desired to do so, rather than make it obligatory on them to take the water.

4459. Or obliging them to pay anything for it?—Of course, if they pay they take the water, because it is better for them to have something for their money; but you refer, I suppose, to putting a small tax on them to make up any deficit in collecting an adequate return for the capital laid out, exclusive of the receipts from water rent.

4460. We are familiar in this country with the proposition of making large works of drainage

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(which is the reverse operation of irrigation), and without the consent of the individual proprietors making a rate on the district according to the acreage, which in the estimate of Parliament is likely to be benefited; is that applicable to irrigation in India?—That was suggested as regards some of the canals in the north of India that are now under construction, and I think the very general feeling was dead against it among all classes; of course, the owners of the land were against it, and I think that the great body of the administrators were against it; there were a small party the other way; I have a strong feeling against it myself, and when it was proposed, when I was Governor General, I would not agree to it.

4461. Assuming that there is a peculiarity in the question of canal irrigation as mixed up with cultivation, let us come to the other question of roads; and assuming that a good road which can be traversed at all times of the year is one of the greatest improvements to the value of property, what would be the effect of such a project as that if it were proposed to be carried out, and a rate to be put on the land after a permanent settlement has been made; do you consider that the Government would be entitled to make such a rate on the permanently settled land in Bengal?—I am in favour of that arrangement in Bengal exceptionally for this reason; when the settlement was made in Bengal there was no idea in those days of any cesses of any kind or description, of making roads, or doing anything, but just making the best of the circumstances which we were in; and secondly, when the settlement was made, it was evident to my mind, as it is to the minds of others, that Lord Cornwallis's intention was this: that as regards the increase arising from extension of cultivation, or rise of prices, Government should make no demads beyond the permanent settlement. You must understand that in India it has been from ancient times always considered that the governing power has a right to take a share of whatever is the produce; if it was little, the ruler would take less; if more, that he would take more; the effect of that was, that year by year there was a constant inquisition into the condition of the cultivation; this, of course, was very injurious to the people in every way; and when Lord Cornwallis made his settlement, the idea evidently in his mind was, that *qua* those things, namely, extension of cultivation, and improvement of the quality of cultivation, and rise of prices and so forth the Government had fixed a demand, and could not raise it; but I think there was no intention then to determine that in after years no cess could be levied.

4462. Your view is, that it was a mere substitution of a fixed demand for that which Governments in their despotic power in India generally had made discretionary upon their own view?—Just so. I admit that the general feeling of the proprietors is against the view; but, nevertheless, I think, on fairly looking at the correspondence, and the law which was made in those days, the view that I have taken is a reasonable and fair one.

4463. And, therefore, in point of fact, the permanent settlement has no effect upon questions of making special rates for particular objects irrespective of the land revenue itself?—I think not; but on the other hand, while I say that, I must guard myself by adding that you must be very careful in putting on cesses. You should never put on a cess for Imperial purposes; never put on a cess which is not in the highest degree beneficial to those who pay it, although they may not in some cases recognise the benefit. For instance, I would never think of putting on a cess merely because I thought that we ought to have a great high road to connect one province with another; but in making what we call district roads, in developing the internal communication of the country, in the question of education, which is of vast importance to the people, and in things of that kind, I would be for putting on a cess; but carefully guarding that it was a moderate one. However good the object in contemplation, I would not put a high cess on them.

4464. Then, is it your opinion that with that qualification, still it would be desirable to make the 30 years' settlements all permanent settlements throughout India?—No, only on the conditions laid down in the Secretary of State's Despatch in 1862, and subsequent Despatches. There were certain instructions that there should be 80 per cent. of the land cultivated; that the lands were not likely to be improved by irrigation; and one or two other things of that kind; but those were the main points.

4465. Now, with regard to the qualifications which Sir Charles Wood then proposed, as to the 80 per cent. of cultivation, upon what principle would it be just to the inhabitants of India generally, that one-fifth of the land revenue should be given to a particular village in perpetuity, as compared with other parts of the country?—My view would be, that you were not giving it to them free of revenue. When the settlements are made the settlement officer consider the general assets, you may say, of the village area. If there was a certain amount of waste land, he would make a calculation to some extent as to its value; it would be a moderate one compared to that estimate which he would make of the cultivated area; still he would take it into consideration; but in point of fact a village cannot exist, cannot prosper, unless it has an area of uncultivated land; you might just as well suppose that in Hertfordshire you could get on with all the land under crops and none under grass, as you could suppose that the people of a village can prosper in India without some grazing lands. What is really wanted in India is not that all the land should be broken up, but that the land which they reserve for grazing purposes should be improved in something like the way that we improve it in England, and make it to bear abundantly, and bear irrespective of seasons. In one year you will have the waste lands of the village producing abundance of grass, so that the village cattle can be fairly and properly fed; but if a bad year, a drought comes, all that is gone, it is all desolation, and all the cattle die, or else have to be driven hundreds of miles away to get forage. So that, in point of fact, it is absolutely necessary that they should have a certain amount of pasture, and, in the case of any villages which have lands so good, or of such peculiar soil that it is better for them to have no waste land, but to cultivate it all, they have to rent lands of other villages, in order to feed their cattle.

4466. But is it clear that in the Despatch of the Secretary of State he was speaking of what I may call unarable land, that is to say, those parts of the village which are left in grass because they do not think it wise to till them; or was he speaking generally of land capable of cultivation

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and not cultivated, land more than 80 per cent. of which was so capable?—I have no doubt what he meant was that if there was not more than 20 per cent. of the culturable land (I mean by that land fit for cultivation) uncultivated, then that village would be entitled, assuming that they accepted a proper settlement, to a permanent settlement.

4467. They were to pay no rent for the fifth part, or 20 per cent. of it?—Yes.

4468. But did he not raise the question whether the land was land that the village would require to be in grass, which, in point of fact, is cultivated land for that particular purpose; was he not drawing a distinction between villages not fully occupied, if I may use the phrase, for all purposes of cultivation, taking both grass and tillage, as compared with villages that were fully occupied. If they were paying revenue only to the extent of 80 per cent. there might be a permanent settlement, without reference to the other 20 per cent. which was to be given in. If it were so, would that be a just arrangement as regards the community?—It seems to me that it would be. I think a margin of 20 per cent. would be a very fair one to allow for village purposes, for the grazing of the cattle. I think that if I was making a settlement, and a village had no grazing lands, or scarcely any, I should be disposed, in fixing the assessment of that village, to make a small deduction in consequence of this circumstance; I should feel that there was more uncertainty in the means of that village to fulfil its engagements without any grazing lands, than if it had some. All over the North West Provinces, and in the Punjaub, and, I believe, in other provinces, it has always been recognised that the Government revenue, what is technically called the Jumma, that is the money that they are to pay annually, should be put on the cultivated land, and that little or nothing should be put on the waste land.

4469. On the natural growth of grass-land nothing is put, you mean?—No, or a very small sum only.

4470. But, then, has it not been found in practice that, in those villages that are not permanently settled, year by year, as the population increases, the area of the tillage lands on which the settlement is made has been gradually increasing during the 30 years?—No doubt it does increase, but the villagers will always try to keep a certain margin for their cattle.

4471. But within that margin has it not been found on re-settlement that, with the natural growth of population, the tillage land has increased where it was not all tilled at the time of the last settlement?—Yes; but in that case the villagers have to cast about for grazing lands for their cattle.

4472. Still the general revenue of the country has been largely increased by that fact, has it not?—It has been largely increased where there has been an abundance of land, but where it comes to a small margin, then I think it would not have been increased; you would have to make deductions on account of the small margin. A good settlement officer wishes to make such a settlement, as that the village will flourish under his settlement.

4473. Then your view of the Secretary of State's Despatch is that a permanent settlement was merely to be confined to villages that might be said to be fully cultivated so far as agricultural requirements permitted?—Yes.

4474. There is another point which you have noticed, namely, the alteration of prices; do you think that the alteration of prices in India has arisen from several causes, such as the facility of moving produce, in consequence of the construction of railways, from improved navigation, and also from any alteration in the exchange value of gold and silver in India?—I think that the prices have risen to some extent in consequence of those causes; but my own idea is that the main cause of the rise of prices is the facility that the great bulk of the people, who have not lands and do not cultivate lands, or only cultivate lands as a partial means of subsistence, possess in getting an abundant demand for their labour. In former days, previous to the commencement of large works in India, it was very different; and even now, where they have not been commenced, I believe that the price of labour is very much lower than it is in the other parts, and is not very much advanced over the old normal prices that prevailed 20 years ago; but where great works have been commenced, and within a certain area which would furnish the labour to those works, the rate of labour, the price which the people get for their labour is so considerable that they are now enabled to support themselves better than they used to before.

4475. That would be a rise of prices from the import, if I may use the phrase, of capital largely expended among the people of that district, would it not?—Exactly so; I should say that near the railways, say within 20 or 30 miles, and also within that distance of the canals, the price of labour has risen enormously. If you went into far distant parts of the country, you would find that there had not been anything like that increase of prices. I recollect a gentleman who had been 30 years in Behar, employed in bringing industrial operations into an adjoining province to Bengal (a railway goes right up through that province); and he told me not very long ago that the price of labour had not, to his knowledge, risen more than to a very trifling extent during late years.

4476. With regard to the effect of the railway on prices of produce, do you think that, owing to the facilities which have been given for removing surplus agricultural produce and finding a market for it, the prices generally have risen in many of the districts in the interior?—Of course, where the produce has left a part of the country, that has raised prices; but that circumstance has also diminished them, of course, in the districts to which the produce has been conveyed. It has had the general effect of raising prices to some extent perhaps, but the general effect has rather been to render prices more equable than formerly.

4477. Has there not been under the protection of British rule a great growth of some of the large cities, to which the produce is taken, which has rather tended to keep up prices?—No doubt there has; but in many of the large cities of India the urban population is wretchedly poor. In former days great numbers of people were supported by the different courts of the different chiefs, great or small, in the country, who had an enormous number of followers as a retinue; they used to keep up large bodies of troops in a very irregular and loose system; all these were fed out of the revenues of the chief; but now a great many of these chiefs no longer exist, and the people are often in very destitute circumstances, and for a long time there was no labour,

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owing to their habits and circumstances, to which they could easily turn; and even then they would have earned a bare existence; now many of these men would earn a very considerable wage under these improved circumstances.

4478. If we take now the leading Government stations as a standard, has there been, do you think, a considerable rise in the prices of produce?—I think in the military and civil stations prices have considerably risen.

4479. Then in all these cases if this rise is maintained as it has been going on for the last few years, and continues, would not the effect of the permanent settlement be in India very much what that of the permanent settlement of the land tax, and other charges on land, has been in this country?—I think to some extent that would be the case; but on thinking over the matter carefully my impression is, that prices will not rise in anything like the ratio in which they have risen in the last 10 or 12 years; on the contrary, I am inclined to think that the tendency will be rather for prices to fall, at any rate for some years, because I anticipate that the increase of irrigation will increase the produce of the country enormously. Then, too, there are many parts of the country where there has been such a stimulus given to cultivation from various circumstances that all that produce coming into the market, will have a tendency to decrease prices.

4480. Supposing that the peace of India is preserved, do not you think that the population will increase as fast as the produce?—No doubt that will have an important effect; but my position is, that admitting that there would be more demands on the Government, consequent on the rise of prices, nevertheless, with a permanent settlement, you would then be in a position to economise your expenditure to some extent; and on the other hand, you would be justified in raising your money in other ways, provided that it be to a moderate extent.

4481. I want first to get a clear view from you of what the effect would be: now has your attention been directed, in regard to any fixed land revenue, to the great changes which have taken place in India in the altered circumstances of districts, the rapid decline or growth of certain cities and their varying states in particular parts of the country, some being in one age wealthy in every respect, and in the next almost in a state of decay; would not the effect of the permanent settlement be that those parts of India which flourished would be paying a very small relative taxation, whilst those that were decaying would be oppressed with a very heavy taxation?—I do not think that any of those changes which took place in the last two or three hundred years in India are likely to take place under our rule. Cities grew up at the caprice of the rulers of the day, and cities decayed in consequence of their change of view; devastation came over certain provinces; the country was laid waste, the wells were destroyed, and the population died or emigrated; and districts, from being rich, became poor, and so on. But, under our rule, I think that those changes which were likely to occur have, for the most part, already occurred; and that, under our rule, with peace, and order, and security, the tendency will be progressively to improve in all parts of the country, and that there will not be any great changes.

4482. Bearing in mind the distance that must necessarily exist now between the great trunk railways, and which probably will continue to exist, will there not be a great variation in the price of produce and in everything that tends to fix prices between what may be called the railway districts and the non-railway districts?—I should hope that, in the course of time, if we got an economical system of making railways, we should make them gradually over all India.

4483. Still, the non-railway districts would be many miles from the railway districts, even when we had done our best, would they not?—They would.

4484. Then should we not have the injustice of the railway districts half taxed, and the non-railway districts doubly taxed?—I do not think that, in practice, you would find much difference in the land revenue for such reasons. While works are under construction, there is an enormous difference in prices; but when works are completed, and the artisans and labourers have been displaced or moved off into other parts, prices fall.

4485. But does not the railway afford great facilities for the cultivation of, not merely ordinary agricultural produce, but of what may be called exportable produce?—It does, in some degree; but, in a great measure, of the kind that the permanent settlement is, I think, those considerations would not influence me in rejecting what I consider would be an enormous boon to the country and the people, and would do more to consolidate our power, and to reconcile the people to the Government, than anything else that we could devise.

4486. You were about to observe that, supposing difficulties arose from the depreciation of the exchangeable value of the precious metals and other causes, you think it would be possible to make up the deficiency in the revenue by some other means?—I think you could. I think, when the mass of the people became rich, which they would do, generally speaking, under the permanent settlement, you would have a greater consumption of importable goods, and so forth; and that in that way they would be better able to bear taxation than they could do now. The mass of the people in India are so miserably poor, that they have barely the means of subsistence; it is as much as a man can do to feed his family, or half feed them, let alone spending money on what you would call luxuries or conveniences.

4487. But can that poverty be avoided so long as they increase the population with the rapidity with which they are disposed to do it, and do not find other means of living than the land?—No doubt there is great difficulty as regards the population; still you do see that where people are well off, they do spend money in conveniences and luxuries. Wherever there is a light assessment, and they have had it for any time, you see before long that the people clothe themselves, and their wives, and children, under the one state of things, in a very much better manner than under the other. I think such improvement will go on generally speaking.

4488. But what particular mode would you suggest to make good any deficiency in the revenue, which would be very serious, assuming the population to increase largely, and the assessment on land to remain stationary, and prices to rise nominally?—I think that you would get much more customs and more excise than you do now. Perhaps it is not a very good thing that you

you should increase your excise income, but your customs would most certainly increase as the people became better off. And if you come to that point, I am looking to what would occur 20, or 30, or 40 years hence; and I think it would be for the administrators of that day if there was a deficiency, to settle how they would make it up, rather than to cast about now-a-days to do it; because I would say generally speaking that when the people became comfortable and wealthy in various ways, your income would increase.

4489. Still if we now tie our hands in regard to the land revenue, ought we not to satisfy ourselves before we do it, that we have the means of meeting any deficit, and ought we not to have regard to the fact, that when we have had slight deficits, the administrators of finance in India have declared that the only mode of meeting them is an income tax, which they say is the most objectionable thing that can be done?—I would not admit that it is objectionable, but assuming that an income tax was an inconvenient tax, and unsuitable to the people of the country under present circumstances, I think that when the people have become under a permanent settlement very much better off than they now are, you could bear any little unpopularity, which would arise from having an income tax. What I mean to say is, that I would rather see a permanent settlement with an income tax, than I would see a settlement for a limited term of years without one.

4490. Would you look to an income tax, or to the excise, or to the customs, as a mode of making up the serious deficit?—I would look to the increased wealth of the country as resulting in a larger income, on the present basis; I would say that you would then get more revenue, and that you would probably have less expenditure.

4491. But is not the excise levied on articles which, if the Hindoos remain good Hindoos and the Mahometans good Mahometans, are not capable of yielding any increase to the revenue?—I must say that, from moral considerations, I would rather that they did not use the excise articles, but I am quite sure in my own mind that they will use them, and that the use of them to a great extent is limited by the means of using them. I believe that, although in certain classes in India, as is well known, the use of ardent spirits and intoxicating drugs has increased, on the other hand, it is quite notorious that in old days both Mahometans and Hindoos did use these things.

4492. Still always as prohibited articles of consumption against their conscience and religion?—They were prohibited things; nevertheless they were used to a considerable extent; I recollect when the Affghan army was pitched before the station of Peshawur, every man that went into Peshawur used to pass my camp. I used to see that on their return from the city a large number of them could hardly sit their horses, they were so inebriated, and that was under the native system, and with people who were by way of being strict Mahometans.

4493. You are aware that great difficulties were met with in increasing the customs revenue in India when steps were taken by successive Governments to increase it; were they not compelled to retrace their steps?—The tariff was largely raised in Mr. Wilson's time in 1860 and 1861, and we subsequently reduced it. My point is, that I do not look to an increase of the customs from an increase of the tariff, but from an increased consumption of dutiable articles. For instance, take the piece goods, which yield a certain amount of revenue in the shape of customs: I think, under a system where the people were very much richer, as they would be, under the permanent settlement, the quantity of piece goods which would be used by the people would be doubled, trebled, and quadrupled. I observed myself in the Punjaub that not long after the first settlement, the people who were very scantily and badly clothed before, in many instances, in the course of three or four years, were comparatively well clothed; you would hardly have known many of the agriculturists in this respect at the end of the time.

4494 To pass to the other resource, which has been found necessary to increase the revenue, the income tax: do you consider that a mode that ean be seriously resorted to for making good any deficiency in the revenue?—I think it should be. I myself regret to see the income tax given up. I think that, limiting the rate, and giving a fair minimum, below which you would not extend the tax, the tax was not a bad one at all.

4495. Your view is that the difficulties of the income tax arose from its extending to too poor a class?—It came too far down among the masses of the people; and then, I think, also, it was rather high; and then, besides, I think that the sudden increase made in the middle of the year 1869, and then, again, in the next year, though it was done under the best motive, under the motive of supposed emergency, yet that these changes were unwise, and added very much to the feeling against the income tax.

4496. Do you think that if the minimum of the income tax is sufficiently high, the persons who would be charged to the income tax are a class who would be sufficiently under the observation of the superior revenue authorities in India, to prevent extortion?—I do, indeed; I think you might just as well say that you could not prevent extortion as regards your customs or salt, or land tax; I think that, to some extent, all taxation renders the people liable to extortion, but if you pay the natives whom you employ, in assessing the income tax properly, and select them carefully, and supervise them properly, I do not think that any great abuses would arise.

4497. Do you think that if the limit, for example, were 100 rupees a month, persons of that class, and above them, would be persons who would on the whole protect themselves from extortion?—Yes, they would go and complain; you see people in India doing that wherever our officers are accessible, and do their duty properly, which the bulk of them do. A man will come to you and tell you that he has been ill-treated, very readily, and you go into the matter and remedy the grievance; and when that is seen, people perceive that it is dangerous to abuse authority.

4498. Do you think that the number of such persons would be so great that the collector, or the superior revenue officer, could not see them personally or examine into their cases?—I do not think that there would be any real practical difficulty now; in the case of the old income tax, which was in augurated by Mr. Wilson, I do not say that there was no complaint for the five years until it ended in July 1865, but this I say, that there

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was very little complaint. I was there 18 months as Governor General before it was done away with, and it never attracted my attention that there had been any important complaints as regards the working of the old income tax; but what induced complaint was this: first of all you gave it up; it expired by efflux of time; then unfortunately you did not renew it; you tried a license tax; then the English in Calcutta and elsewhere kicked against the license tax; they said, "we do not object to be taxed, but we like to be taxed on proper principles;" the meaning of that, as I understand, was, "tax us as you tax people in England; tax people under an income tax;" then we tried the certificate tax, which was only an enlargement of the license tax; they said, "On the same principle and the same grounds, we do not like this;" all this pointed to an income tax. Then the authorities at home said, "We agree with this; we do not think it fair to put a license tax or a certificate tax on certain classes, and not on others, who are equally well off." Eventually it was finally decided to renew the income tax. Then when the income tax was renewed you did not fix it for a term of years or indefinitely, but for one year only; and every year you had a discussion, and every year there was a hope of getting rid of it; so that the inducements to try to do so were very large, and I think all that had a pernicious influence.

4499. Much of the advantage of the income tax would depend upon its being permanent in your view?—I would like to see it permanent; in common honesty I would say, that with proper limitations, such as have been indicated, it was a very good tax; it touched men who were touched in no other way. Whether you take our own countrymen or natives, the bankers, merchants, and traders in many cases are the classes, you may say, that have benefited more by our rule than any others, and yet, beyond a limited sum in the shape of customs, they do not pay anything worth talking of; while under the native system, these classes would have paid something like the income tax, under one form or other; whether in succession duty, or in what they would call nusseranas, and native taxes of that kind, they would at different times, and in different circumstances, have paid much more than our income tax. Some of the taxes which we have done away with, in former days, such as the moturfa, and taxes of that kind, were practically license taxes.

4500. Is there not a tendency, under our rule, for the town population rather to increase and to accumulate wealth?—Only a certain class of it; I think the mass of the people in the towns are excessively poor, and have great difficulty in earning their livelihood; but with regard to the upper classes, particularly among the Hindoos, their tendency seems to be to accumulate considerable wealth, and some of them are very rich.

4501. And those persons practically escape all taxation except what you have mentioned?—Yes, for this reason; that whereas here people as they grow rich spend a great deal more than formerly, they build better houses, have better equipages, and their whole *personnel* is superior to what it was; with the great mass of the natives they do not increase their expenditure in that way. I have known in Delhi and other places, men worth lacs and lacs of rupees, and really, if I had not known them personally, I could have supposed from their dress and equipage, and so forth, that they were just barely above want, bearing in mind the particular class to which they belonged.

4502. You cannot distinguish by the appearance the master from his clerk at a few rupees a month?—Just so. I knew a man with a banking-house in Delhi; I have known him come to call upon me in a little cart, drawn by a pair of bullocks, the whole concern not worth 150 rupees. It is very difficult to get revenue out of that kind of man in any way. And what is it that you get out of him by the income tax? A mere nothing; but in the aggregate it makes a considerable sum.

4503. As regards one of the sources of indirect taxation that is capable of increase, I did not direct your attention to the salt tax; was your attention much directed to the discussion that took place about the uniform adjustment of the salt tax in India?—Yes; I went into the subject most carefully and most minutely; and I may say that I ought to know something about it, for I have seen the working of it for the last 40 years. My attention was first directed to the salt tax when I was a magistrate and collector in the south of Delhi. That district adjoins the salt works; in fact, in that district there are some of our salt works, and further west, not far from it, are the great salt works of the Sambhur Lake in Jeypore. Not many years before that time we had maintained a great deal of the old system of transit and town duties, which Sir Charles Trevelyan described so fully when he was examined. That system was greatly modified; the greater part of the transit duties were swept away, and the town duties remained. But the town duties were, mainly through Sir Charles Trevelyan's influence with Lord William Bentinck, afterwards abolished; but in order to make up for our loss of revenue in those ways the salt tax was very much increased, and a strong frontier line was drawn between our country and those salt-producing countries, and bodies of excisemen were put also on the little lakes, and places where the salt was made in our own territories. I was then a magistrate; many men accused of smuggling were brought before me, and I had to try them and punish them under the Customs law. I thought it was a very hard and very severe system; but in those days I do not think, the duty was more than 1 rupee 8 annas a maund; I know that it was less than it was afterwards. Well, in course of time it came to be two rupees a maund; from two rupees a maund it has now come to be three rupees a maund. The Bengal duty is 3 rupees 4 annas a maund, and our rate for the salt, to which I have referred, is three rupees. Then, coming again to the Punjaub, there are mountains of salt between the Jhelun and the Indus; there is perhaps 100 miles of salt, the salt range, as it is called; that extends beyond the Indus again into the countries above Kohat. Under the Sikhs the revenue was 1 rupee 8 annas a maund; we made it two rupees a maund, and made very stringent arrangements, that is to say, we had strong bodies of excise officers scattered about, and prevented a great deal of smuggling, and the consequence is that we got a very large revenue from that source. Now we have increased the salt duty to three rupees the maund in the Punjaub. The salt in Rajpootana and the salt in the Punjaub are obtainable by the Government,

Government, for quite a nominal sum. You sell that salt; by your excise you raise it to an excessive price; here are the people in our country paying this excessive price for the salt, and the people beyond the border, in Rajpootana, are getting it for a mere trifle; and across the Indus the Pathans are eating it at a few annas a maund, while the Cis-Indus inhabitants are eating it at an enormous price. It is not human nature that they should not feel that; they are as intelligent people in their way as we are, and understand what is good for them and what costs them money; and I am persuaded that they feel it very much. There is no doubt that they do not complain, but I do not see how they can complain. They must say to themselves "The Government do this, and what then is the use of going to the Government officers and asking them about this? The Government officers will say, 'This is the law, and you must pay, and if you do not like to pay you need not eat the salt'"; but when they can, they do show their disinclination to the tax, and show it in a very marked way. Attempt to raise the duty in the Trans-Indus districts, and you would see what a commotion you would raise; one of the worst wars that we had on the border arose from that very circumstance; our collector of customs unadvisedly, for he had no authority from the Government of the Punjaub, closed some of the mines with the intention of recommending that the rates should be raised. He had the whole country up, and we had a good deal of trouble to put them down, and we had some severe fighting, and lost a good many men. I will give another instance. This very collector, a conscientious man and a good man in his way, but rather over zealous, got into his head the idea that a great deal of the Trans-Indus salt used to go along the Indus on the right bank, go up into Cashmere, and so get into our territory; and he went up there to see about it, and to devise a remedy; the people there found this out, and some of the Trans-Indus Pathans crossed the river, and murdered him and his assistant; they were two excellent men. In my mind it had a great deal to do with the salt business, and from that time we took the greatest care never to raise the salt duty beyond the Indus. If the people there showed that feeling I think that the people this side would show it too if they could; they are not so wild or predatory as those across the Indus; but still I have no doubt that in their minds they consider the salt tax a great grievance.

4504. Is it it your view that the present rate of the salt duty is quite the maximum?—I think it is an enormous rate; I would not under present circumstances throw away any revenue that I could possibly retain, but whenever I had a margin I would rejoice to see the salt tax reduced; I would not repeal it; I think in moderation it is a very fair tax, and it acts as a kind of poll tax, and by it you get a contribution to the revenue out of men, you could not get it from otherwise; but I think it is a great deal too high, myself.

4505. Do you think that practically it bears seriously upon the consumption of salt in the families, in what may be called the mass of the people?—I would speak with reservation on that subject, because there has been a great deal of discussion on it; and men, in whose judgment one has considerable confidence, take different views; but my own view is that it does limit the consumption very considerably; I am persuaded that it does; and not only does it limit the consumption as regards human beings, but I think it limits the consumption very much as regards cattle; and I believe myself, that a great deal of the loss of cattle from murrain in India, has arisen from the want of salt. But many men deny that. I have a very strong opinion on the subject; I know that every gentleman in India who looks after his horses, or his cows, or his sheep, if he has them, takes care to give them salt. We all give our horses in England salt; and I think that it is just as necessary, perhaps more necessary, in a hot climate, than in this country; at any rate, I think it of great importance that salt should be moderately cheap.

4506. I did not gather from you distinctly the rates prevailing when the disturbance took place to which you have referred?—Trans-Indus, it was two annas, and four annas at the different mines; in some only two, and in the others only four. At that time our rate was only two rupees on the Cis-Indus salt, on the salt taken from the salt range; and now it is three rupees; while Trans-Indus those two annas and four annas remain the same.

4507. That would be a very serious increase of taxation upon the people?—I think it is. I must say that the salt revenue keeps up wonderfully; it has risen immensely. I do not think that the Sihks got more than four lacs of rupees out of the salt revenue, and out of that they had to pay the cost of management; and I should think we get between 40 and 50 lacs; we get well above 40 lacs.

4508. You look upon it, I suppose, that the revenue from salt would be an increasing revenue with the population and wealth of the country?—I think so.

4509. Do you think that notwithstanding that it may be oppressive it can be maintained at the three rupees?—I thi[illegible]

4510. You are a[illegible]est of India the rate is not an[illegible]?—No, it is a great deal less; it [illegible]been less in Western India; but of la[illegible]he policy has been to try and raise the salt tax in Bombay and Madras up towards two rupees; and the policy which I advocated was to reduce the salt tax in Northern India and in Bengal, gradually downwards, as we saw our way, so as to have a uniform tax of something like two rupees, which would have saved us some money, in the shape of the customs line in Central India.

4511. That is a very serious item of expenditure, I suppose?—It is a considerable item; not large compared with the great revenue derived from salt in the aggregate, but still it is a considerable sum.

4512. I did not call your attention to the question of the opium revenue; but it might be convenient at this point just to ask you if you have at all considered the character of the opium revenue. You are aware of the two systems in force, the Malwa system and the Bengal system; do you think that it would be possible or desirable to change the Bengal system to the Malwa system of levying the duty?—I have not that local knowledge regarding the opium, either with regard to the Malwa opium or the Bengal opium, that I have of the salt question and others; but I have studied the question as Governor General, for it was under consideration at different times to introduce

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introduce the excise system, which is the Malwa system, and to do away with the Bengal system, which is the system of giving advances to the cultivators, and getting the opium grown, and in fact taking possession of the whole of the opium grown at a given price. I think it would be a very good thing if we could get rid of the Bengal system, and introduce the other; but I would not like to undertake it. I have no doubt in my own mind that you would lose a large amount of revenue by the change; although I think it would be well if we could do it. I think we cannot spare the revenue.

4513. Do you think that there would be great practical difficulties in supervising it by way of excise?—Very considerable. It is easy to see how you would lose revenue by it; you now get all that the excise revenue would give you, plus a great deal of the profit of the cultivation, just as the capitalist would get it. If you made it an excise system, that profit must go. I incline to think that you would lose a million and a half, to two millions of money.

4514. Would there be any corresponding benefit from the adoption of the excise system?—I do not see any, except that one would rather not be concerned in growing the opium. It is a question to a certain extent which I think influences many good and earnest men; and if it was a question of a moderate loss, or a loss even that we could afford, I would not hesitate to undertake it; but I think it is quite hopeless to expect that you could get the same revenue.

4515. But as it is not proposed in any change to diminish the cultivation, that would be purely a sentimental idea, would it not?—Assuming that it was not reduced, that you had the same average quantity of opium brought down to the seaboard and exported, and that you got an excise on it equal to what you get from the Malwa opium, you would lose a great deal of money by it; you would lose what I call the trader's profit. You [illegible]nce what you would lose. Malw[illegible] rupees a chest, and Bengal opiu[illegible]0 up to 1,200 and 1,300 rupees [illegible]nk by the last accounts from India it [illegible]ing between 1,200 and 1,300 rupees. Take it at 1,200 as the average that it has been for the last three or four years, you would lose one-half.

4516. Would it not be the difference between 600 and 800 rupees, assuming 400 rupees out of the 1,200 for the contract price of cultivation and manufacture; you would lose that difference?—Yes, my impression is that you would, at any rate, lose a great deal more than you can afford.

4517. Have you any reason to suppose that, in the contracts made by the Government for the cultivation, any oppression is used towards the cultivator, or that he gets as good a price and as much remuneration as he could do by any other means?—I think he gets a better price generally for his cultivation than he would for another crop; I do not think that there is any oppression. Some ten or twelve years ago it was said that there was some oppression; and the Government had close inquires made both by officials and also by independent means, and it turned out, I believe, that there was more.

4518. You think that the cultivator is in no way injured, but on the contrary is rather benefited by the present contract system?—I think that the cultivator is in better circumstances under the Government than he would be under the trader. I think that the trader would not deal with him so liberally, or considerately, as the Government do.

4519. Then, as a contractor, he is rather protected as against the zemindar or superior holder?—I think he would be. In this way, he would benefit very much. First, of all, a trader who made him advances, I think, would be more severe on him if he failed at any time; when a storm or excessive rain comes on, and sweeps over a district, a great deal of the opium is destroyed; in that case, the Government would either suspend the realisation of the advances they made, or they would in some cases give them up altogether; you could not expect a private trader to act in that way, at least very few would.

4520. Do you think, having regard to the class of people that the Government have to deal with, there would be great difficulty in maintaining the supervision of the excise, so as to prevent fraudulent cultivation in Bengal?—I think there might be more difficulty in Bengal than there is in Malwa, owing to the particular lines which the opium comes down from Malwa, which are easily controlable compared to our side.

4521. They cannot get out of Malwa without great difficulty, you mean?—There are certain obligatory points by which the opium comes.

4522. Does it occur to you that any other source of taxation could be found in India beyond those that now exist, and the income tax, in case the Government found it necessary to increase the revenue?—I am not prepared to mention any sources of revenue which I think it would be politic to make use of. Succession duties and the tobacco tax, and so forth, have been constantly talked of, but we went into the subject very carefully, and came to the conclusion almost unanimously, that it was unwise to introduce such taxes. A tobacco tax would really be an additional tax on the land.

4523. If it were on the growth of tobacco?—And if it were an excise, it would be very difficult to collect, and it would come upon the poor man; and his tobacco next to his salt is the great thing he requires. I think you would find that it did not answer.

4524. We will now ask you to give us your opinion, if you please, upon the question of the system of decentralisation of taxation and the substitution of the scheme of local taxation, which was proposed by the Government of India two or three years ago; have you directed your attention to that subject?—Yes; this matter was considered in India, when I was Governor General.

4525. Do you consider that the mode in which the arrangement was made for shifting the taxation, or the duties of taxation, from the Government of India to the local governments was a desirable one as it was carried out?—It was suggested towards the end of my time as Governor General; I was averse to it. The system which was subsequently introduced was put before me, and I carefully considered it, and I did not think it advisable to introduce it. I thought that what was wanted really in India, was to keep the local governments in order, to make them be careful in preparing estimates, and in not exceeding their estimates; in fact, that what was wanted, was a restriction over them in matters of large works; and with regard to that partial system of decentralisation, though I did not think it important

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in itself not to introduce the proposed change, I thought it was important not to do it, as it would be in the nature of an undue encouragement to those who had hitherto required to be kept more, or less, in order.

4526. You objected to the idea that the local government was to be at liberty to increase its expenditure provided only that it got the means of paying it from local taxation?—Just so.

4527. That local taxation coming in contact with Imperial taxation?—Yes; I did not think it was expedient. People say that the effect of it is good in this way, that it saves constant collision with the local governments, and that it induces economy. Well, as regards collision with these governments, of course if they are economical and careful, the Government of India would not come into collision with them; on the contrary, the Government of India would encourage such a policy were these Governments not economical; but on the contrary were more or less wasteful, then it is the duty of the Government to risk unpopularity and collision, and to restrain them. Therefore I did not think much of that argument. And then as regards making men more economical; it does not seem to me that men are economical because of a little power more or less. Practically the local governments have very great power in every respect, and even in their expenditure, and it more depends on the idiosyncrasy, the character of the individual ruler, than upon any relaxation of rules, whether he is careful and frugal, or the reverse. Some men, no matter what the rule was, would be careful, and make public money go as far as they could; and as regards other men, no matter what power they had, it would not induce them to be careful.

4528. Has your attention been directed to the consequences of this policy in the nature of the taxes that the local governments have been levying to make good the deficits that there have been in their local finances?—My attention has been directed to that. My own impression was that when the Government allotted so many sources of revenue for local purposes, they made a reduction in the sum which those sources of revenue produced, or which had been hitherto given for those objects.

4529. Perhaps it would be more correct, would it not, to say that the Government assigned to each of the local governments an amount of expenditure without assigning the full income that was necessary to meet it?—Yes. I suppose the idea was, that partly by increased taxation, and partly by economy, they would make up the difference. I will not say that some of them did not do it, but the general effect seems to me to have been that there was in point of fact additional taxation.

4530. Unless the Government secured for itself a budget of economy, the result was that it was an order to each of the local governments to levy local taxes?—It came very much to that. Some of the taxes which have been raised, I understand, would have been raised, or had been arranged to be raised, it is said, irrespective of that budget; but others again, there is no doubt, were raised in consequence of that arrangement. I do not wish now to argue that what was done should be undone; I think that would be ungracious and, perhaps, impolitic to do so; but I do not see that there was any real advantage in that arrangement.

4531. But have you looked at the precise character of the taxes that have been levied on the people under this system?—Yes. In Bombay they had a tax upon the non-agricultural community; I understand that has been given up.

4532. Was not that almost of the nature of a capitation tax?—Yes; I think it was an excessively bad tax. Then they had two taxes which they introduced into Madras; I forget exactly what they were; one, I believe, was an house tax; I do not know whether those had not been determined on before, but my impression is that they were not good taxes. Then in the Punjaub, instead of raising a local cess they added a certain per-centage to the land revenue, as I understood. I think that was not a good plan; it was loading the land, and that just after the settlement had been made.

4533. Do you think it was desirable for a very small increase to raise the question of what was the nature of the 30 years' settlement?—I think the effect of it was to make the people doubt the validity of that settlement. In all these settlements there is a formal agreement given to the people on the part of the Government, and a similar acknowledgment taken from them, and these documents are very carefully worded, and carefully limit the demands of the Government. There is so much put down in each case for the land revenue, so much for roads, so much for education, so much for police, and so forth. I think the plain understanding of such a document is that so much will be taken, and no more.

4534. Then do you think it would have been better for the Government of India to have continued the income tax, and raised the money in that form of taxation, instead of throwing this petty taxation broadcast all over India?—I think it would have been far better myself. I think it would have been a more consistent and judicious arrangement, and that it would have been better, for this reason, that the income tax was bearing upon those who could well pay it, whereas these cesses come upon those who cannot afford to pay them, by comparison.

4535. Do you think it desirable that there should be two taxing powers in India, the Supreme Government and the local governments going in different grooves of taxation?—I should say as a rule it was not. The people do not distinguish between one local government and the Imperial Government in that way. Every official who is connected with the Government, particularly the higher officials, are all looked upon as part and parcel of the same system; and whether I, as Collector, or Commissioner, or Lieutenant Governor, or we will say as Governor General, initiate and carry out a particular policy, it is all considered as belonging to the one government, and the one system.

4536. Now have you considered the proposition or suggestion of Sir Charles Trevelyan, that instead of this arrangement the local government should manage the finance under the taxation prescribed by the Supreme Government, and that it should undertake the whole of the expenditure in its locality, paying only such a sum in gross to the central government as it might prescribe as necessary for the general charges of India?—I am sorry to say that I am very much against that system; I think it would be reversing the order of things. You must have some control over the local governments; there must be some central

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authority which is to look after the local governments, and constrain them, and control them, and direct them. You can only either have a central government in India, or practically do away with that central government, and have the central government in England. As it is now, you have the Government of India controlling the local governments, and being controlled itself by the Secretary of State in Council. That seems to me an infinitely better system than anything of the kind which Sir Charles Trevelyan suggests. I think that that system would be found, I should say, nearly unworkable, and that if workable, it would create complications and difficulties very much greater than the present condition of things.

4537. Supposing the whole power were given to the local governor to carry on his administration with the utmost economy and efficiency, accounting for so much of the revenue to the Supreme Government, do you think that that would induce him to exert himself more than he now does, and to rely less upon what may be called the action of the Supreme Government?—I do not think that it would make the slightest difference really and truly in that respect. I think that the economical governor would be economical, and the extravagant governor would be extravagant under the one system as under the other. The wasteful man does not admit that he is wasteful; he thinks that he is doing what is right and proper. Therefore, I do not see why he should naturally become more economical because everything was put into his own power.

4538. Would it not, then, be a necessary economy on his part to keep within his income if he had no other resources?—If he could not resort to taxation, or borrow money, or insist that he had not all that he ought to have, and that some other province had something that he ought to have, of course then, having no means of laying his hand upon money to spend, he would not spend it; but I think that, practically, it would not be so good a system as the present system. I think that one of the first things which would involve a difficulty would be this, to ascertain what was the revenue of each province, and what should belong to it.

4539. But then Sir Charles Trevelyan's proposal assumes that that would be clearly defined; that they would draw the whole revenue from certain sources of revenue which were within the administration of the provinces, and the assignment which would be made in favour of the Supreme Government would of course be regulated by the nature of that revenue as compared with the general resources of India; that is to say, supposing that the Government of Bombay managed the Indore opium business, and collected the money, that of course would involve the Government of Bombay's accounting for so many millions more, or contributing so many millions more to the Supreme Government in aid of the general expenditure?—I do not mean to say that it could not be made out; but I think there would be complications and difficulties. Then again, I think there is another point which would arise. Supposing a sudden war arose, which was carried on under the instructions of the Governor General in Council; when it came to be paid for, where is this money to come from, or how is an arrangement to be made by which this money would be gradually liquidated? Each governor would say, "I have anticipated my revenue, and arranged to spend it all; I cannot give you any more." Then another question would arise; in point of fact, the surplus of some provinces makes up for a deficit in other provinces; it is very convenient; it does not lead to any extravagance or waste that that system should be maintained; but if you come to divide them off by a straight and fast line, then I think that very considerable difficulties would arise. At one time, it is important to stimulate the improvements in one province; at other times, it is desirable to encourage them in another. For instance, if it has been decided to make a great work like the Ganges Canal, it is true economy to push on that work, as quickly as is consistent with having the work properly done; you have a large establishment to supervise and control it; you have to make advances of various kind to contractors and so forth, and to collect material; if you do not furnish money as fully as the work can be properly carried on, there is a certain waste; it would be far better, therefore, that for one series of years until you had finished your Ganges Canal, you should divert some of the revenue from one province, and give it to another province until that work was completed, than that you should allow each province to expend its surplus revenue systematically Supposing it were of great consequence to make a railway for political reasons along the frontier, or to build forts along the frontier, if your frontier was threatened, it would be a most absurd thing to say that the Government of India should not be able to get a portion of the surplus revenue of the other provinces, and to devote it to this work, which was of vital importance, not only to that province, but to all India. It seems to me, that in practice, many difficulties would arise; and I do not see, myself, really any advantage on the other side.

4540. Do you think that there would be a difficulty in regulating from year to year the requisition on the local government as to its contribution when circumstances might arise in the middle of the year, rendering it necessary to change it?—Very considerable difficulty. In my time, we had a miserable little war with Bootan, which was brought on by local circumstances, but the object was to bring that war to an end with the greatest promptitude and vigour possible. How embarrassed would the Government of India have been if they had been obliged to throw all the cost on Bengal, because it happened that the frontier was in Bengal Again, you had the other day the expedition against the Looshais, in Assam. Would it not have been absurd to say, that the necessary funds must be borrowed or taken out of the Assam revenue, when we could take it out of the cash balances, if they were large enough, or out of the general revenues of India? It seems to me that in all those things you would be only building up difficulties for yourself, and have really no counterbalancing advantages.

4541. To pass on to the question of the relations of the Secretary of State and the Governor General, do you consider that those relations admit of an efficient control by the Secretary of State in Council over the expenditure by the Governor General?—I do. I think that under present circumstances the Secretary of State in Council can exercise, in practice, a very proper control

control over the Governor General in Council in India.

4542. Are the whole of the communications carried on between the Secretary of the Governor General of India in Council and the Secretary of State, or are personal relations maintained between the Governor General in Council and the Secretary of State on matters of finance?—There are semi-official communications going on between the Secretary of State and the Governor General of the day, but those communications are only in the way of preparing and smoothing the way for any particular arrangement.

4543. They are an exchange of opinions, in fact?—Yes; an exchange of opinions, and ascertaining what are the views on different questions between the two; but every single thing connected with the administration of India, whether finance or otherwise, is carried on officially, and irrespective of those semi-official communications. If I, as Governor General, wished to enter on a new field, or had some very difficult matter coming before me which I might or might not take up, it would very much influence my line of action, whether I was pretty certain that the Secretary of State would approve of it. I would write to him semi-officially, and ascertain his views; if I saw from the tenor of his answer that he was inclined to my view, then that would be an encouragement to me to undertake the matter; but if he seemed to be adverse to it, then I should probably let it alone.

4544. Do you know whether any change has taken place in recent years in the extent of the information that was communicated by the Governor General of India in Council to the Secretary of State, as compared with what was formerly communicated to the Court of Directors?—I read Sir Charles Trevelyan's evidence, and I would say this, that if you come to minutiæ, there was not the same minute and detailed communication between the Government of India and the Secretary of State in Council that there was formerly; but in all essentials, I believe that the communications are even more intimate and more valuable now than they were in the old days.

4545. In what respect do you consider that they are more valuable?—I think, in every respect, that I have pointed out. For instance, to take a case, if that question of the permanent settlement had arisen in my time, there was not an absolute necessity for taking it up, but if I had a strong feeling, as I have, of the advantages of it, I should have written to the Secretary of State and asked him what he thought of it, and given him a general outline of my views on the subject; and if he had responded, I should then have undertaken to bring it before my Council and worked it out, and should have had despatches prepared showing the whole bearing of the subject; but if I found that he was disinclined to it I should let it alone, and then I should save a great deal both of my time and his time, and the time of the different officials in India. In the old times, as described by Sir Charles Trevelyan, most elaborate detailed accounts of every kind of thing that was done in India, and every anna spent in India, were prepared and sent home; but they were no real practical use that I can see; I believe that they were in most instances put into the archives, and never looked at.

4546. Mr. *Fowler.*] Was that the case before the year 1834, when the change was made in the commercial character of the Company?—I would not put it down to anyparticular time. I alluded to the system described by Sir C. Trevelyan as having existed in the mercantile days of the Company, and which naturally enough, appear to have been carried on for years after the mercantile system had ceased. That, I think, is quite a natural view of the case. But I mean to say that I think the communications now, as far as public advantage goes, are as minute and as sufficient as they could well be, and that where there is anything that goes wrong, it does not arise from want of communication, but arises from accidental causes.

4547. *Chairman.*] But do you consider that the Government of India has forwarded in recent times such a complete and continuous statement of the growth of expenditure, and the diminution of expenditure, and the causes of it, as would enable the Secretary of State for India in Council to form a really intelligent judgment of his own upon the questions of expenditure as they went on?—I think so. I do not think that there was any single thing in my time, or in my predecessor's time, or in my successor's time, in which the matter was not fully laid before the Secretary of State at home. Of course, there are some cases of trivial or very moderate expenditure that would be sanctioned by the Governor General in Council, in the anticipation that the thing would be approved of at home. But, in point of fact, in my time I recollect Sir Charles Wood, now Lord Halifax, laying down that the Government of India should not sanction any permanent establishment where the allowances for any individual would be more than 300*l.* a-year. I think it was, or something of that kind, which was fixed. There had been some cases in which appointments had been created of which he was doubtful, and so he laid this rule down. We obeyed it, and acted accordingly. The only difference was that there was a little delay.

4548. Mr. *Candlish.*] Is that rule in force now?—I do not think that there has been any change.

4549. *Chairman.*] But was there any peremptory arrangement by which every increase of expenditure should be reported home, and the reasons of it?—I should say that they were reported home practically doubly. First of all they went home systematically in the Accounts, but the correspondence connected with this expenditure was especially eliminated from the mass of unimporant papers, and sent home to the Secretary of State, with a covering letter, succinctly giving an account of the reasons for which the thing had been done. I think the Secretary of State had ample and more than ample opportunity, both semi-officially and officially of knowing everything that was going on, and that in point of fact he did know. I cannot myself recall any case of any importance which was otherwise dealt with, than as I have stated, in my time.

4550. Then if the records were well kept in the India Office, they are in a position to give full explanation of any increased expenditure from those records without referring to India?—I should think so. In every department of the Government of India, the correspondence not only goes home, but it goes home in print, made up in monthly blue books; so that besides the manuscript correspondence which has gone home

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in each case, there is the whole monthly correspondence in each department, the political, the financial, the public works, and so on; all these are printed and made up into monthly books, and sent home to the Secretary of State, and they are never more than two or three months late, while the manuscript correspondence has gone home systematically. I can only say that that was the case in my time, and I did not create it, but found it in existence.

4551. With regard to the revenue and questions affecting the receipts, were all the changes that were contemplated submitted for consideration in England before they were given effect to in India, or only afterwards?—All of importance were submitted before, where it was an increased expenditure; but where it was a change of some system; for instance, where some additional allowances, we will say to the police, were proposed, and this was to be met by some reductions in the same department; then in that case you would not consult the Secretary of State, even though it was a large question, because he would see that it was all paid from the existing establishment; but you would still send it all home to him, and he would give you his own opinion on it of approval, or doubt, or so forth.

4552. My question had reference to any charge which would affect the receipts or amount of the revenues. Was that first brought under discussion with the Secretary of State? —If the revenue had been affected by any changes of the local governments or of the Imperial Government, then if they were of importance he would be consulted on the subject; but otherwise, as a rule, they would be carried out by the local governments in communication with the Central Government, and then go home, as a matter of course. For instance, when in the North Western Provinces this permanent settlement was in contemplation, it was reported home; nothing was done before that. When it was proposed to raise the excise on salt from two rupees to three rupees, no doubt it was not carried out first, and then reported, but the Secretary of State was consulted on the subject first, and so on. As regards the land revenue, it would not be the case, for an obvious reason; when the re-assessments of the land are to be made, they come on at various periods, as the terms of settlement expire. As a matter of course, all this is done by the local governments; the work is taken up by the local governments, but it is known by the Supreme Government for this reason, if for no other, that extra establishments for that particular purpose would be required, and these would be formally approved, and sanctioned by the Governor General in Council, and therefore he would know what was about to be done; but as to what were to be the assessments of these lands, that would pertain to the local governments, and, under them to the local officers, because there are rules and regulations laid down for these things which have been perfected in a long course of time. In fact, in the Bengal Presidency, from the time of the settlement in 1833 and 1834, the broad principles of those instructions were, that you assess the villages with reference to their means, taking especial care not to over assess them; whether it came to be a profit, or whether it came to be a loss, that the Government could not help; but in point of fact, since that time, all the revised settlements of provinces not under settlement, has always shown, more or less, an increase of revenue.

4553. With regard to the proceedings of the Secretary of State in Council in England, when the papers come home, do you consider that the Council exercise any serious authority in controlling the expenditure?—I think they exercise a very great control.

4554. In what way is that authority exercised? —The Council, as you are aware, have not the initiative in any work; it is all carried on in the name and under the responsibility of the Secretary of State; but the work comes to the different departments, and is divided among them, and there are committees who look after the correspondence in these departments; the papers are examined by the secretaries of those departments, are considered and reported upon, and these reports, with the papers, come before these committees, and every member of the committee reads, or is supposed to read, these papers, and to make himself master of them, and then the committee meet and consult, and come to a conclusion as to the answer that should be sent. If it was a routine or ordinary subject (I am talking of my own time) it was treated by the secretary; if it was a difficult subject, he heard all that the committee had said; and if he agreed with the committee, and there was no doubt as to the disposal of the case, he drafted a letter; but if he had for any reason a doubt on the matter, he had the power to go to the Secretary of State himself, and talk over the matter privately; the Secretary of State, as a rule, would generally send for the chairman of the committee, and sometimes for one or more of the members; sometimes on an important question he would send for them all, and have it out in his own room with them, and discuss it generally, and he would come to a conclusion, and the draft would be approved, or re-written, or modified, as circumstances might demand; and then, after having been formally passed by the committee, it would come before the Council the following week, and every Councillor would have an opportunity, if he liked, of reading these papers and discussing the merits of them in the Council; so that in my time I should say that everything was most fully reported, where it was a matter of any importance, and very fully considered; and if any mistakes or errors arose, they arose from other circumstances; they did not arise from any want of opportunity of giving your opinion, or maintaining that opinion to the last.

4555. Was there any system adopted of considering the financial bearings of every proposal or proceeding as it went on, as affecting expenditure?—I think to a great extent they were considered, but I think, perhaps, it was not altogether carried out as completely as was advisable in some cases, that is to say, at times expenditure, we will say of a political character, or expenditure of a military character, might be considered, and might be authorised in that particular department, and not have been, as it ought always to have been, referred after the department had considered it, to the financial department, to take the financial view of the question. I believe, that of late, a change of that kind has been made. In my days, this practice was not always followed.

4556. Your view would be that there should be

be some committee or special authority that would bring the whole system of finance into one focus?—Yes; to a great extent it is done, and there is a separate finance committee, and they do their work as a committee very well. Still, I think that in isolated cases, I have known the matter not come before the financial committee, until practically the thing has been decided, which I think was a mistake.

4557. All the time that you were in the Council, do you recollect whether there were any serious discussions on any question of finance in the whole Council, and any decision arrived at on purely questions of expenditure or upon grounds of expenditure; I mean apart from general policy?—For instance, the question of the Godavery Canal was very much considered in Council, and there were great discussions on it, and great differences of opinion. On that very question (which is a great question really of finance as well as of policy) of the permanent settlement, we had discussions and debates, I think, for about two or three months, and there was a special committee composed of every man in the Council, who was supposed to have a special knowledge of the subject; and my recollection is, that Sir Charles Wood himself acted as chairman of that committee.

4558. The returns which we have received from the India Office show that upon very few occasions indeed has there been anything like a difference of opinion in the committee of finance?—You mean in the way of recording dissents? Dissents are not often recorded, for reasons which must be obvious to any gentleman who has had much to do with public business.

4559. We have had a statement supplied to us extending from 1858 to the present time, from which it would seem that taking 1858 to 1864, in the intermediate period there was only a dissent from some members with reference to the additional grant to the Mysore Princes, establishments for India of British regiments of cavalry and infantry, salaries and pensions of civilian judges, and expenses of Queen's cadets while at Sandhurst?—My answer to that would be this, that it would be extremely unfair to measure the value of the Council by the number of dissents they placed on record; it was only in a very extreme case, where an individual member was strongly opposed to a particular line of policy, that he would wish to place on record a dissent from the views of what would be the policy of the Secretary of State, and the majority of the Council. A member of Council in my mind, who really was desirous of being in the utmost degree useful, would forbear from writing dissents in such cases, whenever he could possibly avoid it; for this simple reason, that he did not increase his influence with the Secretary of State by doing it, but probably decreased it; and any dissent that he wrote would be useless for any practical purpose, because by the time it saw the light, it would probably be of no value; and even if it had been of value, probably nobody would read it, or even hear of it. But where the Councillor was of real value to the Secretary of State was in this, that in the commencement, before he decided what he would do, the Councillor went to him, had an interview with him, talked the matter over, and got him to send for other members, and there they sat in the Secretary of State's room, three, or four, or five of them; and there he heard the whole matter; and I recollect many cases where the Secretary of State did that. I will take a particular case in the time of Sir Charles Wood, which is now in my mind, and I recollect six of us sitting there with him, and he not only heard what every man had to say, but put the one against the other, and in that way he was able to form as complete a view of the matter as any man of ability could have done, who did not know the subject himself intimately. In that way of acting consisted, I think, the real value of a Councillor; then any member who dissented from what was settled had his say in the Council, and if he could not persuade either the Secretary of State or the majority of his colleagues that he was in the right, I think it perhaps may be assumed that he was not.

4560. Your view then is, that the value of the Council was rather in assisting to form opinion than in formal acts restraining the proceedings of the Secretary of State after a decision had been made?—Yes. The Council could only absolutely restrain the proceedings of the Secretary of State in one way, and that was in the matter of finance, where there was a majority of the Council against the Secretary of State. They are very rare cases of any kind indeed, in which the Secretary of State overruled the majority of the Council, and sent out a despatch in opposition to their view. I think I saw a work when I was in India, in which it was said that Sir Charles Wood had only overruled the Council in three or four cases. I do not know whether that was correct or not, but that was the general principle of conducting business, and I do not see how you could improve on it.

4561. Mr. *R. Fowler.*] Were those financial matters that you refer to?—Sometimes on one subject and sometimes on another. The Secretary of State heard the Councillors on any matter where they wished to give their opinion; but he was bound to hear them and to listen to them if there were a majority against him as regards finance matters.

4562. *Chairman.*] It has been found impossible, I believe, for the Council to prevent the Secretary of State from proceeding upon matters which are matters of policy, though they may lead to expenditure at the same time?—But, in point of fact, where any important expenditure was involved, it came before the Council, and they would have voted upon it, and they would have practically prevented the expenditure taking place, if the majority were against it. For instance, take such a case as this. Supposing the Governor General had written home that he should like to subsidise the Ameer of Cabul, as a system; that would be really an important question of policy; but the Secretary of State would consult the Council not only on the policy of it, but because it involved a considerable expenditure; and I have no doubt in my mind that if the majority of the Council had been against that expenditure, the Secretary of State would have given up the proposed policy altogether.

4563. That however would have been a case of a direct engagement to pay money, would it not?—Nearly every case involves expenditure of money. If you come to look at administration, it is very difficult to select any important cases that do not involve expenditure of money.

4564. Still, has not the Secretary of State the power to over-rule his Council on a question of policy which may lead to a great expenditure, though

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though in the policy itself the expenditure does not appear?—That seems to me a moot question; I know it was raised in the House of Lords on one occasion; but it struck me that the Secretary of State ought to be guided by the Council in such a case.

4565. I will put this to you, to follow up your illustration: if the Governor General wrote a despatch to say that he proposed to make an alliance offensive and defensive with the Ameer of Cabul, the Secretary of State would have the power to sanction that without the control of his Council, would he not?—Yes, not adding that he was going to subsidise him; he could do that, but I think it would be the last thing that any Secretary of State, that I ever saw, would have done.

4566. And then he must leave the question of the expenditure, whenever it arises in connection with that treaty, to take care of itself?—He could do that; but I think that the Councillors who were worth their salt, if he did not consult them, which I am sure he would have done, would have gone to him and said, "This is within your competence nominally, but, practically, it will lead to great mischief if you do not consider the finance part of it, and, therefore, we hope that you will so consider it."

4567. Still he would have the legal power, would he not, to sanction the treaty, and bind the Government to the treaty?—I suppose he would; but I do not think he would do that, because, if the matter were attacked in Parliament, and it came out that the Council had not been consulted, or that being consulted, the majority were against it, it would weaken him very much; and understanding that, he would not do it, even if good feeling did not prevent him.

4568. Supposing that it were thought desirable to carry out the policy of setting up a separate government in the North West, instead of the present system of a Lieutenant Governor, would it not be competent to the Secretary of State to sanction that policy, and that arrangement, leaving the question of any expenditure when the Governor General made the arrangements to carry it out, to be contested by the Council as they might think fit?—I suppose it would be a question to be decided by the lawyers whether the Act covered that or not; but I think it would be very unwise, if the Secretary of State did anything of the kind.

4569. Has he not power by law to do it now if he thinks fit?—Perhaps he has that power by the Act, but I should say that that was opposed to the spirit of the Act, because in that way, by dividing the policy from the finance, or the administrative arrangements, from the finance, he might practically get the case into such a condition, that the subsequent opposition of the Council on financial grounds was vain; and, therefore, it would be in my mind against the spirit of the Act; and I have never in my recollection known a case of that kind.

4570. Do you think that the Council whilst you were a member of it applied themselves actively and continuously to the examination of all the steps and proceedings of the Government of India for the purpose of revising them?—I think the great majority did; but, of course, a great deal must depend upon the Secretary of State himself; I mean as to the way in which he consults his Council, and the facility that he gives to hear what they have to say.

4571. Of that mode of proceeding there would be no official record in the India Office?—There would be no record whatever, but the Council would have every opportunity of knowing all about the thing.

4572. Is any record kept of the proceedings of Committees, or are they oral?—There is a record kept in the shape of the original draft letter, that has been prepared by the secretary of that department, and there will be the suggested emendations of the committee sometimes concurred in by them all, sometimes some concurring, and some dissenting; there would be this on the margin to show; but there would be nothing in the shape of the arguments, reduced into the shape of a *précis*, or anything of that kind.

4573. Do the members of the Council of that Committee put their initials to the draft?—Yes.

4574. Mr. *R. Fowler.*] Each committee has a separate secretary attached to it, I suppose?—Not to the committee, but to the department, and then the departments are divided among committees; each Councillor in my time was on two committees; for instance, I was on the military and the political committees.

4575. You Lordship, of course, is a man of great experience, but those Councillors might be men who knew less of India?—The Secretary of State, as far as he could, so distributed the members of the Council as to put them on committees for which they had a speciality; and where one member had not been in India, or was not supposed to know so much of particular matters as another, the Secretary of State put him on a committee where there were men who had special knowledge of the subject; and in that way he distributed them, so as to make their services of the greatest value.

4576. *Chairman.*] The record then of the practical working of the committee system, would be the initialing of the draft letters by the different members?—And any emendations that they might have suggested; these of course were not published, but on any discussion on any question, as to who supported such and such a measure, you could at once ascertain that; for instance, the other day I wanted to see who had been on the committee regarding the permanent settlement; I was doubtful of one or two names; I had forgotten them; and I went to the secretary and asked him to let me see the draft, and I saw at once who they were.

4577. Is it your opinion that on the whole the Council is effective for the purpose of controlling the expenditure in India?—I think they are effective; it comes really to this, it seems to me, whether the expenditure which is proposed, is really a politic one or not; if the council consider it impolitic, they have ample means of opposing the expenditure; but in point of fact, in many questions there are great differences of opinion, not only at the time, but between one time and the other time; Councillors are swayed naturally enough by out-door influences in this way; if Parliament were very strong on any given line of policy, that would have a great influence on the Council as regards the line they would adopt. In the same way, if there were a strong feeling in India in favour of undertaking a particular work, or the reverse, it would have an influence in this Council; and in one cycle of years the public are in favour, and Parliament are sometimes in favour of one line of policy, and at another time they are in favour of another view.

I recollect

I recollect that there was a general idea that for years and years before I went to India, and I may say generally, during the time of the old Court of Directors, that India was starved in various ways as regards public works of all kinds and descriptions; and that one of the tests of a liberal, enlightened, and zealous administration, was, as far as possible, to, what was called, develope the resources of the country, to make roads, and canals, and railways, and give good barracks to the English troops, and to expend money in different ways; I believe not one of those things was bad. I would go so far as to say that everyone of them was good; but every one of them involved a considerable expenditure, and those who opposed that kind of thing were considered mean, and parsimonious, and were covered with all kinds of epithets of this kind; in fact they were scarcely listened to. At times the Council were doubtful in such matters, and individuals shook their heads; but when it turned out that the Secretary of State was in favour of the measure, and a number of the members were in favour of it, and very likely public opinion supported it also, it was very difficult in that way to resist it; and practically if you did resist it, I do not know that it came to any good in the end.

4578. Was there any system in force by which the committee, if they did not agree with the Secretary of State finally as to the despatch or the course to be pursued, brought the matter under the consideration of the whole Council; or what was the arrangement?—Each case was got up with all the papers that bore upon it, in what were called the "collections"; these were laid on the Council table, and there was a paper sent round to every member of the Council formally showing the particular cases that were coming on the next Council day. A Councillor knew all about the questions which came before his own committee, and those of other committees he would take up or not, as he might think proper; and with regard to those subjects in which he was interested, or of which he had heard from any other Councillor, that there was a difficulty, he would send for and read the papers. For instance, if I was interested in a subject in which I had been in a minority in my own department, I would step over to the room of my colleague A, B, or C, who I knew was well acquainted with these matters, and would have a talk with him, and send for the papers and read them over; so that by the time I came to the Council I had only to get up and say what I thought on the subject; and if I had a majority on my side, or even an influential minority on my side, the Secretary of State would think over the matter; very often he would take it back, and say, "There is more in this, than I first thought; I shall reconsider the thing." There is every opportunity for all the members of the Councilwho like working, to do their work in that way.

4579. Were there practically a great number of cases which came before the Council leading, though not to a formal dissent, yet to a reconsideration of the matter by the Council?—A great many; but in those cases in their nature it was often extremely difficult to be certain who was right and who was wrong, more particularly for the Secretary of State. Suppose that he had seven Councillors on one side and eight on the other, or if he had five or six of the men who were supposed best to understand the particular subject on his side, and seven or eight of the others against him, it was at times a very difficult matter for him to decide on an intricate question.

4580. Do you think that the view of the Council with regard to economy in expenditure was much influenced by the circumstance that the Council was in your time, I think, almost entirely drawn from members of the public service, and that there were not in it persons who had been trained up in another position in life?—In my time time there were three or four Councillors who had not been what you ordinarily call officials. There was the late Sir Charles Mills, the well-known banker, and Sir James Hogg, who had not been an official; he is a barrister, and had held appointments in India; I think, in fact, every man except Sir Charles Mills had been in India; but does your question refer solely to whether they had been officials?

4581. Sir James Hogg was an official, in the sense of holding office in India?—It was an office under the Supreme Court; it did not necessarily imbue him with what might be called the prejudices of the services. In point of fact, they were all men who had been in India, except Sir Charles Mills.

4582. Were they not all men who, in India, had had an official career, rather than what may be called a private career?—Yes; either civilians, or military men, or barristers, who had had official appointments, or something of that kind, or judges; for instance, there was Sir Erskine Perry, who had been a judge in Bombay.

4583. I used the words "official career in India" in contradistinction to what may be called a private career, in any occupation or profession apart from any official life. Do you think that that state of circumstances in the Council exercised no influence in dealing with questions of economy and expenditure, or that it would have been desirable to have had some man in the Council whose career had been otherwise than official?—I do not think it had much practical influence one way or the other. I think, myself, as far as regards the Council, it would be desirable to have on the Council any eminent man who was willing to serve in it, and who had a turn for that kind of work. But, on the other hand, I think that many non-official members high in public estimation, are so wealthy, that it would not be worth their while to be on the Council. I recollect hearing, I think it was Sir Charles Wood, say that he had offered appointments in the Council, on more than one occasion, to men who had never been in official service, and that they were declined.

4584. Do you think that, in controlling expenditure, for instance, connected with railways and other matters of that kind, it would be desirable to have in the Council some one who has acquired experience in dealing with subjects of that character.

4585. Such as a civil engineer, or a merchant, do you mean?——

4585*. Or a man of business brought up in business of any kind?—I do not think that that such a man would help to control expenditure. On the contrary, I am rather inclined to think that he would go in for more expenditure; such is my experience. I do not mean that he would go in for expenditure for expenditure's sake, but that often he would say, "Let us have plenty of railways, let us have plenty of canals, let us

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have all kinds of improvents;" he would be disposed to think that whatever was good in England, would be good in India.

4586. But do you think that he would bring to bear what may be called the economic methods of spending money which are practised in commercial enterprise and private business, and, perhaps, not so much practised in Government enterprise and Government business?—I may be wrong; but I have great doubts whether you would get any advantage from that kind of thing. I will illustrate it by one case. In Lord Salisbury's time, when Secretary of State, he very much advocated our surveying for a railway the line of country between Rangoon and the borders of China. Whom was he instigated by? Why, by the merchants of Manchester; and I have no doubt that if I had been a merchant of Manchester I should very likely have gone in for the same policy; but as a Governor General of India, or as an official tolerably well acquainted with the circumstances, and wants of India, I thought it a most monstrous thing to do anything of the kind; first of all, because it would have cost an enormous sum to make a railway through that country; and, secondly, because when you made that railway, you would have had the greatest trouble to take care of it, and it would have ended in the air; you would have wanted an army to take care of it there, and to guard it all along. Those things do not often strike the merchant of Manchester, but they do strike the official who has been in India, and given his attention to its condition.

4587. The merchant of Manchester, if he had the official information that you have glanced at in the Council, would still be able to take the commercial view of the question, would he not?—I think he would; but he would, as a rule, take the purely mercantile view of it; and it is very difficult to get a man, especially of standing and position, to change his views; he naturally takes the views in which he has been trained; just as I would take the Indian view, so he would take, what I may call, the English view.

4588. Take another illustration; the commercial view of employing a person would be to pay him for his services, and when he ceased to render them, to cease to pay him, which is the principle upon which all people carry on business in this country; but the official view is never to pay a person fully for the services which he renders, but to construct some elaborate system of paying him, when he does not render any service for the rest of his life. Those are two antagonistic principles. Do you think that it would be desirable in the administration of Indian affairs, to have some individual in the Council to represent what may be called the commercial view of employing people, both as regards efficiency and as regards economy?—I personally do not object to a merchant in the Council, at the same time I do not think myself that he would turn out to be of that advantage which at first sight it might appear that he would be. In the first place, in the particular illustration that you have given, it seems to me that the one practice is very suited to private arrangements, and that the other practice in moderation, is suited to official arrangements.

4589. But to take a further illustration as a consequence of railway companies making railways in India being guided to some extent by what may be called the commercial view, have they not succeeded in carrying on their undertakings expending nearly one hundred millions of money upon that commercial principle of paying people for their services, and giving no pensions; whilst the Government of India, proceeding upon the official view, in order to carry on works involving only some tenth part of that expenditure, constructed an elaborate corps of engineers, with all the attributes of the Government service?—My answer to that would be twofold. In the first place I would remark, that I do not think that in point of fact the arrangements connected with these railways which have cost us one hundred millions, have been made in an economical way. On the contrary, I believe that they have been made in a more or less extravagant way; so that if the work had to be done over again, it would be done for two-thirds of the money. I think it is notorious in India among almost every class that ever heard talk on the subject, that the railways have been extravagantly made; that they have cost a great deal more than they are worth, and ought to have cost. I have heard natives of the highest rank and of the lowest rank say so, and I have heard Englishmen in the service, and out of the service, say so. Moreover, I have heard some of their own engineers say so. Then, as regards your employing men on a particular duty and paying them well, and then, when the work is over, getting rid of them, that seems to be an obvious course when you undertake a given work, and when that work being over, the necessity for having these men ceases; but in a Government, when one work is done, another work is commenced. The whole country of India, more especially, is of such a character, and has been from various causes so much denuded of works of all kinds that you want, that even if you go on for 100 years undertaking great works of various kinds and descriptions, more especially if you can construct them at such a moderate cost that they will be fairly, either directly or indirectly, productive, it will be our interest to do so, and for such purposes you have a large body of engineers, whom you do not pay by comparison as well as civil engineers of equal ability and experience in private life are paid, but you help out their comparatively limited emoluments by retaining them in your service, and in their old age pensioning them. It seems to me that, barring this one point, that every now and then you may get a man that you would rather not have (which in the nature of things you cannot help), the Government system really is more economical than the other one. But whether it is economical or not, I submit that you cannot get on in India without something of the kind. Here in England you have hundreds of engineers working independently for themselves, a number of them very eminent men, men of great ability and experience, and a company, or an individual of wealth can always lay their hands on any one of them whom they want; but you have not a body of men of the kind in India. Where are you to get such engineers as you may require them? You have a great difficulty in getting hold of them, and in some cases you fail altogether. But even under the system that the Government follow, they can, whenever they want, step out of their service, and obtain the services of an eminent man in England, and if he is willing, send him out to India; but I would submit that no

no man of very considerable mark in England would go out to India and work for the Government for a limited period, under a very much larger salary than an equally able man in their own service would expect.

4590. Do you not think that the illustration of the expenditure of the railways, is altogether an illustration of the want of benefit from having a more commercial element in the India Office, if it be correct that the main basis of the great expenditure of the India railways was the result of the action of the Government itself in prescribing in the first instance a very costly system of railways to be carried out by all the railway companies, without any discretion on their part in the shape of broad gauge lines and other appurtenances to the railway?—I think that the double system was a bad system; I think that in a double system the responsibility is not properly fixed, and defined, and that it is not conducive to economy. And then I think that when the engineers for the railways went out from England, many of them, perhaps it is true of all of them, were not acquainted with India and its circumstances, and therefore, though they were many of them very able and eminent men, still they did not quite appreciate the physical difficulties and circumstances of the country, as they would in countries, where they had been habitually employed.

4591. But the Government reserved to itself in its contracts with the companies, the absolute control over the whole expenditure, did they not?—Well, I believe they did; but it seems to me that there was no real control.

4592. Did they not appoint the engineer officers of the Government to superinted the works, and to sanction and approve all the works before they were executed?—They did; but I think that in the nature of things they could not control the expenditure; they could not control the engineers; I do not think that any man appointed by Government could properly control the engineers of the railway; but the best chance of controlling them would have been for Government to have selected men like the engineers attached to the railways, and got them out there to look after the work which was being done by the companies; I think the military engineers in the first instance, neither had the knowledge nor the experience to enable them to do it, and that if they had been ever so able, and had attempted to do it, there would have been an uproar at once created, and public opinion would have gone against the Government and the Government officials, and they would have found that it was a thankless business. That strikes me as being the state of things.

4593. Do you not think that if there had been men of business, if I may use the phrase, that is, men of the habits of private business, in the Council, some of these difficulties might have been foreseen and dealt with in a more business-like way than they appear to have been?—I hardly think so, really. I do not wish to be unjust in the slightest degree to any class, but I confess that for myself I think the merchants would have gone in for heavy expenditure, more or less, irrespective of financial considerations.

4594. We will pass now to the position of the Governor General himself in India and his relations to his own Council there; can you explain to the Committee in what manner when you were Governor General of India you exercised a control over the expenditure, and in what manner your Council assisted in exercising that control?—It seems to me that the Governor General in Council had a very effective control over the expenditure. What is called the Finance Minister, that is to say, the Member of Council who was specially charged with the financial concerns of the empire, worked his department, so far as details went, himself; but in every question when any expenditure was to be incurred, except it was of a very trifling nature, he, when he had got the papers complete, sent them to the Governor General; or if there was any particular member of the Council who was very *au fait* on the subject, or where the finance bore upon that department, then he would send it to the member of Council, especially in charge of that department previous to going to the Governor General. If those two agreed it was then laid before the Council if it was an ordinary matter; but if it was an important measure it was sent to the Governor General; or even if it was specially important, the Financial Member would come to the Governor General and talk it over, after the Governor General had read the papers. In that way the subject was fully sifted, and carefully considered. Then, again, it came before the whole Council when they met, and if any Councillor had any objection to raise, he asked for the matter to be delayed, and he read the papers over and they were brought before the next Council. If not, the expenditure was passed, that is to say, was passed as regards the Government in India; but had to go home, and then, of course, the Governor General and the Financial Member had to consider, not only what they thought was right and expedient, but what would be acceptable to the Secretary of State at home. So that in one way or the other, the matter was certain to have a full investigation; and I do not perceive how any expenditure, in any serious way, could have passed without such a challenge. If the Financial Member of Council did not bring it before the member of the department with which it was connected, or before the Governor General, or before both, he did not do his duty, and I should say as a rule, that he did do so.

4595. One would suppose that any increase of expenditure would not arise in the Department of Finance itself, but would arise in the Department of Administration connected with the subject. Take for example, an improved system of administering justice in the provinces, the leading idea would be an improved system of justice?—If that came from one of the local governments it would come to the Financial Department; but probably it would first be referred to the department to which it pertained.

4596. Would it go to the Judicial Department first?—In that particular case it would have gone in India to the Home Department, one of whose duties was to look after all questions connected with judicial matters. If it came to the member in charge of that department first, he would look at it in all its bearings, and he would very likely consult some other Councillor, but whether or not he did that, he would eventually, with his opinions, send it to the Financial Department, and the Financial Department would consider it themselves, and if it was a very difficult or important matter, perhaps they would ask the Councillor of the other department to discuss it with them, and after they had done this, they would then come to a conclusion, and bring it before the Governor General.

Lord *Lawrence.*
10 June 1873.

4597. Do you consider that before any action was taken, it was the bounden duty of what was called the Financial Member of Council, to examine every proposition connected with administration which might result in expenditure, or a possible increase of expenditure?—It was his duty to do that, and as a rule he did it.

4598. And supposing that the Member of Council connected with the Administration and the Financial Member concurred in the project, were they competent to give a practical sanction to it, or was the Governor General consulted in every case?—The Governor General would be consulted in every case, if it were of any serious importance. I have known instances where I was not consulted; but whenever I did know of it, I used to notice it, not only to the member, but to the secretary of the department, and I said, "This matter ought to have come before me, and it ought not to have passed without my knowledge; I should not first see it in Council; I should see it before it came to the Council;" and, in point of fact, they were very rare instances, and in comparatively unimportant cases, where it had slipped through.

4599. And do you consider that the Governor General accepted a real responsibility for considering all those cases in their financial results, or that he gave what may be called a mere sanction to the proceedings of the two members of Council?—I do not know what other Governor Generals have done; I can honestly say that I never passed anything of importance without not only looking into it myself, but almost always having considerable discussion on the subject. My bias was adverse to increasing the expenditure, and I did all that I could to keep it down; but there were a great many things to be done in India of various kinds, which it was absolutely necessary to do, and many, in which practically, though you could nominally object, you really were obliged to consent. For instance, if things connected with the English troops in India were allowed in England, or were recommended from England, you could not object, as a rule, to allow them in India; and so forth.

4600. Such, for example, as adding the 2*d.* a day?—Just so; or when they sent out to say that there was to be a separate arrangement for training men to rifle shooting, which must of course involve expense. Everything that followed in that way from a particular line of policy you were obliged to introduce, however much you might regret it; and every one of these things added, more or less, to the expenditure. Now, in India, of course you would exercise a much wider discretion than you would in matters that came from England; but, at the same time, when it came from a great authority, and it was notorious that improvements such as were suggested ought to be carried out, although you might grudge the money, you could not help doing it. Supposing that the High Court in Calcutta said that the native judges in India (as they did say long before my time) were exceedingly ill-paid, and that they could not expect that justice would be properly administered under such a system. When I knew this, I took it up, and had it gone into thoroughly and completely, and though it entailed a considerable increase of expenditure, I got the Council to agree; in fact the Council were quite willing to agree, because they saw it in the same way that I did. We sent the papers home, and the Secretary of State sanctioned it. That was a case in which I think every member of the Council, perhaps with the exception of the military member, and I do not know that he even had not looked at it; but certainly, with that exception, every one of them looked at it on all its sides, and considered whether all that was asked for was necessary, and finally we came to a decision. And in that way every important matter came before the Council.

4601. It is your view that the Governor General does not consider his responsibility in any way diminished by casting the questions of finance upon the Finance Minister?—No, I really do not think so; and I think moreover that the work is better done by in the first instance having it consigned to this particular councillor, who is charged with the finances; because the responsibility, as it were, in the first instance rests with him, and if it was not made over to his particular responsibility, the chances are that some waste might occur. If he is a good Financial Member, he is more or less enthusiastic about the subject, and takes a great deal of pains, and does his work well, and if he does not know all about any subject he refers to some of the Councillors, who can give him the necessary information.

4602. It has been suggested that the Finance Minister being only one of the members of the Council, and being quite on an equality with the others, is placed in a very invidious position in endeavouring to check the action of the other members of the Council on the ground of expense, and that morally he is not in a position, therefore, to perform the functions that he is expected to perform; do you concur in that view?—I dare say there have been cases in which a Councillor half in fun and half in earnest, has said to the Financial Member, "I do not see why you should be so hard upon my department." But that really would have no practical influence upon the matter; the very Councillor who said that, knew very well that the Financial Member's duty was to do this, and whatever may have been the view of the objecting councillor, the Financial Member would carry out his views, and bring them before the Governor General and before the Council. I think myself that if you had got a thoroughly good Financial Member of Council, he would have very great influence with the whole Council, and that they would not attempt to resist him unless they had very strong feeling that he was not acting reasonably in any particular case.

4603. Then it has been said that when the Governor General himself assumed the direct responsibility of doing that which the Councillor now does, he was enabled to perform the duty with so much superior weight of authority and position that that moral difficulty did not really arise, and that he at once overbore all other reasons if he took an economic view?—I think the Financial Member would look to the Governor General to support him, and he would either convince the Governor General, or the Governor General would convince him; but of course, if they both stood out, the Financial Member would have to subscribe to the Governor General's view; but at the same time, he could put on record his objections, which objections would go home to England, and attract the attention of the Secretary of State.

4604. Still, if on the other hand he did not like the extremely disagreeable position in which he might be placed in putting himself in antagonism to all the Council all round, on grounds of finance, is there not a danger of his not acting with that energy and decision that a Financial Governor

General

General would have practised who had to consider the probable effect of what was proposed, in increasing the taxation of the people, and upon the general character of the Government?—My view is this, that the Governor General has so much to do, that he could not properly look after all the other departments and work his own department, and in addition work the Financial Department, without having a Member of the Government especially in charge of it. With regard to the Governor General in my day, my especial work was the Foreign Department, in which embraces a great deal outside of India, and a great deal in India, that is all the Native States in India. If the military member wanted a second opinion, or was doubtful on any point, he came to me, or sent his work to me; then if the Financial Member and the Member of the Home Department did not agree upon details of expenditure, or the matter was of importance, the Financial Member would bring his work to me; so that while the Governor General was working his own department he had as it were, to give a second opinion, on many subjects in other departments. Now I think that if you attempted to make him work the Financial Department also, you would overload him, and the work would not be so well done as is desirable.

4605. But under the former system, had he not a great amount of administrative assistance in the shape of his official secretary as well as his private secretary?—He had, no doubt, but there is immense difference between the way we will say, in which a Governor General might work the business of the Government and the way in which he ought to work it. A man might work every department himself nominally, and really the work would all be done by the secretaries; but if he attempted really to grapple with all the cases in each department he would be overwhelmed. Lord Dalhousie nominally did work all the departments, and really did an immense deal in the way of working them; but he could not do all; he broke down under the attempt; and it was he that devised that system of departmental arrangement, which has hitherto existed.

4606. But did he not work with the secretary of the department, ?—Yes, but then he had to trust very much more to that secretary than he would have trusted if the work had been divided among the Councillors.

4607. On the other hand, was it not the result that whilst he got all of what may be called the work of investigation thoroughly done with a highly efficient secretary, he dealt with the question as regards the policy and the decision of the subject, with all the weight and authority at once of the Governor General in checking and repressing expenditure without being placed in the invidious position that a Finance Minister is, who is only on an equality with, and perhaps junior in point of rank to, the other members of the Council, being the youngest member?—Well, I have a very high opinion of Lord Dalhousie's capacity, and of his business habits, but I do not think that it would derogate from his merits if I said honestly that it was impossible that he could have worked the whole concern as he worked parts of it. And as regards this question of the Financial Member being junior or not, I think that has not the slightest influence in the Council; I think it will be the ablest man in the Council that will have the most influence, whether he is the senior, or the junior member.

4608. To make the subject quite clear, may I ask you, do you transact the business with the secretary of each department all round, or with the Councillor of each department?—In the first instance the papers were sent to you in a box by the secretary; his duty is to do that. The member puts on that, "Governor General," or "So-and-so," and it goes to them in the way that the Councillor of the department has noted. If it comes to the Governor General, it comes without the secretary at all. He reads the paper over, and if he arrives at the conclusion that the proposal is right, he puts a docket on it, "I agree in these views; Council." If he does not agree, he takes one of two courses; he either writes a memorandum to that effect, or writes a private note to the Councillor, telling him that he would like him to come and have a talk over the particular subject next morning, or as soon as possible; and he talks it all over, and comes to a conclusion; or he sends for the secretary. In another case, when the Governor General desires to see the secretary of a department, he writes on it "to Mr. Lushington," or "So-and-so," "Come to me to-morrow morning at such an hour;" and then he talks it over with him; and then, after hearing him, he sends for the Councillor, or he takes up the matter, and writes a memorandum, and sends it back to the Councillor, the pith of which is, "Reconsider the matter."

4609. Do I rightly understand you that in your time the system of what may be called dividing the business among the Councillors was completely carried out?—It was completely carried out. It was the system that Lord Dalhousie had initiated, and it was going on at my time, and I left it in the same way.

4610. To what extent then were the papers circulated to the whole Council?—They were only circulated to the Council when the member of the department or the Governor General desired it; but then the matter would come up before the Council. When the Council met, each secretary attended in order, and he took out paper after paper, collections after collections, and said, "Police for such a place;" "Foreign Department arrangements connected with such and such a part of the frontier," and gave a brief account of what was about to be done. Then if the Governor General or the Departmental Councillor had something to say on the subject, he said it; if not, the thing passed. If any of the Councillors said, "Well, that seems to me rather a delicate subject, I should like to see that;" if it was not a matter of emergency, the Governor General said, "Of course; put it aside." In that way the Council went through the whole of the work which was brought forward. If it were a matter of emergency, they went into it at once, they went through the whole of the papers, the secretary read them out, and they came to a conclusion. But otherwise it was put aside, and sometimes the Governor General said, "I wish the whole Council to see it."

Friday, 13*th June* 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Grant Duff.
Sir George Balfour.	Mr. Eastwick.
Sir Thomas Bazley.	Sir James Elphinstone.
Mr. Beach.	Mr. Fawcett.
Mr. Birley.	Lord Edmond Fitzmaurice.
Mr. Bourke.	Mr. Robert Fowler.
Mr. Candlish.	Mr. Hermon.
Mr. Stephen Cave.	Mr. Lyttelton.
Mr. Baillie Cochrane.	Sir Stafford Northcote.
Mr. Cross.	Mr. John Benjamin Smith.
Mr. Charles Dalrymple.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

The Right Honourable JOHN LAIRD MAIR, Lord LAWRENCE (attending by special permission of the House of Lords); further Examined.

Lord *Lawrence.*

13 June 1873.

4611. *Chairman.*] I WANT to take you back to a point that we omitted to consider connected with the Land Revenue, namely, the sale of land or the grants of land free from revenue; do you recollect that there were proposals made some time ago that the Government should largely sell uncultivated lands, and that it should take such a sum for them that they might be free in future of all claims?—Yes, I recollect it. In fact, that is the rule which now exists in all parts of India, except Madras, and there they fix a quit-rent, I think it is one rupee an acre, and put the land up to auction; but with that exception, in all the other parts of India it is as you have described.

4612. Do you consider that that is an expedient policy, having regard to the fact that the land revenue is the basis of Indian finance?—Well, taking it in the abstract, I should say it was not expedient; but, in point of fact, a great deal of good has arisen from allowing that as an exceptional arrangement. As a rule, none of the English capitalists will take land and spend a good deal of money on it, in making tea plantations and coffee plantations, and the like (what they call garden cultivation), unless with what they consider a fee simple; and that being the case, it has gradually grown up for many years, that the Government allowed them to buy the waste land.

4613. But does not that afterwards place them in the position of having cultivated land untaxed, by the side of the Native community who have to pay the regular tax to the Government for their land?—Well, there is no doubt that that is the case; but still to a very considerable extent the English capitalists go in for land in exceptional parts of the country. For instance, in Assam; for tea cultivation in the slopes of the high lands in Madras, where to a great extent there is not much cultivation by Natives.

4614. But what is the objection to this land, which is cultivated for these purposes, being placed on the same principles of assessment as the other land, namely, not with regard to the capital spent upon the special cultivation, but upon what is called the comparative intrinsic value of the land for ordinary cultivation?—Well, I think, if you made a permanent settlement of the land with them, that is to say, estimated in the first instance what was its intrinsic value, and put a revenue on it, and then gave them the land, or sold the land in that way, then I think you would meet the two points, namely of giving a fair stimulus to the cultivation which they undertake, and also caring for the public interests in the shape of the land revenue; and there would not be the objection (which is their main objection) of that continual inquisition into the state of things which there is when a settlement from time to time takes place.

4615. But supposing that they were guaranteed that any re-settlement after the 30 years should be upon the same principle for them as for the other inhabitants, namely, on the ordinary cultivation of the land, what objection would they have?—The only thing you can say is, that they would have an objection; and that was tried and urged on those interested in the matter, but there was a strong feeling in India and England too, among the English, that their wishes were only reasonable, and that they ought to have the land on their own conditions.

4616. But is not the result of this, that if the Government causes roads or railways to be made out of the general revenues of India, and of the taxation of the whole district, they will immediately receive all that improved value without being liable to be called upon to contribute to the general revenue by which these estates have been improved?—As regards district roads, when they had bought out the Government right, they would still be liable for cesses, road-cess, or education cess, or so forth, but not liable for any Imperial demand; of course on the same principle

that

that we say in any of the provinces that we ought not to make the people liable for a great road or a great railway, so the purchasers of land would not be liable to further demands except as above stated.

4617. But the rest of the community would be liable to contribute to it out of the land revenue, and these people would not?—In point of fact, in India, you do not settle the land revenue with reference to those considerations; as I said the other day, in making your re-assessments, you fix them really with reference to what you consider the condition of the country at that time.

4618. Do you think that this feeling would have the effect of impressing the Natives with a sense of injustice, that the English who came into the country as the race of the governing power are holding their lands free from revenue, whilst the Natives, who have lived in the country from all time, are called upon to pay a heavy land revenue?—I think they would feel that consideration; but in some degree, of late years, that objection has been remedied, by allowing natives under similar circumstances to buy also, free of revenue; nor did the instructions that went out in 1862 from Sir Charles Wood, limit the purchase of land rent free to Englishmen.

4619. Considering that all the Natives are in the habit of buying and selling land, and for a considerable number of years' purchase, subject to the ordinary revenue law, do you think that it was necessary to modify the law to meet the feelings of the Natives?—It was so far modified; the Government having resolved to maintain the system of allowing Englishmen to purchase up the Government rights, it followed, I think, as a matter of justice, that they should allow it to extend to the Natives.

4620. Has your attention been called to the very small sum that is paid for the purchase of these lands free from land revenue, as compared with what the land revenue would be at the ordinary rate, not making any special tax upon the peculiar cultivation?—I think that the price fixed on which land could be purchased was in many cases too small; if I recollect right, there were only two rates, one 2 rupees and 8 annas an acre, that is 5*s.*; and the other 5 rupees an acre, that is 10*s.* Now I think, myself, it would have been a far better principle to lay down in each province, and even in different parts of each province where necessary, a different rate, a rate which would fairly represent the value of the land; some land in India is not worth 4 annas an acre in rental, while other lands are worth treble and quadruple that sum.

4621. You probably know the principle of the commutation of land tax in England, that an amount of public debt is exchanged that would produce the amount of land revenue redeemed; do you think that it is a more equitable principle which might be applied with propriety to India, that, at least, such persons should pay an amount in the public debt of which the interest would at least equal the annual produce of the land revenue?—Where there was a land revenue, that principle would apply properly; but where there was no land revenue, but the land was waste, you must fix it on different principles.

4622. Has not all the experience of the permanent and 30 years' settlement shown that the land called waste and not cultivated has come in course of cultivation as the agricultural population has increased, and that it was merely a question of there being no cultivators at the moment?—To a great extent that is the case; but take Assam, for instance; a hundred years hence there would still be abundance of waste land there; and so in Central India. Of course, in the populous provinces, waste land would come comparatively rapidly under cultivation.

4623. Judging the past from the present, the same objection would probably have been made when all the waste lands of other parts of India were given for almost nothing, and which have now been taken up by the population?—Of course the lands will be taken up as population increases where they are worth cultivation.

4624. It is your view that there ought to be such a sale price as would have some relation to the permanent land revenue?—I think if you did not allow the sale of land, the change would be extremely unpopular, and be considered ungracious. I think you might so arrange with a moderate amount of care, that practically the State would lose nothing, or next to nothing.

4625. I will pass from that to the next point, to that at which we left off at the last meeting; can you explain to the Committee, if you please, what you consider the exact relations between the Governor General in Council and the Legislative Council as regards finance and expenditure?—Unless a law is brought into the Legislative Council, which is to influence finance in some way, that is to say, unless you wish to introduce a law whereby you were going to have a new source of taxation, the question would not come before a Legislative Council at all.

4626. But supposing that any proposition is made for levying a tax, what then do you consider are the functions of the Legislative Council in relation to the Executive?—The Governor General in Council would consider the thing at first in all its bearings, and very probably consult the Secretary of State at home, though he is not bound to do it; but should he and the Council determine that a tax was necessary and expedient, then a law would be draughted and brought into the Legislative Council, just as the Government here at home would decide the policy of having a tax or not, and then bring in a law; and then it would be debated, and discussed in the Legislative Council.

4627. The Parliament in this country also considers itself entitled to inquire whether it is necessary at all to levy the tax?—Of course, the authority of the Legislative Council is very much more limited than that of Parliament; but I meant that when it was decided that you should have a tax, it would be brought into the House of Commons, and there would be debated; and in the same way, it would come before the Legislative Council.

4628. But do you consider that the Legislative Council is bound to accept the statement of the representatives in the Legislative Council of the Governor General, that it is necessary to raise a certain sum of money by a tax, or a particular tax?—I do not think that the independent members of the Legislative Council are bound to accept anything; but of course, there is a disposition in a country like India, where so much depends upon the prestige and influence of the Government, and the position which they should occupy in the eyes of everybody, more especially their own countrymen, to consider favourably any proposition of the kind that the Government has brought forward.

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4629. As a matter of experience, has it always been the practice of the Legislative Council to accept the statements of the Government of India, with respect to the income and expenditure, as positive facts upon which they are to act; or have they ever proposed to themselves to enter into any consideration of the income and expenditure, to see whether a tax is required for financial exigencies?—I think, to a limited extent, they would discuss whether really such a tax was necessary or not; they would accept the facts put before them by the Government, but nevertheless they might say, and would say very likely, especially if it were a tax that they were disinclined to accept, and if they doubted whether it was absolutely necessary to have this tax, that although there was a deficit, they might tide it over, and wait a year or two till things came round. They would not hesitate to go to a certain extent into the merits of the case; but they would not challenge the *data* put before them, and say that it was an untrue account, and that this, that, and the other ought to be taken into consideration. For instance, very often in my time, they complained lustily of the home expenditure, and so forth; and in that way they would exercise their judgment, and act very independently. And not only would that be the case with the non-official members, but the members who were not part of the Executive Government, would also act pretty much in the same way. I remember cases where the member from Madras, and from Bombay, disputed the policy and the necessity for taxation. I recollect, for instance, that the member from Bombay, on one occasion, was very adverse to the increase of the stamp duty in my time, and entered very fully into the details.

4630. But that is merely expressing an opinion upon the merits of a particular proposal which the Government of India has submitted?—Not only on that, but also on the general question whether it was politic to increase the taxation on stamps at all.

4631. To impose the tax at all?—Either to impose the tax, or in that particular case which I mentioned of the Stamp Tax it was to increase the tax; that the incidence should fall over more things than those upon which it had hitherto fallen, and also that in some cases the tax should be raised.

4632. Has the Legislative Council at any time assumed to itself an inquiry as to the expenditure, with the view of considering whether taxation is necessary, or have they taken the expenditure for granted always?—I think to a great extent they would take the expenditure for granted, but at the same time they would raise objections in a certain degree to expenditure. For instance, they would say, "Why cannot you reduce the military expenditure; why cannot you reduce the cost of the police; why do you spend so much money on stores, and so forth?" In that way they criticise the expenditure.

4633. Has the criticism ever gone the length of any substantive proposition being made by a member of the Legislative Council to your knowledge?—I think in some cases (I am not at this moment prepared to give the precise instances) they have proposed a formal motion that a Government proposal should not be agreed to; in fact, I think I recollect one case in Calcutta in my time, in which they brought forward such a proposition; but subsequently, at the end of the discussion, they did not put it to the vote, because they saw that the feeling was against them, and they gave in.

4634. But, to put the point further, is any information laid before the Legislative Council on which they could act in the nature of statements of the proposed expenditure for the year in detail, or anything more than the verbal representation of the financial member to them in his budget speech, as it is called?—I do not think that there was any detailed statement put before them in former years; but of late years, since Lord Mayo went out (I think it was just after my time), he published quarterly an account of the receipts and expenditure.

4635. I mean a statement of the expenditure, such as our estimates, on which they could form an opinion of the propriety of the expenditure?—Not in detail. The difficulty would be that the government would not have those estimates in time to put them before the Legislative Council, but I think that arrangements might be made by which, to a certain extent, they might be put before them.

4636. Do you think it is desirable that they should have any power of entering into these questions in face of the Executive Government in India?—I think it would be satisfactory to the country; it would do no harm if an abstract statement were furnished to them; I do not think that it would be of any use to put a minute detailed account before the Legislative Council; I do not think if you did, that they would look at it; not one man in 100 would look at it, or if he did, would be much the wiser afterwards; and it would cause an immense amount of trouble.

4637. Have you considered whether it would be expedient to add to or diminish the Executive Council of the Governor-General?—I should say not. I think in a country like India, the influence of the Executive Government ought to predominate.

4638. You think they are a sufficient element to investigate all the detail of finance, the income and expenditure?—I think so. I think if you increased the outside element you would find that very great complications and difficulties would arise.

4639. Is the Executive Council of the Governor-General to be regarded in any light as a representative Council, or merely as a collection of gentlemen possessed of information from different parts of the country?—The Executive Council in no wise is a Representative Council. In selecting men for the Council, the Governor-General, where he made propositions to the Secretary of State, or the Secretary of State himself, in making selections, would bear in mind who were in the Executive Council, and what kind of knowledge or ability was especially desirable in making up the vacancies, and that would always be borne in mind; but after all, the great point would be to select those who were considered the ablest men of the day.

4640. The principle is the knowledge and ability of the men to assist the Governor-General, and not any representative character in reference to any particular part of India?—I think so.

4641. With regard to the Legislative Council, do you think that it would be desirable to increase its numbers with regard to a more efficient supervision over the finances of the country?—I do not think so myself.

4642. Do you think that any benefit would result from introducing more representative members of a different character?—It is a benefit in itself, but you must consider whether the benefit is so great that it is not counterbalanced by disadvantages more serious. It would be popular, of course, but I do not think that it would work well.

4643. But when you say "popular," do you mean that it would contribute to good government in the opinion of the Natives in the interior?—I do not think that it would influence the people generally at all. I think that the mass of the people dislike taxation of any kind or description, and anything which added to it they would not like; but beyond that, I do not think they would have any feeling; but of course with regard to highly educated Natives, especially Natives educated in our schools and colleges, who have western ideas, it would be very popular with them.

4644. Do you think that the persons who are representative, by what is called selection, proceed with any serious sense that they have a representative duty to perform as if they were elected?—I think that they have a very great sense of duty indeed; I think their feeling is so strong in that way, that nothing would induce them to consent to anything which they did not think absolutely necessary under the circumstances.

4645. If that be so, would it be desirable that there should be a larger area of representation, that is, members representing each sub-government?—I think if you collected a large body of gentlemen together, you would have a great deal of trouble, and the work would not go on with the same expedition that it is necessary it should do. There is an enormous amount of work to be done in India; the executive work is immense; and if the legislative duties from any circumstances become heavy, it would take so much time from what is now devoted to the executive.

4646. Have the representatives who come from different parts of India anything to do but to look after the legislation whilst they are at the place of the meetings of the council?—The members that represent the different parts of India, are men who have all got heavy duties of their own, and although, when they come to Calcutta, their executive duty is suspended, nevertheless it would be very inconvenient to the different governments if a number of their best officers were deputed on legislative duties; it would cause a deterioration in the administration, and I do not think it would have any adequate compensation; as regards legislative councillors, though they are not actually representatives of portions of the country, yet in making the selection you do consider whether this large province or that large province is represented, or otherwise, in the Executive Council; for instance, if there is a member in the Executive Council, who has great knowledge of the North Western Provinces or the Punjaub, you would take care that when you made a selection for the Legislative Council, it would not be from one of those provinces; being in the Executive Council, he would also be *ex officio* a member of the Legislative Council; the object would be to get as large an amount of information collected in the Executive and the Legislative councils as possible.

4647. When you were Governor General what was the extent of your authority, and the relations which existed between the Governor General in Council and the local governments; that is to say, the Madras and Bombay Governments, as distinguished from the sub-governments?—Theoretically the Governor General could interfere in the government of Madras and Bombay as much as he could in the Lieutenant Governorships or the Chief Commissionerships, but he never did do so, and it would have been very unreasonable if he had done so. In all questions of general administration, the Governments of Madras and Bombay carried on the administration exactly as they thought proper; but whenever there was any point of great difficulty, or which involved questions which applied equally to other provinces, or to adjacent provinces more particularly, or where it was a matter which, in the nature of things, would have to come under the notice of the Supreme Government, say financially or politically, in that case this Government would make reference to the Government of India, and the correspondence would go eventually to the Secretary of State through the Governor General. On the other hand, if those Governments had not made this reference to the Government of India, where the Government saw from the précis of work which came up to them monthly, that a question of great importance was under consideration, or had been disposed of, the Government would send for a copy of the papers, and if they thought it was all right they would say nothing; and if they thought it was a matter which required explanation or modification, they would consider it in the Council, and if necessary, then write and express an opinion.

4648. But, with regard to expenditure, were there any formal rules in force, which compelled the subordinate Government, before it committed itself in any way to expenditure, to submit its proposals to the Government of India?—Yes, there was a formal rule, that every question which involved new permanent expenditure must come to the Government of India.

4649. Do you mean by "permanent," continuous?—Yes; for instance, a new establishment; if they wanted to subsidize any chief; if they wished to increase their fiscal establishments; all these things must come to the Government of India.

4650. Or if they increased the standard of salary for any appointments?—Absolutely so. But anything which was temporarily required for four, five, or six months, they would sanction themselves; but it would be distinctly necessary, if it was a permanent charge, or even likely to become a permanent charge, that they should make a reference about it.

4651. And was the proposal accompanied with the papers necessary for the Governor General to form an opinion on the subject?—As a rule it would be. Sometimes all the papers were not sent, and then you would have to write, and require further papers or explanations.

4652. In giving a decision on these proposals, did you consider that the Governor General and his Council accepted the whole responsibility of the increased expenditure?—The Governor General and his Council would accept it if they thought it was right; they might say, "We agree in your views, and will support your proposals, but there is some doubt as to the view

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which the Secretary of State may take." In other cases, we might express a doubt as to the expediency of a recommendation, and call for further information. Where we agreed with the local government on the whole, though there might be doubts on the subject, we would support by our influence and argument, what the local government had asked.

4653. As a rule, were all the proposals submitted with a decided expression of the opinion on the part of the local governments?—Almost invariably with a very distinct opinion, and there was usually very strong pressure put upon us to agree to what they asked for; and where we did not agree the local government would often come up again, and sometimes three, four, and five times they would reiterate their recommendations.

4654. Did you consider that the local government had a right to refer a matter to the Secretary of State direct?—I think they had not a right to do that, and ought not to do it. Now and then Governments did it, but not very often.

4655. But in any of these cases did the Secretary of State express an opinion, or did he again refer it to the Governor General?—As a rule, he referred it to the Governor General, but sometimes he would refer it in a kind of way which would lead you to see that he wished it to be done; but I think that was exceptional.

4656. Did you consider that amongst these three powers that might be acting for the purpose of expenditure, there was any definite responsibility upon anybody?—I think that there is all the responsibility which in the nature of things there could be. The only point is, that when things go wrong, where a governor, or a lieutenant governor, does a thing which he ought certainly not to do, then the Government of India can only say to the party whom they consider to blame, "You have done quite wrong; you ought not to have done this," and say the same to the Secretary of State. Of course, as a general rule, the Secretary of State is disposed to support the Government of India, but in some cases he would take a different view, and would either let down the party who was considered to be blameable very easily, or else, in some cases, he would support the Governor.

4657. In cases of public emergency, has the rule been relaxed and the discretion left entirely in the hands of the local governors?—I think always so, I should say; and there would be a very liberal consideration in that case.

4658. Take the case of the preparations for the Abyssinian Expedition; would the discretion be largely left in the hands of the local governor?—In that particular case, the Secretary of State had ordered that, virtually, everything should be left to the Bombay Government, and therefore there was no option in the matter; but even if that had not been the case, we would have allowed a large discretion to the Bombay Government.

4659. All you, as the Government of India, had to do, was to provide the funds?—Yes; we did not consider anything but that the expedition should be fitted out in the very best way possible, and all the funds that were necessary were immediately put at the disposal of the Bombay Government.

4660. Your evidence on this point has been hitherto rather confined to the question of what is called establishments; but now, with regard to other expenditure, such as works or particular transactions, not being temporary increases of salaries, and so forth, what was the discretion of the local governments as compared with that of the Governor General?—The Governments of Madras and Bombay were allowed to undertake any works within the limits of the money that had been put at their disposal without formal and separate reference to the Government of India up to one lac, or 10,000 *l.*; but subsequently in my time, that was increased at the suggestion of the Government of India, and with the approval of the Secretary of State, to two lacs, or 20,000 *l.*

4661. Do you mean two lacs in each work, or in each year?—Two lacs for every separate work; but then, of course, it was intended, or understood, that whatever sum had been put at the disposal of the Governor for that year, he did not exceed that. We will say, that the Bombay Government had a credit for 50 lacs of rupees in the year; any works within the limit of 20,000 *l.* he could undertake, provided he arranged for its being paid out of that 50 lacs.

4662. If the work was not completed within the year, what then?—If it was not completed, it was his duty to show in the next year's accounts, that he had got the balance of the money in hand.

4663. Did you find, in practice, that governments did not commit themselves or the Government of India to undertakings of greater value than 20,000 *l.*?—I think that the body of Governors and Lieutenant Governors did not; but now and then a Governor did. If I might be allowed to say it, the great error which was committed, the most constant error which was committed, was this: a Governor, or Lieutenant Governor, or a Chief Commissioner, sent up an estimate for a large work, supposing it to be one of that kind of works for which he was bound to send up an estimate in detail, say for a work which was to cost 50,000 *l.* But the estimate was so badly constructed, or circumstances arose which were unforeseen at the time, so that it become apparent that the estimate would be largely exceeded; in that case, it was his clear duty, the moment that he saw that the estimate would certainly be exceeded by a considerable sum, immediately to have a revised estimate made and sent up. But instead of doing that, every now and then you found a governor or lieutenant governor neglecting this; nothing was said; the money was spent, and when it came up for the formal sanction of the Government, it turned out that the cost had been double or treble the estimate, and sometimes more; and cases of this kind were a source of trouble and vexation between the Government of India and the Local Government.

4664. To what do you attribute this imperfectness in the first estimate?—I think in many cases they were not properly prepared.

4665. You mean the project not thoroughly examined?—Not thoroughly sifted in all its bearings; then, in some instances, the prices had risen in the interim; the work had been delayed; four, five, or six years had perhaps elapsed between the time the work had been commenced and the time when the great part of it was executed, and of course, in those cases, where the prices had risen very much, it made a great difference; but in all such cases the local government ought to have sent up a revised estimate. In this way

continued

continued friction and collision used to arise between the Government of India and the local governments.

4666. Did you find, in dealing with these questions of finance, that the local governments, as compared with the Supreme Government, took more power into their hands than they ought to have done?—I think one did, not the other.

4667. Which was the one?—I think the Bombay Government did, but not the Madras Government; the Madras Government used to be very careful; we very seldom had any collision with them.

4668. Then is it your opinion that if the rules prescribed for the local governments were adequately carried out, there is an efficient check upon their expenditure by the Supreme Government?—I think as good a check as there need be, or ought to be.

4669. In the cases that have occurred, where the check has proved insufficient, were any serious steps taken to resent the errors or neglects that had been committed?—Well, the Government of India would animadvert very strongly on the subject, and would, on sending home the Papers, call the attention of the Secretary of State to the matter; and the Secretary of State, on his part, would almost always, as a rule, respond in a similar way.

4670. Do you think that their councils in the local governments, their small councils, tend to check the expenditure on their part, or to sustain it?—It would be difficult for me to say what was really their precise influence; but I should gather in a general way that they would try to influence a governor in a proper way; but if it came to a collision between the local governor and the Governor General in Council, I think then the bias of the local council would be rather to support their own governor.

4671. Do you think that any advantage would result from enlarging these councils?—No, I do not; I think, myself, that the smaller they are, consistently with having sufficient knowledge and ability in the council, the better it is for the administration.

4672. To pass to a comparison between the local governments and the sub-governments, do you consider that the system of the local governments is better for the administration of the province than the other system of the sub-governments?—The lieutenant governors have no councils, and the governorships have councils. The difference really is this, in my mind: the governors are nearly always, or very often, men of, however considerable their ability, not much knowledge of India, and many of them of no such knowledge. I think it would be impossible, however great their ability was, and however great their application, that such men could properly conduct the administration of the governorships without the help of councils. But, on the other hand, in all the lieutenant governorships, it is invariably a man selected from the services, whose life has been spent in the country, and therefore, in the ordinary state of things, he does not want a council; if he wants such aid, he is not fit to be a lieutenant governor; but when exceptional cases occur, then, as a matter of course, he refers to men in high position about him who are willing to give him advice, and help him; and in that way he has the advantages of a council without the troubles connected with one.

4673. Do you think that the introduction of governors such as you have described, tends to what may be called a new consideration of the finance of the government which is advantageous to the administration, or that the system of having a lieutenant governor is a better system?—I would never make the lieutenant governors into governors; but I would not, on the other hand, reduce the governors to lieutenant governors. I think that the fact of Madras and Bombay having been so long separate presidencies, and so long governed under the present system, would be a great argument against a change. I am myself always against changes, unless I see palpable advantages in them.

4674. You think that the political considerations affecting the establishments of those two governments in different parts of India outweigh the expense, such as it is, incurred for maintaining them?—I think, on the whole, it is so; but then I say that, with this condition, that as you have a Governor General in Council, those governors ought to be really and truly subordinate to him, and ought to obey him. If they think they are ill-treated, and have not had fair play in any particular case, then the decision of the Government of India might be suspended for a time, and the question might be referred at once to the Secretary of State; that might be quite right and proper, but with that limitation I think that the system should be such that the local governments should obey the Governor General in Council.

4675. Do you think that the system of having lieutenant governors without any council tends to any more free dealings with the finances and expenditure?—No, I do not; on the contrary, I almost think that the lieutenant governors are more careful, feeling that they have not so much backing, that their sole voice has to sustain their action, and I think that, excepting in great emergencies, they would be particular, and are particular; in fact, I almost think that at times they would be over careful.

4676. In their desire to conform to the wishes of the Governor General to maintain economy, you think that they might be too economical?—In an emergency I think they might.

4677. Have you considered whether it would be expedient to give any particular military character to the frontier governments?—There is only one real frontier government, which is the Punjaub Government, and I would not give it any military character more than it has now. It is essentially in every respect now a civil government; but while it is a civil government, it has a frontier force under its orders and control, and that system I would maintain, but with that exception I would make no difference whatever. I think it would be an immense evil to convert a civil government, say that of the Punjaub, into a military government; I think that the people as one man would be against it.

4678. You think, on the whole, that it is a very desirable thing to maintain a clear distinction between a civil government and a military power?—Of immense importance, I think.

4679. Now we will pass, if you please, to the question of the Army; have you ever formed any opinion as to whether any principle can be laid down to define what ought to be the strength of the armies in India, European and Native, or their relations to each other in point of strength?—I do not think that you can lay down

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an absolute cut-and-dried line; you cannot say that 50,000 men are sufficient, and that 48,000 would not do, or that it is a vital question to have 52,000; but in a general way you can form a very good estimate. Of course different men, and different able experienced men, will differ; it would be difficult exactly to define why it is; but men of great ability and great knowledge, and I may say of great public spirit, do differ very much as to the amount of troops, English or Native, which you should have in India.

4680. Do you recollect what was the force, after the new system was determined upon, of Europeans that was thought to be necessary?—At that time it was supposed that 75,000 would be absolutely necessary. The whole of Upper India was turned, if I may say so, topsy-turvey; it was a perfect *bouleversement;* every predatory race, every race that had been kept down for 50 years, were plundering and laying waste the country, and every kind of disorganisation had been created. Owing to that, and owing to the general feeling that a Native army, however essential for the administration of the country, could not be thoroughly trusted; that, in fact, you must always have a large counterbalancing element of our own countrymen, in the shape of an English force, the general feeling was that 75,000 was almost a minimum.

4681. Is it your impression that that feeling was an Indian opinion created in India, and not an English opinion forced upon India?—No, I should say that it was an Indian opinion; I do not think that people considered the opinion at home, but that which prevailed in India.

4682. Was that the general view from which the Indian forces were increased?—They were increased to a great extent to beat down opposition, and to recover the country. At one time there were more than 90,000 English soldiers in the country, but such was the pressure on the finances in consequence, that every one felt that it was desirable to reduce the English forces as far as it was safe to do so, and every one concurred in their being reduced down to about 70,000 or 75,000 men.

4683. Is it your view that the arrangements then made for the supposed permanent strength of the British Army were to give effect to that opinion?—Yes, I think so, decidedly.

4684. And you recollect that after that, the view was somewhat modified?—Yes, a great deal.

4685. What was the next view?—With a general concurrence of opinion, they came down rapidly to something like 65,000, 66,000, or 67,000. When I went out I think there were about 67,000 men.

4686. What do you consider now to be the necessary European strength?—I should think, in general terms, that 60,000 would be about the mark; I do not think it would be safe to bring down the European army below 60,000 men.

4687. And in view of that European force, what has been considered to be the strength of the Native army that ought to be maintained?—You know that, in estimating what was the proper force of English troops, you would make your estimate in one way, and as regards the Native troops you would make it in another way. In respect to the Native troops, all the rough work of the country is done by them. The English Troops in India, I would say, were like the Guards to the English army; the English troops are the reserve, and for various reasons you would never employ them where you could do the work with the Native troops. It is cheaper; it saves life, and there are many advantages in that policy. That being the case, you must have a considerable Native army. If you do not have a considerable Native army, you overwork the army that you have, you render it discontented, and it deteriorates. Therefore, you ought to have a sufficient Native army; but you ought not to have more than a sufficient Native army. I would say, with regard to the Native army, from looking at the subject before I came here, and seeiug the Returns, that you have now got something like 130,000 Native troops for all India.

4688. That would be regular troops, I suppose?—Regular and irregular; they are all under one footing now, both as regards their name and as regards really their organisation. I am not of course taking into consideration any troops belonging to Native chiefs or soverigns.

4689. Or the subsidiary forces?—I take the Contingent; the Hyderhabad contingent is included by me, and everything which is to be paid out of our Treasury. That is the way I take it, and I find that there are 130,000 men in round numbers. I say you might reduce them 10,000 men if it is absolutely necessary; but I believe myself, that in what we call Bengal (not Lower Bengal, but the Bengal Presidency, which embraces the Punjaub, Oude, the North West Provinces, the Central Provinces, and so forth), you cannot spare a man. When we were sending the troops to Abyssinia and had to furnish some brigades of Native troops, we were so hard pressed that we were obliged for the nonce to raise some men; they were not many, still we had to reinforce our frontier Native regiments, the work was so severe. I do not know the Bombay Presidency, of course, as I do my own; but still I should say that the Bombay Presidency had not anything of importance that they could spare. I should say that the Native troops there were hardly worked, but I think that the Madras Presidency could spare a very considerable part of the Native army. I consider that the Native army there, for various reasons, has become much too large for the work that they have to do, and that if you want to reduce, you might reduce that. But there is this to be said for the Madras army: in my time I had, with the consent of the Secretary of State, made considerable reductions in the Madras army; I did not go on with those reductions, though they were pressed by some parties, because the Madras army afforded the only reserve that we had in India of Native troops; and although they were not troops that I would myself have preferentially employed in any foreign expedition, still it was the same thing, because if you sent troops from Bombay or Bengal, you would then push up the Madras troops to occupy their place; at that time it was in contemplation to reduce perhaps five or six thousand men, and it struck me that if we could manage to pay our way without making further reduction it was better to do it; that the troops might be wanted, and that further reductions would create a good deal of discontent in the Madras Army, in the officers and men, particularly in the officers. The Madras army had been greatly reduced since the time of the mutiny.

4690. Do you think that it is expedient to keep

keep any separate force, like the frontier force, or that the whole of the Native forces of each Presidency should be welded into one general force?—No, I would keep them quite separate as they are now. I look upon it that there would be no real advantage in amalgamating them, and that there are very considerable disadvantages. In the first place, I would only point to the Mutiny. I say that if then they had been all one force, very likely they would have all gone the same way.

4691. Now you are extending your observation to the three Presidencies?—Yes.

4692. But I speak of a frontier force?—I am generally in favour of the present system. That force has stood the test of 20 years, and of a trial which hardly any other force has had; certainly no force in India has ever had a greater trial. It has not only borne the burden and heat of the day on that frontier; it has always been, as it were, in front of the enemy, constantly in camp, and notwithstanding all that work (I should say that the men of that force, without any exaggeration, had double the work to do during that time that the regular troops had), their organisation, their discipline, their tone, their spirit, were pre-eminently excellent; and when the Mutiny broke out, we took nearly half that ferce from the frontier, substituting in their place a few levies to help the remainder of the brigade, and sent them down to help to reconquer India.

4693. Is the maintenance of that force accompanied with any special increased expenditure?—No, not a rupee more; and, by comparison with the old system, it does not cost anything like what a force of equal numbers under that system used to entail.

4694. Will you explain your opinion on the suggestion made, of amalgamating the several armies into one; would there be any benefit in that, in your view?—Not the slightest. The only argument in favour of it is a financial one, and my opinion is that every sixpence that you can save by amalgamating them, you can save without amalgamating them. Whenever your staff is too large, reduce it; whenever the pay of the commanders is two large for the work that they have to do, reduce the pay prospectively; but I do not see how one rupee is to be saved by amalgamation.

4695. You think the political considerations are very great in favour of retaining them as they are?—They are very considerable; I think that it was a good thing for us that there was not one army when the Mutiny broke out. Secondly, I think that if you amalgamated all the Native troops, you would have to bring them under one military chief with the Central Government. This would unduly weaken those civil governments, and I think it would unduly increase the power of the central military authority. The Governors of Madras and Bombay would be greatly weakened in emergencies and difficulties, if there were no commanders who had the power under their control of acting; and I think the Government of India and the Governor General would be quite overshadowed by the military chief, who directed all the military power, and wielded so much patronage as he would do.

4696. There would be the embarrassment of a civil governor with a military authority deriving power from some one superior to the civil governor?—Yes; supposing the Governor of Bombay or Madras, in any emergency, wanted his Lieutenant General commanding the *corps d'armée* to do something that he did not particularly like; after discussing the matter, the Lieutenant General might say, "I must refer this to my chief; this is very serious, and this is my idea," and he would be disposed to shelter himself under his chief's authority, and neglect the wishes of the Governor.

4697. At present the Civil Governor has the power of removing a divisional general, has he not?—Practically, he has not the power, and would not do it, and would not be supported if he did it, unless the man had done something monstrous, which of course he would not do. But it is well known that at present the military chief is subordinate to the civil authority, and therefore, after remonstrance, he would attend to what the governor said.

4698. Have you considered whether any advantage could result from pursuing a policy of trying to localise European troops, or Europeans in the hills, to serve as a basis of the English Power?—No; I think it is a perfect delusion. If you were to take your English troops as they were pensioned off and discharged, when they leave their regiments they could not support themselves; unless you gave them such means of living as would enable them to maintain themselves, otherwise they would starve and die in the hills.

4699. You are not in favour of endeavouring to force an English race in the hills in that way?—First of all, I think it would be a very poor race, compared with the English race. That, moreover, is not my great objection; my broad reason is this: that I do not think they could sustain themselves without having practically, nearly as much as they get as soldiers from the Government; and then, I am afraid that they would get into collision with the Natives in the hills. You could not put them in distant places on waste lands, and with no means and appliances of living beyond their own industry; and to put them among the Natives would lead to great oppression; I do not think there would be anything that the Natives would be more distressed and vexed at, than plantations of those discharged soldiers in the hills, in juxta position with Native villages.

4700. Have you directed your attention to the changes that have taken place in the organisation of the local army since the disturbances in India, in officering and organising the local army?—Yes; I may say that I had some voice in the change.

4701. Will you explain to the Committee what you think of that proceeding, and the mode in which it has been carried out?—I presume you allude to the mode of officering the regiments from the staff corps.

4702. Yes, and officering them simply by the introduction of officers from the European regiments as a special service?—Well, taking it as a whole, I am entirely in favour of the present system. I think it is a far better system than the old one.

4703. Do you think it is also better, as a question of finance, supposing it were economically carried out?—I think, in a financial point of view, it is superior. You know that the apparent effect of the establishment of these staff corps has been a very large increased expenditure; but a great deal of that has nothing whatever to do with the present system; you had, if I may say so, to get

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rid of, or at least to do something or other with, a great number of officers, who, from various circumstances, were thrown on your hands; you could not force these officers out of the service; you could not discharge them; you had to do something or other with them, and you had to arrange to mitigate the discontent and dissatisfaction which followed the different changes after the Mutiny, such as the abolition of the local European army, and so forth; you had to do a great deal for the officers. When the matter was debated in Parliament, there was a clause, well known as the Henley clause, introduced into the Act, by which the rights of the officers were to be respected; well, that has been construed by the officers and by the public very favourably to the officers, and the consequence is, that going from one step to the other, you have done various things which have enormously added to your expenditure; and until these officers die out, or leave the service, your expenditure goes on increasing as those officers are promoted; but when you come to the turn where the number of officers of high rank begin to fall off, you will find that on the whole, the financial effect will be an advantageous effect, but in the interim it is very disadvantageous; but all that is no essential part of the system, namely, the erection of staff corps, or the taking young officers from the royal regiments for the staff corps.

4704. Do you think that the system and the practice of making them a local corps, under the name of the Staff Corps, is one in itself both efficient and economical?—I think that, irrespective of these circumstances which surround the system now, it would be economical, and I think it is efficient.

4705. Are you aware whether before the Act to which you have referred, the old Court, or the extinct Court of Directors, claimed for themselves absolute control to alter the arrangements of the Army as they thought necessary for the public interest?—I should think, if it was put before them as an abstract question, they would have claimed that, and in times of very special circumstances they did make changes; but as a rule almost all the changes which were made from time to time in those days, were really to the advantage of the officers; the number of officers was always increasing. I do not consider myself, as a good system in itself, the old system of officering the Native army; I am presumptuous enough to say, that I think it was a bad system.

4706. Mr. *Bourke.*] The system that you say is economical and efficient was the old regular system, and not the old irregular system, I presume?—I mean the old irregular system, which is now the regular system.

4707. Sir *Stafford Northcote.*] Your commendations are applied to the present system of the staff corps?—The present system, which is based on the old irregular system.

4708. *Chairman.*] That being the selection of a few officers considered fully qualified, who were to be always present with their regiments?—Yes, that was the only difference; their training, arming, organisation, and discipline were identical in both systems, but in the one system you had many English officers, and in the other few; and I say that the one with the few was the right one.

4709. And the few were officers of selection, were they not?—They were nominally of selection, and no doubt many were selected, but I should say that many also were not selected, that is to say, that they had gained their appointments by patronage, and not by selection, in the true sense of the term; but the beauty of that system, if I may use that phrase was, that if there was anything in a man to make him a good officer, it did make him one; it drew out all his good qualities, his zeal and energy, and spirit, whereas the regular system did not do that; and when an officer in the regular system was a good officer, and there were many of that class, it was in spite of that system that he was so.

4710. And further, in the old irregular system, the officers were fully attached to their regiment, and looked to that, whereas in the other system they were looking out for some other appointments?—Yes, and in the regular system they had little to do, whereas in the irregular system they had a great deal to do.

4711. There were no more officers than were necessary, you mean, in the irregular system?—Yes.

4712. Have you considered the effect that the scale of promotion in the Staff Corps will have upon the expenditure in India?—Yes, I have, in a general way.

4713. Do you think that that scale and principle is one that might be in any way retrenched in future, having regard of course to present vested interests?—I think it ought to be, and I understand that the Secretary of State has initiated a change; that he has laid down that the rules which are now so advantageous as regards the officers shall only apply to the officers of the old army, and that all the officers who have come in within a certain time shall come under a different category. For instance, formerly there was one colonel to 25 officers; subsequently they were allowed an unlimited number of colonels provided that they had served so many years; that has been modified, I understand, and it will make a prodigious change in the course of time; but in the interim the cost is very great.

4714. Were there not also the same number of majors and captains relatively to one another in the old system?—I do not think that this is unreasonable; for instance, there was only one colonel, one major, and so many captains, and so many lieutenants.

4715. Then the three other grades at present are unlimited, are they not, provided only that they have served in each of those ranks a certain number of years?—Yes; it is in that that the waste of expenditure consists.

4716. Do we rightly understand that that was an arrangement that arose rather out of a feeling of concession to the existing officers than with a view to the creation of a corps?—I think, myself, that it entirely arose from that.

4717. Will the new arrangements to which you refer apply to the three ranks, or only to one rank, do you know?—The great expenditure applies to the one rank, namely, full colonel.

4718. That is to say, not entitling them to the equivalent of the off-reckonings?—Yes. There is also a great deal of expense in consequence of the enlarged character of the system of pensions generally. For instance, officers could only retire in former days on pensions of 400 *l.* a year, unless they remained long enough to get the equivalent of the off-reckonings. Now there are intermediate stages, where they may get increased pensions, and that of course has added very largely to the expenses of the Army. But I would

would not lead you to suppose that I think we ought to do away with those intermediate grades, because, on the whole, I consider that the pension system was not a sufficiently liberal one in former days, and a great deal is to be said in favour of its modification; but I think all that would be met by keeping down the number of officers; when once you had got rid of the old officers, not allowing the number of officers, in staff corps, to get beyond what you absolutely require.

4719. You would have the appointments and duties regulate the number of officers, and not the number of officers regulated by any mere general rule?—Yes, you can only be very liberal without any waste, if you keep down your numbers; but if you let them increase unduly, even if you are comparatively economical otherwise, or desire to be economical, the cost becomes very large.

4720. Do you think that these questions would be better dealt with if the staff corps were in no way a matter of patronage in India, but were based upon some selection by merit?—Well, the Staff Corps will practically be filled by a system of selection. For instance, when you want a young officer you go to the colonel of a regiment; you ask him for a young officer of such and such a description, and you require him pretty strictly to give you an opinion of his merits, and qualifications, and character; and then you take him on probation only for a year, and, if he does not suit you, without in any way degrading him, or disgracing him, you say, "You will not suit," and send him back to his regiment.

4721. But apart from the administration of any particular Governor General or Governor, is not the selection for the Staff Corps entirely, as far as any binding rule is concerned, a selection of patronage?—Of course I could not deny that it is to a certain extent; but in getting the young officer first, I should say that, as a rule, it was not abused.

4722. Do you think that to any great extent officers have been selected by patronage, of course with the understanding that they must qualify themselves by any special acquirements after they have been nominated, as compared with officers who had qualified themselves, and might have been nominated if they had been selected by merit?—You see that there is a great difficulty on that subject, which is this: it is an advantage to an officer himself, and it is a point which is very much pressed by the authorities in England, that he should be passed through an English regiment; the impression is that that gives him tone, and discipline, and that it is valuable that he should possess the elementary knowledge of his profession; in order to get that stamp, so to say, upon the metal which military authorities require, you must put all candidates for Staff Corps through an English regiment in the first instance.

4723. But I speak of taking him out of his regiment; have not cases occurred which have caused great question and animadversion in which officers have been taken out of regiments and appointed to staff corps appointments, leaving them afterwards to qualify, if they can, for those appointments?—I think that is a very great abuse of the system, and ought to be put down with a very strong hand.

4724. Have there not, at the very same time, been officers who had qualified themselves to take staff corps appointments, and remaining waiting for appointments?—I do not know many cases in my own knowledge, but there have been cases where I would not have selected the man, judging from what I subsequently heard of him; but I should not think that they were frequent instances, and it is difficult practically to avoid abuses of that kind creeping in.

4725. Do you think that with a view to creating efficiency and economy in the Staff Corps, it would be desirable to divest it of that element of patronage, by requiring some qualifications in officers in the Queen's regiments as a preliminary condition which they should fulfil before being appointed to the Staff Corps?—I think many would say that there were such conditions, and the point is how you could strengthen them; and I think one precaution would be, never to let an officer leave his regiment for the Staff Corps after a certain age; he ought to be a young man, so that he should have that elasticity of character which would enable him to adapt himself to new circumstances; and the effect of limiting selection in this way very strictly, would be to cut away the danger of abuses of that kind.

4726. If I understand rightly, there are qualifications laid down which must be fulfilled to enable any one permanently to hold a Staff Corps appointment?—Yes.

4727. Ought there to be a general rule that those qualifications should be satisfied before a nomination; or ought the system to be continued by which a person without any qualifications can be nominated, leaving him a certain time to qualify afterwards?—I think that qualification before the nomination should be required. The practical difficulty in the matter is this, that very often young officers are not willing to leave their regiment; whether it is from a want of enterprise, or of that kind of spirit that would lead them to endeavour to improve their condition, I cannot say, but in my time, I used to hear it often said, that it was very difficult to get an officer to leave his regiment. I recollect it was said that the young officers of an English regiment having paid the 300*l.*, or whatever it is, for their commission, that they would lose that 300*l.* if they volunteered for the Staff Corps; they did not reflect, that in the course of years they would get the loss recouped to them tenfold; but the immediate loss of this sum prevented their coming forward for a Staff Corps appointment; and the consequence was, that we were obliged at last to pay the 300*l.* out of the revenue of India, which was a very hard case.

4728. That is an element which has now departed, however?—Yes; I only gave that as an instance to show what little things operate in the matter. If you make the condition of entering a Staff Corps very stringent for young officers, often you will not get them to go into it. If they are to obtain civil or political employment, where the prestige and advantage is very apparent, they will accept the staff no doubt, but where it is to go into appointments like the inferior commissariat appointments, or to native regiments, you would not be sure of getting candidates.

4729. Do you think there is any danger of the system of the Staff Corps failing from want of young officers?—When I was out in India at one time there was that danger.

4730. Now is there any such danger, in your view?—I should hardly think there would be, because really the advantages are very great. A wealthy man would not go into it; others would, and the great bulk of the officers are poor, and will be poor under the new system.

4731. I think the consideration of the expen-

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diture on military works was entered into at great length when you were Governor General, was it not?—Yes.

4732. Do you think that the expenditure on military works is properly supervised and checked?—Well, I thought it was when I was in India. Of course now and then cases occurred in which mismanagement had taken place; but in my time, I do not recollect any gross instance of such a case; and, as a body, I am of opinion that both the military and civil engineers were zealous and able men, and did their work, as a rule, very well. But of late years, since I came home, there have been several bad cases, which have thrown great disgrace and discredit on the Public Works Department.

4733. What do you understand to have been what I will call the civil check upon military expenditure; what member of the Council had an effectual control over the military expenditure in its civil and financial aspect?—The Civil Government can absolutely and entirely control the military expenditure if they think proper to do so; but with that statement it must always be borne in mind that the military influence is great, more especially from England itself; that is to say, that it is of the greatest importance in the eyes of the military authorities in India and in England that the troops should be well housed; that every appliance and means which modern experience suggests should be afforded to the troops. Well, you cannot do all this without a large expenditure; that is the real state of the case.

4734. But who do you consider to have been the particular person or authority that undertook to perform the functions, if I may use the phrase, of a civil check upon military expenditure; that is to say, a financial check as a matter of finance and expenditure?—When the budget of expenditure for all matters connected with the Military Department has been prepared, it goes to the Financial Department, and is very carefully considered in that department in all its details, both as a whole and in all its parts. Such modifications as may be considered necessary, and which may reasonably be carried out, are then proposed; these would be suggested to the military member of the Council; he then would look over the budget a second time, and consider it with his military knowledge and military views; and having done that, then the papers would be sent to the Governor General, and the Governor General would go over them all. If difficulties arose, he would ask the Commander in Chief and the military member, perhaps, to come and talk over the subject, so as if practicable to reconcile differences of opinion. In that way the military budget would be sifted over and over again, and then it would be brought before the whole Council.

4735. Did you consider that the military member of the Council was bound to consider the financial view, or only the military view of the matter?—In a secondary degree he would consider the financial view. Of course some men are more willing to incur considerable expenditure than others; but, as a rule, he would consider it in its financial bearings; and he would be obliged to do it, because, if necessary, that view would be pressed upon him, not only by the financial member, but by the Governor General.

4736. Was there not always a great difficulty in the financial member taking up any military questions of finance, in consequence of what I may call relations of equality existing between the different members of the Council?—I should say not. I think that the military man, whether he was the military member or commander-in-chief, who was in the Council, on discussions on military expenditure, would, more or less, particularly the commander-in-chief, stand out for what he thought was necessary for the improved comfort and convenience of the troops; in fact, to carry out military objects.

4737. To promote military efficiency and expediency would be his view of the matter?—Yes; but then I think the other members would combat what they might think was not a right view of the case; they would however always be a great deal influenced as to the British troops by what was done in England and the Colonies, and by what they thought were the wishes of the authorities at home; and they could not help doing that, for if they did not do it, the Secretary of State would not support their suggestions.

4738. Do you consider that this mode of carrying on military expenditure has led to a large and expensive scheme of housing the troops in barracks of a costly character?—No, I do not think it did; there has been a feeling in India on the subject ever since I was in India, say, for the last 40 years, to improve the accommodation and other arrangements connected with the British troops in that country. Originally, to a certain extent, the feeling was that the troops were ill-treated, not half as well treated as they ought to be, badly used, and badly cared for in many ways. This was continually pressed upon the authorities, and time after time, where new barracks were to be built, or new stations formed, improvements of various kinds were introduced. I think every cycle of years there was an improvement in the barracks and the general arrangements. Just before I went out to India as Governor General, in Lord Elgin's time, there was a great deal of excitement in England in consequence of statements put forward by the Royal Sanitary Commission. I recollect, and I think every gentleman in this room will probably recollect, one report in particular, in which it was said that 70 men per 1,000 died annually from various causes, many of which might be remedied. That created, I recollect, very great sensation in England, for at the time I was there. I recollect a long article in the "Times" on the subject; and altogether there was a general feeling that a great deal which ought to have been done with the view of saving life had not been done. When I arrived in India as Governor General, I found that Lord Elgin had taken up this matter, and had appointed a specially selected officer to look into the whole business; and it was a very appropriate time to do it, for this reason, that a great deal of the general arrangements connected with the permanent housing of English troops which ought to have been carried out, had been deferred since the mutiny, and a great many were in the temporary or half-temporary barracks, the temporary ones being intended to endure for three or four or five years, and the half-temporary ones for eight or ten years; and all these barracks were in a more or less dilapidated condition, in consequence of the knowledge that they would be superseded by better buildings, the repairs which would have kept them in order having been neglected, the cost of them being to some

some extent very large. All this led Lord Elgin's Government to take up the question very carefully, and Colonel Crommelin, who had considerable knowledge of the subject, having been employed in the Public Works Department, both as an executive and as a supervising officer, and having built barracks at various places, was consulted. Lord Elgin died, and when I arrived very shortly afterwards, the question came before me. Colonel Crommelin put before the Government a general scheme, showing what was wanted in the country generally speaking, and how it might be made good. He also prepared models of what he considered the different kinds of barracks which we might adopt. One great point in this question was whether in particular parts of India we should have upper-storied barracks, or single-storied barracks. Everybody, of course, would say that in damp climates we ought to have double-storied barracks; but it was a question whether we ought to have them in drier parts, such as the Upper Provinces and Central India, and so forth. When this came before me I looked at the matter very carefully in all its bearings, and had several consultations with Colonel Crommelin on the subject; and I came to the conclusion that even in the Upper Provinces it would, on the whole, be better to have upper-storied barracks, for the difference of expenditure, although considerable, would not be so large as to induce one to put them aside, and simply have single-storied barracks. I consulted several medical men in whom I had confidence, and who I knew had studied sanitary questions, and they all advised me to have upper-storied barracks. Accordingly, I said I decided, so far as my opinion went, to have them. Then the papers went to the military member of Council, and the Commander in Chief, and they agreed with me. The financial member also agreed with me; Sir Charles Trevelyan was then the man filling that position, and he wrote a minute to that effect. And so when it came before the Council, there was not a dissentient opinion on the subject. The only question which arose was whether in these barracks more or less space should be given to the soldiers. On that point there were three scales of accommodation, and I recollect myself being generally of opinion that the lowest scale, the lowest amount of space for each soldier, would be sufficient. But the Commander in Chief thought that the highest was the right one, and after great discussions on the subject, I said that I would agree to the mean, and the mean was agreed to, and sent home and approved. Subsequently there was some modification suggested by the present Lord Sandhurst, who had succeeded Lord Strathnairn; he was inclined to make some further modification, and as I agreed with him, we made a reference home, but the authorities at home preferred having the scale of accommodation which had been previously settled; so that the bias to something like economy in the matter was not approved of. I only mention this to show how much may be said on all these questions. Everybody was generally in favour of doing all that appeared necessary to keep the soldiers in good health. The only question was, what was the most moderate amount of accommodation which ought to be given consistently with that object.

4739. Your opinion is that the expenditure on barrack accommodation was fully considered, as fully as it could be, in opposition to the sanitary and other considerations?—It may always be affirmed that the decision which is arrived at in a difficult matter, was not the right one; but if you bear in mind who they were who decided this question, and how anxious they were to come to a proper decision on it, it is not unreasonable to conclude that they came to a proper conclusion. I myself do not think that any case was ever considered better than that case. Bearing on that subject I would mention one matter, and that is this, that in one of the criticisms by the authorities in England, I think the Sanitary Commission, they suggested that barracks in no case should be constructed without being built on arches. We, after considering this, thought it was not necessary to adopt this precaution in the Upper Provinces. I only mention that to show how carefully everything was considered, and how ready we were, when we could safely do so, to limit expenditure.

4740. I think the barrack accommodation has been since very much diminished in expenditure, has it not?—I do not know to what extent, but I heard that it had to some degree been limited in expenditure.

4741. But you are still of opinion that at that time, and having regard to the views that were then current, the economical expenditure was fully considered?—I am, indeed. That question of upper-storied barracks is a very difficult question. At Fort William, in Bengal, formerly the English soldiers were extremely unhealthy. In Lord Dalhousie's time they built three-storied barracks there. If I had been asked whether that was a good arrangement, I should have said it was not, because it was putting one whole regiment under one roof; I should have said that that was like putting a great many men in a big ship, and that the chances of accidents and casualties were increased in the ratio of their size. But what was the result? Throughout Bengal it became the place of all others, where the English soldier was the most healthy. I thought it would certainly be a bad arrangement to have so many soldiers accumulated under one roof; but there it turned out that the soldiers were, in fact, most healthy.

4742. There you have got into a wet district with malaria?—Yes; but, on the other hand, you had got into three-stories instead of two. Talking of that upper-storied barrack, there is a *primâ facie* argument in favour of it. When you had the one story, the different rooms were so connected one with the other, that the effluvia of the food was never out of the barracks; the men slept; they dined; they walked; they read in the same polluted atmosphere; they were all the time in the same rooms; but when they had the upper-storied barracks, the idea was that one set of rooms would be purified, while they were using the other, and that was considered by the medical men a very great advantage.

4743. Do you recollect that when the railways were under consideration, it was always considered as a probable source of economy that the troops would be carried by railway?—Yes.

4744. Have you observed that since the railways were made, the expenditure on transport instead of being diminished has been considerably increased?—It has; I was looking over Mr. Kelner's notes on the subject the other day; I never supposed that we should get any reduction

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of expenditure on account of the introduction of railways; but that was one of the views that the public had got hold of, and like many of the kind, it was very difficult to alter them. I never believed that it would increase the expenditure so much as it has done; but when you look at the details, it is quite obvious how it happens. First of all, you move the Native troops a great deal more now than formerly, because you have reduced their number; then you send the English troops out to Bombay, and from thence spread them all over the country. Formerly you sent them to Bengal, Madras, and Bombay, divided into three sections, and from these ports they spread out over a much more limited area. You begin now with Bombay, and work back to Bombay with each regiment; all that adds very much to the amount of movement. Then as to the native troops, having less of them, and many parts of the country being insalubrious, and unpopular with them, you have continually to move them to balance the advantages of one place with the defects of another. For instance, the present native army of Bengal is largely composed of northern men, such as Punjaubees, men from beyond the frontier, and the like. To these men it is most disagreeable, and I would say, to some of them most hateful to be sent down to Assam or Bengal, or even to the Central Provinces; in the course of things you must continually give them change, and hence there is a very considerable expenditure. It is not merely a matter of what is disagreeable to the Native troops, but the regiments become deteriorated if they are not moved about; the best of the men go away; that is one of the great arguments in my mind in favour of the Punjaub Frontier force; there are many of the men in those regiments, I would say the flower of them, who would leave their regiments if you change them from that part of the country.

4745. Do you think it is necessary to maintain on military grounds of efficiency the large establishments of commissariat and transport animals that now exist?—You must bear in mind that in former days you could readily supply the cattle for an army taking the field, but in these days, so extensively have the wastes and jungles disappeared, from the increase of cultivation, that now, where formerly you collected a thousand camels or a thousand oxen to carry camp equipage and stores, you would not collect perhaps a tenth of that number. In former days, in the time of the Duke of Wellington's campaigns in the Deccan and Central India, and so forth, the baggage was all carried on trains of bullocks; you read, in the despatches of the Duke of Wellington, of 10,000, 30,000, or 50,000 bullocks being available. I have heard Colonel Skinner, who was in Lord Lake's wars, say that one of the great things in those days was to have such influence with the owners of these animals that you could collect large numbers of them in a very short time; now-a-days they are disappearing. During the Mutiny, I am sure I supplied 10,000 camels to the troops that went down to the siege of Delhi, but I think that my successor would have a difficulty in finding a thousand.

4746. Were these contract or purchase?—All contracted for. In Lord Dalhousie's time he very largely reduced the number of cattle that the Government kept up; there was a great outcry against it, but I think he was quite right in doing it, because it saved a great deal of money and men; and that when war came, which is an abnormal state of things, it was far better to pay a good deal for your cattle than to keep it up year after year; in fact, it was an economy. But, now that wastes are disappearing and railways are extending, there would be great difficulty in collecting cattle, and you must keep up a certain amount, perhaps more than ever. In my time it was generally considered that a thousand elephants for establishment was about the mark; they had fallen in those days, I think, to 850, and such was the high price of elephants that we were obliged to set to work in outlying countries to catch elephants ourselves. Where you are pretty certain to obtain animals for transport in time of war, then it is best to trust to that system, but otherwise a certain amount must be kept up.

4747. Your opinion is, that circumstances not taken into consideration have tended rather to increase the establishment of animals necessary, instead of enabling the Government to rely on railways?—Yes. Another thing is this: I recollect that the soldiers formerly, whenever they went on leave, walked the whole way; that took half their furlough time, and very often brought them back to the service in a very poor emaciated condition; partly from those reasons, and partly to content them (and of course it is a very great thing to have the soldier contented), facilities have been given to them to travel by rail. Hitherto that has not cost Government much, because we have had to pay the five per cent. guarantee; it did not matter whether the loss of income was made good one way or the other. These things were done to enable the soldier to go home and back with expedition and comfort; and it had a good effect, but swells the expenditure.

4748. Do you think it is desirable that the Governor General should take so great a part as he does in managing the Bengal Army, or that he should stand more aloof from it?—In point of fact, he does not take so large a part in the management of it. All the details of the Bengal Army, all the matters connected with the discipline, are carried on by the Commander in Chief; the Governor General does not look at them at all. Appointments are gazetted in the name of the Governor General in Council; all come up to the Government, but as a matter of routine they are all past, except something occurs which calls attention to any particular point on which trouble or difficulty may arise. When you come to talk of the administration of the army, it is really all administered by the Commander in Chief; but it is administered subject to the control of the Governor General.

4749. Do you think it more desirable that there should be anyone connected with the Governor General who should perform functions like those of the Secretary of State for War in relation to the army, or that those functions should be undertaken by the Governor General himself?—I think things are better as they are; I think the effect of what has been suggested, whether as a War Minister or Secretary of War, or whatever designation is selected, would be this, that it would practically bring everything under the entire administration of the military chief, and would set aside the civil government. Now, I think that it is of the utmost importance in every view of the case, whether it is military or political, or financial, or with reference to the bearing of the question, also as regards the natives

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of the country, that the army should be under the Governor General in Council, that he can put his hand at any one moment on anything and arrest it, and say, "That must be considered; that is not right; that is not judicious; that is working badly." The effect of his having that power is, that he very seldom has to use it, but take from him that power, and you will find things get into that way that serious complications may arise which would be difficult to solve. This at any rate is my own view of the case.

4750. You do not see a necessity for any new arrangement of that nature to secure a more efficient control over the military expenditure in India?—I think it would add to the military expenditure, and not help you to keep it down. I think the general result would be that the more the military authority became the master, the greater would be the bias in most military men (I do not say all of them) to increase the military expenditure.

4751. Do you think that the Governor General requires any civil assistance to enable him more efficiently to control the military expenditure?—No, I do not think he does; I think when he is willing to economise and look after things, he has all the means at his disposal to do it. The point is not that really; the point is, can the Governor General influence public opinion; can he influence the authorities at home in thinking that certain economies which he may suggest are expedient or not. Because, after all, if he fails in that, it is no use urging a given economy; he is only wasting his time, and he had better apply that time to other matters; in discharging his duties he must consider the general view of his superiors at home.

4752. Do you think that the Governor General has found himself under pressure from the authorities at home, involving expenditure that he would otherwise have avoided?—I would not say that the authorities at home initiated the expenditure so much; but on the other hand I would say, that in my time, the Governor General of India had great difficulty in getting the authorities at home to consent to reductions of military expenditure; they taking a more military view of questions than he did, and from various other reasons which I need not enter into, there was a disinclination to reduce the expenditure connected with the English troops, that is to say, there was unwillingness to reduce the number of English troops. They were reduced in the five years that I was Governor General something like 7,000, all at the instance of the Government of India. But we had great difficulty in carrying out these reductions, and they were spread over nearly the whole time that I was in India; whereas they might have been carried out in a year or 18 months. But the feeling at home was a mixed feeling, partly that the authorities were not quite sure it was safe to make these reductions, and partly that they did not know what to do with the troops when they got them home, as they would come on the English estimates. As a rule, we had to prove the case over and over again, when we wanted to make reductions in the English troops in India.

4753. Your predecessor had to prove to remove the case that they ought to be there, I suppose?—Yes.

4754. And the difficulty was, in taking them back again after once they were raised?—I used to say to them, "I have always been in favour of a sufficient number of English troops being maintained in India, and therefore, when I advocate a reduction, I think you might trust me;" that is the kind of line which sometimes I took.

4755. But there was a difficulty of course in suddenly shifting troops from India to England that had been raised on purpose to serve in India?—I do not deny that for a moment; but as Governor General of India, my business was to look to the Indian interests; and of course the people at home thought their duty was to look to the interests of England. Now, I will give an instance, the artillery is a very costly service, and of course it is a very important service; but we had a great many too many artillery. I pressed them very much to reduce the artillery; I had great difficulties in the matter; first of all, some of the Council were against that course; their opinions were used in England against my view, and the view of the majority of the Council; and there was this difficulty, which they always pressed on us, that it took a long time to make artillerymen; whereas cavalry, and more particularly infantry, could be raised very easily; it was difficult to train and render a man a good artilleryman in a short time; and therefore that it was very important not to reduce the artillery; but by dint of continued pressure, we got the artillery very much reduced. Since I came away, Lord Mayo got it reduced still further.

4756. Is there a real difficulty arising from the fact that in India you always bear in mind that you could get troops from England in an emergency, whereas in England there would be an indisposition to keep ready-made regiments here merely because they might be required in India?—I will not deny that that feeling may exist, but that feeling did not influence me in the least degree; because I felt convinced that with the number I wished to retain, nothing could happen in India, humanly speaking, which that force was not able to meet. I would have thought that I did wrong if I had desired to reduce the British force with the view of saddling England with it. Of course India must look for help to England in desperate circumstances, such as a great invasion.

4757. Or a great insurrection?—But I do not think myself there ever would be an insurrection if you kept 60,000 English soldiers, well officered, in India; I do not think a dog would bark against us, let alone an insurrection take place; but if such a thing did occur, I think it would be put down before it spread at all. I bore in mind what the wants of India were, and wished to reduce the number to that extent.

4758. To pass to another subject; have you considered the expediency of Government embarking in large industrial works for the purpose of promoting the productions of India; to begin, for example, with canals?—I have considered that subject; it is one of those subjects which have been contested very much of late. It is said by some that we have done a great deal more than we ought to have done; while others have thought that we have been negligent in this respect. It seems to me that, like the pendulum of the clock, first, public opinion you swing to one extreme, and then to the other. For 30 years there has been one iteration, namely, the advantages of irrigation generally; and in the Orissa misfortunes, one of the accusations brought against the Government of India was, that they had neglected, in particular, in respect to supplying irrigation in that province. I believe that for

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the last 25 years, the Government of India have done an immense deal in that way, generally speaking, but I think they might have done even more, and it would have been better if they had done more, but still they are certainly not open to censure, as having done too much. Having said this, I will read some observations which I have written on the subject with a view to giving evidence before this Committee. I am glad to be able to say a word in favour of irrigation generally in India, and more particularly in favour of canal irrigation, as it seems to me that from various circumstances this fruitful source of wealth and prosperity is in danger of being greatly disparaged. So far from thinking that any serious mistakes have been made of late years in the construction of canals on a large scale, I am quite in favour of the policy which has prevailed; and though it is possible that some mistakes in details have occurred, I feel satisfied, that looking at the matter in a broad and comprehensive spirit, great benefits have been conferred on the country from the construction of these works; benefits which, as time progresses, will become more patent than hitherto. Such canals as those which have been constructed under the guidance of Sir Arthur Cotton in Madras, and the Ganges Canal in the North West Provinces by the late Sir Proby Cantley, and the Baree Doab Canal in the Punjaub, constructed by the late Colonel Dyas and Colonel Crofton, are works of great size and enormous importance, with which any works of irrigation constructed in former times by the native rulers of India seem to me to dwindle into insignificance. As regards these canals in the Madras Presidency, though it may be difficult to ascertain what has been the actual profit which has been devised from their construction, owing to the circumstance that the revenue from the land, and the revenue from irrigation have not been kept in separate accounts, yet there can be no reasonable doubt but that the annual return due to the canals has been very large. Sir Richard Temple, in his financial statement for 1873-74, page 54, makes the following observations: "As regards the Madras irrigation works, however, I can affirm, having had the advantage of studying the subject on the spot, in company with the best informed authorities, that they are eminently successful and abundantly remunerative in the highest sense, both to the State and to the people." In respect to the Ganges Canal, it was constructed under certain disadvantages; it was commenced when practical knowledge in hydraulic engineering was confined to few officers in India; money was not always forthcoming for the work as promptly as was always desirable, and in the first instance, the importance of making the canal remunerative was not sufficiently considered. The idea at that time was rather that the work was to save the country through which it would run, from drought and its attendant miseries, as well as from loss of land revenue, rather than with the view of obtaining an adequate rent, from the sale of the water, from those who used it. For the first few years after the canal was opened, proper means were not adopted to secure this object; since the rates, however, were raised, in 1865-66, the canal revenue has considerably increased; but it will take sometime before the cultivators will use the water extensively as they might do; this class are for the most part poor and parsimonious, and dislike making any outlay until experience has fully convinced them that they are certain to gain by such expenditure. But though the direct returns from the Ganges Canal have not been as large as might reasonably have been anticipated, the work has not been a bad financial speculation up to this time; thus in 1860-61 the North West Provinces were afflicted with drought and famine. In that year the Ganges Canal irrigated an area of half a million of acres, and supplied food-grains to the extent of 5,000,000 of maunds, equal to 120,000 tons, and since then the irrigation has considerably increased. Colonel Baird Smith, in his report of the 14th August 1861, tells us that since 1733 Northern India has been afflicted with 13 droughts, of which seven (those of 1803, 1813, 1819, 1826, 1833, 1837, and 1861) have occurred since 1803, about the time when we obtained possession of the North-West Provinces, which is on the average nearly one drought for every eight years. The droughts of 1837 and of 1861 prevailed, for the most part, in the same districts of these provinces, comprising the Delhi territory and the present divisions of Agra and Allahabad. Colonel Baird Smith states that in 1837 the loss of land revenue in the Agra division consequent on the famine was estimated at 1,328,500 *l.*, and that its effects were visible after 22 years, and that the loss of agricultural property was estimated at from 8 to 10½ millions of money. In like manner, the same authority tells us, that the revenue of the Allahabad division suffered to the extent of upwards of 1,000,000 of money, and in the loss of agricultural capital valued at from eight to 10 millions. The drought of 1861 extended over very much the same districts as that of 1837-38, and embraced an area of from 20,000 to 25,000 square miles. Now, assuming that the drought of 1861 was of even one-fourth the severity only of that in 1837-38, which I believe to be within the mark, what is the loss of a few years' interest on the capital expended on the construction of the Ganges Canal, when compared with what was saved to the State and to the people by its waters in 1861? In such years canal irrigation operates as an assurance against calamity. I was an eye-witness of the two droughts of 1833 and of 1837, and I can testify to the distress and misery of those years. In the famine of 1837, in particular, the loss of human life from hunger and exposure was very considerable, and the cattle died by thousands. Such times as these, however, are a source of wealth to the cultivators and proprietors on canals. Then every acre of land is brought under cultivation; much of it perhaps will be twice cropped during such a year; and both forage and grain will be at famine prices. Thus, it must be admitted that the direct revenue obtained from canal irrigation by the State, is no adequate representation of its intrinsic value, though, of course, it is very desirable that such works should give an early and an adequate return for the capital expended on them. All the irrigation which can be supplied to lands subject to periodical droughts is of inestimable value, but the value of irrigation from wells, and even from tanks, cannot be compared with that derived from large and well-constructed canals, the former often failing at the very time when their waters are much required. The Baree Doab Canal, in the Punjaub, which has been constructed by the British Government, is next in magnitude in Upper India to the Ganges Canal, and will, in course of time, pay well for all the outlay on it.

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Waste lands south of Unritsur and Lahore, which without irrigation could never have been brought under cultivation, will now be reclaimed, as the waters of this canal penetrate to them. This is a source of profit to the State, in addition to the direct revenue derived from the use of the irrigation. In like manner, the canals under construction, such as those from the Soane in Behar, from the Sutledge in the Punjaub, from the Jumna near Agra, will, I anticipate, yield an adequate return, and prove a blessing to the people. There is, however, no reason why the utmost care should not be taken before a decision is arrived at as to the commencement of new works. In provinces where the soil is very sandy, or where it consists of hard clay alone, or of clay mixed with sand, where the rainfall is slight and uncertain, and where water is distant from the surface, the very existence of cultivation depends on irrigation. On the other hand, there are districts, and even provinces, where no such extensive irrigation works are necessary; but, as a rule, it may fairly be asserted that irrigation of some kind or the other is beneficial in most parts of India, and greatly increases the yield of the crops, and in many parts that the produce would be scanty and uncertain without irrigation, and the country subject under such circumstances to be desolated at intervals by drought and famine. That is my statement in favour of canals, and I do not think that there is a word in it which is exaggerated.

4759. Do you think it is desirable that the Government should undertake works of this kind, or that any attempt should be made to encourage their being carried on by the enterprise of individuals or companies?—I think they ought to be done by Government, and solely by Government. I am in favour of the Government in India, generally speaking, carrying on all large works, but pre-eminently that they should carry on the canal works independent of the circumstance that the companies in India who have undertaken works of irrigation, have more or less failed. I would say that the land revenue is so mixed up with the irrigational question, that no arrangements can be come to which would be satisfactory to both parties, that is to say, to the State and to the shareholders of a company. In a general way, of course, you may say that in the long run their interests are identical; of course they are identical in the sense that land revenue should exist, and that the shareholders of a company constructing a canal should prosper, whether they are paying the one revenue or the other. But, in point of fact, their immediate interests are not identical. The immediate interest of the shareholders is to get as quick a return for their money as possible, and that is not the immediate interest of the State. If, in the long run, the canal pays, it is not an immediate concern to the State whether it pays early or not; but if it would save the land revenue, and save the people from the effects of drought and famine, it is a great gain. The State can wait awhile for the water rent, but the shareholders say, "We must have our returns, or the value of our undertaking is gone." Hence, those persons are continually pressing the Government to do that which is often prejudicial to the Government interests, or to the interests of the people, and sometimes to both. Therefore, I say it is a vain thing to suppose that you can combine the interests of the two. Now, what is the result where the companies undertake a work? I do not mean to say one word against the companies, in the sense that they do not do their duty. If I was one of the shareholders, I should probably advocate what they do; but, looking at it in a broad statesman-like way, I say you should not entrust any of these works to companies. First, they have not the money; secondly, they want a rapid return; and, thirdly, they want to encroach more or less upon Government interests and the Government officers. The Government resist this; hence, a great amount of obloquy is poured down upon the Government, and all those connected with it; and hence the natural desire of the Government is, dealing fairly between all the parties, to get rid of a company.

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4760. Would your observation apply equally, whether the company has any guarantee or does the work entirely itself?—What I have said applies equally in both cases; but there is a greater evil when you come to a guarantee, because then the care and prudence, and economy which would otherwise be exercised in their work, are in great danger of not being used. When they have a guarantee, they say, as I have heard a gentleman say, "Come what will, I get my 5 per cent.; why should I worry myself about the arrangements?"

4761. Do you think that the difficulties that seem to attend the collection of any water rate, or the assessment of it, are so great that they apply to any irrigation works, great or small, or only to the great works?—Mainly to the great works. I have not the smallest objection to the occupiers of land combining and making a canal for themselves, if they please; all they will have to do then will be to pay the Government land revenue, and the profit and advantage of the irrigation works are their own. I know many cases where, preceding our rule, and subsequent to it, the landowners on the frontier of the Punjaub have made canals; and I believe they have made them in Scinde, though I do not know so much about that subject. There was no difficulty or trouble about the construction of these works; a canal may not be so well made, and, scientifically, so well laid out, as it would have been by a good engineer; but still it answered the purpose, and it paid the people; and it was a great advantage to the Government, because it secured the Government revenue. In cases it would be a good thing if canals were constantly constructed, and wherever the proprietors of land are desirous of undertaking such schemes in suitable localities, I would very gradually subvent their means; but when a company of strangers come in, of course the main object is to make money, a very legitimate object no doubt, but still I say that it embarrasses the Government beyond measure, and that such a thing ought never to be allowed.

4762. But are there not, through India, a great number of comparatively small tracts of country lying at the foot of the hill ranges, where the hill ranges bring down a great deal of rain, and where the rain in small works of irrigation can be bunded up in the hills so as to irrigate those districts; and would it be desirable that if companies or individuals wished to embark in the transaction of bunding up the water and making a canal, they should be allowed to embark in that enterprise if the villages are not possessed of the capital; or would you compel them all to wait for the Government to do it?—In point of fact, the facilities for irrigation in the way which you describe rather pertain to districts like the

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districts in Madras, in the deltas of rivers where works may be constructed at a moderate cost, and with moderate engineering skill; but where you come under the great ranges of mountains, such as the Himalayas, the fall is so rapid, and the volume of water that comes down is so great, that I should say anything like near the hills, it would be very difficult to construct works at a moderate cost. Perhaps in Rohilcund there are works of that kind which have been constructed; but from talking the thing over with the engineers, I think that these works have so far failed, or been so little developed, that the people have practically given them up; and we have had to take them up and help to carry them out. But where there was any work that the owners of the land were desirous of undertaking, and would undertake, after a general view of the question by an officer deputed to the spot, if he approved, I would advance the money out of the Government Treasury, and lend them the money.

4763. You think that would be preferable to introducing a company or an individual with the capital to do it themselves?—I do indeed; very much preferable. All over the Upper Provinces, I believe, in Oude, the Punjab, and the North Western Provinces, and everywhere, there has been from the commencement of our rule a system of advances, under the name of what is known as "tuccavee," and it is a system which no doubt more or less prevailed under the native governments, where they had good governments. That system has, with certain modifications, been maintained and enlarged by us, and wherever, either the proprietor of a single bit of land in the village, or the whole village community, or a zemindar with large means, came forward and said, "Lend me money to make one well, or five wells, or ten wells," we always advanced the money, and then he gradually repaid it in a given time; and in that way a great deal of irrigation was carried on. But I have seen that system abused. When I was a collector, I recollect large sums of these advances which had not been looked after for years, and I think some of it had been spent for other things than in making the wells. Sometimes a man came forward and asked for money to make a well when he wanted it to marry a daughter!

4764. You approve of the policy of the Government in repurchasing the canals after they had made a grant to the company?—Yes, I think that the Government did a good deed for themselves, and the people, and the company.

4765. Were you conversant with the terms of the purchase of the Orissa Company?—Yes; before they were put before the Council, the terms were settled by Colonel Strachey, then the Secretary of the Public Works Department, and myself; and he and we worked them out.

4766. It has been suggested that those terms gave to the shareholders a much larger sum than the market value of their shares?—They may have given them 10, or perhaps 15 per cent. more; but after all we considered this, that we did not give them a shilling that they had not expended, directly or indirectly, if you had counted the capital they had spent and the interest which had accumulated, at a very moderate rate. I believe they had spent more, at any rate as much. It is quite true that when we proposed to the Secretary of State to buy up the Company, the shares were considerably below par, but the company never would have sold them at anything much below, if at all below, what was proposed or settled by the Secretary of State. He, in point of fact, gave them something less than we proposed. That was the case; what would have been the use of our going into the matter of buying them up or not, when we knew that they would not take the reduced price? As long as they were content to be without the money, they could have gone on like the dog in the manger; they could have prevented us from doing anything, while they did nothing themselves. I do not mean that they had not the disposition to complete the canals, but they had not the money, and they would have said, "We will wait and see the result of what we have done, and then if it is successful we will induce shareholders to come forward with the money to go on." Then, not only were we in difficulty with the Orissa Company as regards Orissa, but they had a lien on the Government of India as regards the Saone Works in Behar. We said to them, "We have lent you money, and done various things to help you, and we ask you to give up the Saone project, and we will commence it ourselves." "No," they said, "we will not." The consequence was, that until we had bought them out of Orissa, we could not have done anything on the Saone. By the arrangement which was made, we contented them as regards Orissa, and they gave up the Saone project to us. I think myself it was a good speculation on our part. As a private individual, I should have said that a proprietor of land would have been very wise, if he had bought out a party under similar circumstances to that company.

4767 Has anything been done to promote the Saone irrigation;—Yes; I did not see the works myself, but we had excellent opinions, much better than any that I could have given; Mr. George Campbell, a member of the Commission, who inquired into the state of things in Orissa, and Colonel Moreton, one of the Commissioners, an engineer of considerable ability, gave an opinion very much in favour of what the company had done, not only officially, but in private to me. I spoke to them very seriously, and they told me what they had seen, and that the work had been constructed very well. The engineer on the part of the company, was a Madras engineer of high reputation, whose whole life had been devoted to such matters under Sir Arthur Cotton; I allude to Colonel Rundell. He was so good a man, that when our engineer, at the head of our irrigation in Bengal, went home, I think Lord Mayo selected him to succeed to the post. So that we had every reason to suppose that what had been done had been well done; and that all that was wanted was money, and we instantly gave the means and appliances, under Colonel Rundell, to complete the works.

4768. On the whole, you considered that the arrangement was beneficial to the finances of India and the public?—I did; I rejoiced on every account when it was settled in England by Sir Stafford Northcote.

4769. Now, the Bombay Government would seem to have entertained at times, probably a different view from yours in promoting the reclamation of the shore at Bombay by means of private enterprise?—Yes.

4770. Were you of opinion that it was desirable to reverse that policy, and put an end to those

those enterprises?—I presume that you allude to such undertakings as that of the Bach Bay Compay? That was a very different thing; it was a mere scheme to reclaim a certain amount of land submerged by the sea, and as far as I could judge, seemed a very excellent project. The outgoings and incomings of Bombay are very much narrowed from want of area, and this would have recovered a very considerable portion of the foreshore. At that time the Government were under engagements to make over to the Bombay and Borada line, a given quantity of land, to enable them to come in from the outskirts of Bombay into Calaba. If we had taken land occupied by the people, we should have paid a fabulous sum for it, something approaching to what you pay in London for land; whereas, by this reclamation, it would have cost the Government nothing, and the company would have recouped themselves by the remainder of the land, which they would have had to sell, or to do what they liked with. It seemed to me a very good plan, but the scheme broke down from various reasons. But one obvious reason was, that they had 90 lacs of rupees in one of the banks which failed. There were other things connected with the Bombay scheme more or less discreditable, but that was no part of the real scheme, but it merely arose from the gambling spirit in Bombay.

4771. Did the Government of India determine the sum that should be paid to the shareholders for taking back the grant of land before the reclamation?—I was looking over the correspondence about a week ago, with the view of trying to find out what had been done, and I could not find out exactly what the Government had given to the company; but it was arranged by the Bombay Government, and approved generally by the Secretary of State. A good deal less land was reclaimed, and a much less sum paid than what perhaps was spent; but what was the exact sum that the State has paid for the land, I do not know.

4772. Did you find whether the Government of India sanctioned the terms of the Secretary of State, or whether they were sent direct to the Bombay Government?—I fancy that they went home from the Government of Bombay direct, and came direct from the Government at home. My impression is, that both Governments were in communication with the Secretary of State, and that it was arranged with their general consent.

4773. There is also the project of what is called the Elphinstone reclamation on the other side of the island, which was in like manner taken back from the shareholders?—Yes.

4774. Was your attention called to the sum paid to the shareholders for that land as compared with the value of their shares in the market?—Yes; the shares had been greatly depreciated; I forget how low they were, but they were very low at that time, and they rose to about half, and they remained a long time at that rate, especially during all that period of commercial depression; but intrinsically, I have no reason to suppose that they were not very much more valuable than what the market value was at that time; and the probability is, that they would have risen considerably; but whether they ever would have risen to par, or not, I cannot say. But in my time, I think it was in 1867, the Government of Bombay urged the Government of India to buy up the concern from the shareholders, and I objected. I did not object from any knowledge that absolutely it was a bad bargain; but I had an instinctive feeling that at that distance it was better for us not to go into the matter, and therefore I urged the Council not to agree, and they did not agree. But after I had left, Sir Seymour Fitzgerald pressed the matter on Lord Mayo's Government, and there was an understanding, as I gather from the papers, that it would be so arranged, that the dues that would be levied would pay a fair interest on the capital; and, in fact, give even more, in the shape of something to go to a sinking fund. Under that understanding Lord Mayo urged very strongly on the Secretary of State to allow the concern to be bought up, I think, at par; and he agreed to that; but I gather now that it is not likely to pay so well as was then stated, but I have no data on which to form an absolute opinion on it.

4775. It was not concluded whilst you were in office in India?—No; I thought that it was a question that might be asked me, and I have looked up the correspondence, and read it, and what I have said seems to me to be the general outline of the case.

4776. Was it not presented to you, in the first instance, as an arrangement by which the Government would be recouped out of the revenue of the land?—When they brought it before me in 1867 they did not go much into the question of whether we would be recouped or not, but the general idea was that it was a good work, a valuable work, in such a position that it would be of considerable public importance, and that it would pay. The Bombay Government did not go into details with me as they did afterwards, in Lord Mayo's time, but they made a general suggestion of our buying it over; and I suppose if we had agreed generally, then they would have gone into the details, but we objected to it altogether, and said that we were not in a condition to buy it.

4777. To pass to the question of railway enterprise, which is another mode of developing the resources of India, is it your opinion that it is desirable that any railway should be constructed by joint stock companies, or that they should be also undertaken by Government?—My view as regards the construction of railways is very different from my view as regards the construction of canals. In the one case I can see no valid argument in favour of giving them over to companies; on the other hand, I think there is a great deal to be said in favour of railway enterprise. I think, for instance, in the origin, we should not probably have had railways at all for many years, if they had not been entrusted to companies. But I think myself, in making that admission, as I said the other day, railways have been expensively constructed; and I think that that has arisen mainly, though not altogether, from the system of guarantee. With a guarantee of 5 per cent. capitalists will agree to anything; they do not care really very much whether it succeeds or fails; 5 per cent. is such a good rate of interest that they are content to get that, and not really to look after what is done. Hence one of the reasons why the cost of the railways has been more than it ought to have been. On the other hand, what I would have liked to see instead of a guarantee was helping the companies by a subvention while the companies undertake all the cost, with the exception of the amount contributed by the

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Government. We tried that system of subvention in India, and it failed. We tried it as regards the Oude and Rohilcund Railway, and we could not get anybody to look at it. The fact was, that they liked the system of guarantee so much better than the system of subvention, that they poohpoohed the other. That being the case, I would say that I would rather run the risk of the Government making the railways, because I believe, in the long run, they would make them cheaper, even with all the disadvantages of their being done by the Government, than continue the system of guarantee.

4778. Do you think that there would be any danger of the Government running into what may be called theoretical views in making the railways?—It depends upon what you call theoretical views. I think that the Government have neither time, nor money, nor inclination, to go into anything which is not practical. The Government in itself I think, is not so constituted, that its members are such men that they would wish to add to their labour, and trouble, and liabilities. I think it was only forced on us that it was better to try and make the railways ourselves, seeing the enormous cost of the guarantee system.

4779. Do you think that the guarantee system is working or did work while you were there sufficiently well to justify its existence as regards the existing railways companies, or since the time of the first contract?—I think they are working very much better than they formerly worked, whether it was that the engineers became more experienced in the circumstances of India and the peculiarity of the country, or the pressure of public opinion; certainly they were working much better on my side of India than they had been, judging by the cost.

4780. Do you think it good financially, that that system should be maintained, or that it should be brought to an end as soon as the Government can do so in accordance with their engagements, by taking them over for the Government? — They have cost such an enormous sum of money, that it seems to me that we should have to pay frightfully on all these railways if we took them over.

4781. Have you not to pay a guarantee on all these railways? — It is Hobson's choice, I think, whether we continue to pay the guarantee or take over the railways. There is one consideration which would induce me to advocate the buying up of the railways if you could get them at a moderate price and raise the money in such a way as that which I believe Mr. Thornton described to this Committee; at least, he, talking to me one day on the subject, stated that money might be raised on such terms, that we might pay off the whole cost of the railways in a given number of years, 90 or 100, and have the railways for nothing. If that could be made clear, or anything approaching to that, I should like to see it done. But irrespective of those considerations, there is one point that I have a very strong feeling upon as regards the railways, namely, that this double system, this system of *imperium in imperio* is not good for the country. Now the natives in my time (and I see little difference to this day in spite of all the attempts of the directors of the companies to improve the system) greatly complained of their treatment on the railways; and I myself believe that though it is difficult to prevent abuse of power under such circumstances, yet the Government could be more effective in that respect than companies. I think that it is very difficult to do this; still if you have got the men in India as managers of the concerns of the companies, of that temperament and character that they are very earnestly desirous of enforcing good conduct on the part of their subordinates, then I think that they could do a great deal. But the inherent difficulties of managing their subordinate European establishments are very great. The natives complain very much in that respect; and on inquiry that I used to make in India, both official and private, I was confirmed in the view that these statements of the natives were to a considerable extent true.

4782. Do you think that the system of double administration which we have been informed goes on in reference to these railways on the part of the railway companies and the Government, tends to efficiency or economy? — No, I should think not. I think in all expenditure, the only time to check it is at the beginning. What can you do when money has been spent? You can only bear it. I do not think that there is any real check afterwards. Stop men at the beginning, prevent them from undertaking a wasteful expenditure, and you succeed; but when once they have expended the money, whether it is Government officers or a private company, I do not think there is any difference; the expenditure is past recovery.

4783. Do you think that the Government, if it took over these railways, would really devote any sufficient time and attention to their administration?—Of course, it would add to their labour; but I do not think it would add to their labour so very much as to prevent their doing it more or less effectually. What they would do is that they would organise a system such as they do in the Public Works Department, or the Irrigational Department, or any other department; they would work through it; they would pick out all the best men they could lay hold of to work it; and there would be their general control. It would be divided also among the Governments. For instance, the general Government of Bengal used to look after the East Indian line from Calcutta to Delhi, on to Umballah. Then the Government of Bombay looked after the Bombay and Baroda line, and so on; and the Madras Government looked after their railway. And in that way I think that the work would be divided among the different Governments; and I think, on the whole, such a system would work better.

4784. Do you think that any sufficient inquiry was made as to the return that could be expected in the railways that the Government itself has undertaken since it ceased to subsidise companies?—I think a great deal of trouble was taken in trying to estimate what would be the returns; but these things are very uncertain in India. It is very difficult, under any circumstances, to calculate the returns; but the lines that are being made, as far as I recollect, by Government, are lines which are almost certain to pay, partly from the economical mode in which they are being constructed, and partly from the country they run through. For instance, the line from Delhi to the Sambhur Lake, through Jeypore, and the line from Agra to join that line, are almost certain to pay. I think the salt coming on the line would probably alone pay a cheap line like that.

4785. Do you know whether what are called the cheap lines in India are, in their first estimate, nearly as dear as those which are called the dear ones?—My impression is not so. Take that line between Mooltan and Kotri, on the Indus; I was looking over a pamphlet on the subject by Mr. Andrew, and I think he estimated that that line would cost 12,000*l.* a mile; but General Strachey told me, not long ago, that the estimate for a cheap line was 7,000*l.* a mile; that is 5,000*l.* difference; however, Mr. Thornton says that there would not be that great difference, though the one would be a great deal less than the other. Still that is a question which should be determined, after careful consideration, and after seeing the estimates of the different engineers. My impression is that, whether you consider the first cost, or whether you consider the working, it is impossible that there would not be a considerable difference.

4786. Do you know whether any estimates had been made on the same basis of construction and collateral works for what is called the cheap system and the dear system, resulting in the cheap system being about 700*l.* less than the dear system?—If it turned out that there was a very slight difference, then, of course, the argument in favour of a cheap line is very much reduced. But if you could save something like 1,000*l.* a mile when you come to lines, I will not say like the line to the Sambhur Lake, on which the salt may give an adequate return, but a line where for years and years you cannot hope to get the expenses paid out of the income, it seems to me that when you make a calculation of what the result of the other plan would be in loss of money at the end of 20 years, it would be very large. I would say in that case, cut your coat according to your cloth; do what you see long-headed men like the Americans do; they begin making a rough road, a corderoy road, without bridges; then they make it better, and improve it by degrees. Now take that line from Kotri to Mooltan, say that you save 1,000*l.* per mile for 20 years, and at the end of 20 or 30 years, when the country is developed, and a trade has grown up, you can then well afford to change your rails.

4787. Do you know whether the system is of that character that has been adopted by the Government, or whether they have not determined to make a complete and perfect railway, though it may be a narrow gauge one?—Assuming that many of the arguments in favour of the broad gauge, as compared with the narrow gauge, are true (though I do not say that they are true, for I think engineers say that the narrow gauge is as efficient as the broad gauge), and bearing in mind one great objection to it, an obvious one, the break of gauge, I say that it would be far better for the next 20 or 30 years to accept the inconveniences which would arise from a break of gauge, rather than to spend a thousand pounds a mile for the above time on a broad gauge; I would sooner accept the liability arising from the dangers of the one, than I would accept the certain loss of a considerable sum of money from the other, which we must borrow, and which we have not to spend; if I had plenty of money I would go in for the liberal system.

4788. Do you think it will lead much to increased expenditure in working the railways in India if the gauge is different, for instance, in the Punjaub?—I think it will lead to very little difference. I think people are blinded by the circumstances of a country like England, a country with small area, enormous wealth, enormous traffic, high prices, high rate of labour, which render it important to have one gauge throughout the country. But here is India, a continent; the distances so enormous, and the poverty of the people so great, that money is really an immense consideration. That is my feeling.

4789. Do you consider it expedient, in undertaking these works, that there should be a separate fund created for them, and that they should be entirely separate from the ordinary administration of the receipt and expenditure of the revenue, or that they should be carried on out of the revenue generally, and that the deficit that they create should be made up by loans?—As far as the accounts go, it seems to me that, though originally sufficient care was not bestowed in keeping the accounts of the profit and loss of each enterprise sufficiently distinct, yet of late years they have been kept distinct, and that the system, as now in force, is sufficiently good; that is to say, the system by which you bring into the general year's income and expenditure, everything that is spent and received in that year, but keeping a distinct account of profit and loss of every enterprise; I think that is, perhaps, the best system. But as regards the question whether I would go in for a limitation of public works to surplus income, I would not do it, because if you do that, I think you delay the development of the country and the improvement of the people indefinitely. But neither would I go in, on the other side, for very extravagant works. I would limit my expenditure to the most necessary and the most important works, and even in those, I would only go to a moderate extent, and then all that I could get out of the country I would devote to that, and the margin I would borrow. Wherever I had an increment from a successful year's financial administration, I would devote that to paying off debt; and, on the other hand, where there was a deficit, I would then borrow. I would make the income go as far as I could, and limit the undertakings to the most important works. But having begun a work, I would always go on, and complete it to the full extent; I think it would be more economical to press it on than to starve it for the sake of not borrowing.

4790. You think it better to borrow in order to complete any work, rather than dawdling through a number of years?—I think you lose a great deal of money by dawdling, in the one item of establishments. If you are continually increasing your establishments in one cycle of years, and then diminishing them in another cycle of years, you lose a great deal of money in establishments, and in one year your officers are doing little, and in another year they are overpressed.

4791. Do you think any advantage would arise from making the distinction between capital and revenue which would be made by merchants in their affairs, in dealing with the affairs of India, or that it is better to have one general system of receipt and expenditure?—I think it is better to have one general system. If you have got a surplus income, and are not pressed by public works to expend all of it, then pay off debt; if you happen to get a large sum of money from the sale of waste lands, or anything of the

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kind, devote it to the same purpose; but if you must borrow in the year, it is no use paying off a portion of the debt with one hand, if you have to take up a larger sum with the other.

4792. Your operation would be, if there was any surplus, to spend it in paying off debt, and if there was a deficiency, to borrow?—Yes.

4793. So that you operate, in point of fact, upon the public debt, as representing a capital?—Yes; in point of fact, if you look carefully into the accounts, you would find that one year with the other there was as much laid out that might be called capital, and, therefore, might be deducted from the expenditure, as there was of capital which was used as income, that one would very nearly balance the other. Now, for instance, in these late years a considerable sum of money has been derived from the disposal of ships and stores, and a large increment from the sale of land; but on the other hand there were large items of expenditure, such as paying for the transport ships, the payment of the ironclads to defend the Bombay Harbour, and in various ways you could trace considerable sums of money for which reasonable arguments might be adduced for debiting the amount against capital.

4794. Your argument is, that it would lead to considerable complication of accounts and mystification, if the other plan were adopted?—With a set of men not very conscientious, it might lead to cooking the accounts, I think.

4795. Have you considered the nature of the Home charges against the revenues of India?—Yes; I have not gone into them.

4796. Do you think that the mode in which they are now dealt with is satisfactory?—I do not.

4797. In what respect?—I think that India is overcharged.

4798. And for what?—Overcharged in various ways. I think the great item in which it is overcharged is regarding the recruiting of the English army. That has become very expensive, and that system is a system adopted for English objects, for English policy; and it seems to me unfair, that because it costs a large sum to recruit under those conditions, therefore India should be charged with it all. I think India ought only to be charged a reasonable cost for recruits, and that England ought to pay the balance. I may be prejudiced on the subject, but that seems to me only a reasonable conclusion.

4799. Have you gone through the papers which were prepared on the discussion of that question?—I was in the Council at the time when there was a great deal of discussion on the subject, and I heard all that was said on the other side; and I have since looked over the papers which were drawn up when Mr. Seccombe and General Jamieson were employed on the part of the India Office, and it struck me that India was not fairly dealt with.

4800. But I do not see in what respect India pays more than is the actual cost of the recruit, beginning with the first operations, and supposing that the recruit is kept a certain time in this country fashioning?—Under the old East India Company's system they had one depôt, and kept recruits there a certain time and sent them out; they may have kept them too short a time; it may have been necessary in order thoroughly to drill them to have kept them a longer time; but still keeping them a longer time would not in itself have caused such an enormous difference in the amount of recruiting now charged against India. An infantry soldier now costs something like 140 *l.*, and in the time of the company he cost something like 30 *l.* to 40 *l.*, and if you double that it would only have been 60 *l.* At one time you had a number of depôts, which were in my mind quite unnecessary, but they were maintained, I presume, for reasons good to the War Minister of the day. That being the case, why should not England pay the difference? If India was very rich and had plenty of money, and could afford it, I would say nothing about it; but when we are struggling in all ways to keep things going, and to do what we are bound to do in the way of developing the resources of the country itself, and trying to make the people less poor than they are, it does seem to me very hard lines to make India pay.

4801. But was the amount assessed upon what was calculated in the mode of recruiting to be the actual cost to the Government in this country of placing the recruit on board?—Yes, that is quite true; but it is an expensive system.

4802. Then is not the question, not whether the payment is right upon the system, but whether the system is right which leads to the payment?—It is the same thing to India, either way.

4803. It is the same as a matter of justice; because you ought to pay what the cost is; but it is another question whether the mode of recruiting is a right one?—That is quite true; but if my partner in a commercial concern introduces a system which costs the concern double or treble what it needs to pay, I should be the complainer, and should try to get rid of him.

4804. You might have a great complaint against the intelligence of your partner, but you would not be entitled to complain of injustice on his part?—I would say to him that I paid because I must pay, but that for the future we would separate. But we cannot do that in India, and therefore I think we, being subordinate to the authorities at home, and they having us practically in their hands, they ought to deal with us very tenderly.

4805. Would it not be very unjust to the people of this country that a bad system or an expensive system of recruiting should be kept up for India, and that they should pay the cost of the bad system, and only charge the revenues of India with the cost of a good system?—If the people of England will not do what they ought to do through Parliament and the Ministry, then they must bear the consequences, and India ought not to bear them.

4806. Do you know whether the Secretary of State for India has made any definite proposition for any other system of recruiting?—It seems to me that the Secretaries of State apparently did their best. What they actually did in the Cabinet I do not know.

4807. I am speaking of the Secretary of State, not in the Cabinet, but in Council?—The Secretary of State in Council seemed to me to have done what he could to defend India, as far as I could judge; but what he said in the Cabinet of course I cannot judge.

4808. But what is the essential difference between the system formerly pursued by the Company, by which they were enabled to put their recruit on board at a certain sum per head, and the

the present system, which costs double, or whatever it is?—The essential difference was, that then there was one depôt, with few officers, and here you have many depôts, with a large number of officers; I believe they have changed it lately to a system of recruiting by means of the Home battalions, but still they keep the cadres of two companies per regiment to recruit for India, and the effect of that is, to make it very costly. That seems to me the main reason. I think, if they really tried, they could alter it. If we were in such a position in India as to refuse to pay them, as the colonies refused, they would very soon find out a way of doing it. I think there is another thing which I may mention, I think, as regards the Indo-European Telegraph; as far as I understand, India has had to pay the whole cost of that, and it is a line which can never really pay; and in its construction, and ever since, we have had to pay the whole cost of it. It seems to me, that in the case of two nations undertaking to make a telegraph line through a long distance of country, neither of them would consent to bear the whole cost; if they did it together at all, they would say, "Let us bear the cost equally."

4809. Was not that undertaking wholly devised and carried out by the Indian Government?—I think not.

4810. Or by the Secretary of State in connection with the Indian Government?—I may be in error, but my impression is that it came from the mercantile community at Home.

4811. Although it may have originated in English enterprise, still was not the undertaking one entirely in the hands of the Secretary of State for India and the Goverument of India?—It may have been executively and administratively in their hands.

4812. And I mean politically, also?—I may be wrong, but it seems to me that it was a joint undertaking. At any rate, England gets an equal share of the benefits of that line; it is as important to England and English interests, as it is to India and Indian interests; therefore, I say, that justice demands that it should be paid for equally by both sides.

4813. What I mean is, that the Treasury were not in any way invited to participate in that undertaking in the same way as in the case of a joint enterprise, still less successful between the two Governments, the case of the Red Sea Telegraph?—The case may be as you say, but still I do not think that it would alter the condition of things.

4814. Then, in fact, if certain parties at home pressed the matter on the Secretary of State and the Government of India, it would be an instance of weak administration on their part in giving in to an unprofitable enterprise?—It may be stigmatised as weak, but it seems to me tyrannical on the other side. I mean that India is weak and the representatives of India are weak, because they have not political influence; but it is a tyranny to abuse that weakness.

4815. They can hardly be said to have been subject to any tyranny, can they, until there was an actual force brought to bear on the part of this country, in the shape of a resolution in Parliament that they should do it; were they not bound to resist, and are they not bound by the constitution of this country, as well as their own special constitution, to resist any appeal to join that project, if they really believed it ought not to be done?—I think that we are bound to do so; but it seems to me impossible in the nature of things, to oppose an effective resistance in a case like that.

4816. But the Secretary of State for India in Council, having been by Parliament expressly constituted on the footing that no expenditure should be incurred without the sanction of the Council, how is Parliament and the public of England to know that they are not acting within their own free will if they do not resist until there is a resolution of Parliament ordering them to do it?—You see that the Secretary of State for India is part and parcel of the government of the day, and if he cannot induce, or will not induce the government of the day to interfere, I do not see what the Council could do.

4817. We understand that the Council was expressly established by Parliament, to prevent the Secretary of State from spending money, unless they conscientiously believed that it was proper expenditure; it would be no answer to that, therefore, to say that the Secretary of State had not exercised his authority to prevent the Council agreeing to the expenditure?—It seems to me that there is a moral obligation on the part of the people of a country like England to interest themselves in the affairs of India, and that being the case I do not think I go too far if I say that the government ought to have prevented that abuse of opportunity, if I may so call it, if not of authority.

4818. But how are the people of this country ever to know that there is any such illegitimate influence if the Council do not take any part to render it apparent, even so much as by entering a dissent against the proceedings?—Perhaps the word "blameable" would have been better than "tyrannical," but it seems to me that with regard to a body like the Council, with no political power, no following of any kind or description, it is practically impossible for them in a matter in which the public do not take an interest to maintain an effective opposition to what they think is wrong. They may be to blame for not doing their best, but still it seems to me in practice that they cannot resist.

4819. But would there not be reason for supposing that the Council had really acquiesced, whether under influence or not, in the transaction, and accepted the whole responsibility for it?—I think if they did they did it because there was a feeling that they could not help it.

4820. Have you considered whether any economy might be effected by re-arranging the system of employing Europeans and natives in India?—Well, I think there could to a certain extent.

4821. Would you favour the Committee with your views upon that subject?—It is a very difficult subject to know exactly how to work out consistently with the secure maintenance of our power in India, and what I would say were the just rights of the natives; but in a general way, I would say, that we ought to employ the natives in great numbers, and whenever we could do it, with due regard to the efficiency of the service, and to our security as a foreign power, holding India with comparatively small means.

4822. And in doing that, do you consider that there should be a distinction in the scale of remuneration paid to the natives in India and that paid to Europeans sent there?—There would be a great deal of jealousy on that subject, but I would

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would say that it would be fair to both parties that the native holding a situation similar to those which Englishmen hold in the higher ranks, should be paid less, on the ground that his expenditure and requirements would be less, and that he could live equally well upon less means; but where they were inferior employments and the pay was not considerable, I do not think you ought to make a difference.

4823. Do you think that any plan can be arranged by which the appointments that natives might conveniently hold, could be secured for them, so as to prevent the expense of persons going out to India, if I may use the phrase, as followers of gentlemen in the service of influence, and being put into appointments in India, by patronage, who could not get into appointments in England by merit?—That is a great abuse, I think, but still it is difficult to put a stop to it where a man from his own feelings of right and wrong will abuse his opportunities. But I think that in point of fact, there is a very considerable check. First of all, if it is a local government, there is a council interfering, and where it is the Governor General in Council that does it, there is the Secretary of State interfering. But I would not bar the entrance to the service absolutely against Europeans, because I think it would not be fair, because there are a great number of Englishmen who have been not only for the best part of their lives in India, but from father to son in India, and connected with it; and I think it would be unfair, that to a moderate extent, appointments should not be open to their sons, where they were fit for them, because as it is now, the greater number of their descendants are barred from success for one reason or the other in competition in England; and if you shut absolutely the services in India against them, you will create, I think, a great grievance. But my general view is, that the natives ought to be largely employed.

4824. But has there not been a practice, and a growing practice, of withdrawing appointments from what may be called the regular services in India, and putting into those appointments persons from England, who have come out for patronage?—I cannot say to what extent it has been practised; but within my own cognizance, I think it was rarely done, only exceptionally done, during the time that I was Governor General, which was five years. I really cannot recall any instance under my own knowledge, of that kind.

4825. But are there not a number of minor appointments which are not made by the Governor General himself, but practically, by persons of considerable standing in the public service, and by Governors of Presidencies?—I have heard that there have been cases of that kind, but they were rare; among nearly all what I would call the men of character, who held high positions in India, I think the tendency has been to help the Natives where they could do it.

4826. Do you think there has been a complaint on the part of Europeans at the smallness of their salaries, whereas, if the same offices had been held by Natives, the Natives would have congratulated themselves on the largeness of them?—Yes, I think that is the case; but I think also, that in inferior appointments up to a certain amount, whether it is a Native or a European, though the pay would go further for a Native; still, it is not sufficiently large to let the man do more than fairly live; when you come to high salaries, it is very different.

4827. Do you observe that there has been a great tendency since the increase of communication with England to get leave of absence, entailing a large expense on India?—I think that there is a great disposition to come home oftener than used to be the case. In my day, and in the days antecedent to my time, it was a common thing for the bulk of the officers never to come to England at all, until they finally came home, and retired from the service; but now the facilities are so great, that the desire to come home increases very much.

4828. Do you think that with a view to economy it is necessary to check that desire?—I should hardly say so; I think the great objection to it, is not so much a question of economy or finance, because I think men disposed to come home stint themselves in India in order to make a purse, as they call it, to come home, and when they have spent their money, go back again; but what I think is the objection to it, is, that their minds are turned towards England, and English conveniences and advantages, and English life, and so forth; and that they are rather weaned, or turned from devoting themselves, as much as they used to do, to interests connected with India.

4829. Can you suggest to the Committee any mode by which they could obtain the evidence of Native witnesses in India, and select persons who are really qualified to give the Committee any useful and practical information of the views of the Natives of India upon matters of finance?—I do not know that you will get very much more out of the Natives, however they were selected, than you have already got out of different men. But I think it would be popular in India; leading men in India, Natives, would be very glad if a certain number of individuals were allowed to come home and give evidence. Although objections may be raised to whatever the mode by which you select them, I think you must select them, and I do not think that you could do better than to leave it to the Governor General, say within a certain limit, that he should select men from the different Presidencies who are known to be men of character, and ability, and knowledge, and who themselves were willing to come.

4830. That is that if applications were made to him, he should select out of the applicants those persons most fit for the purpose?—I would rather be inclined not to have applications; I do not think that the best men would apply; such men as, if I had been Governor General, I would have laid my hands upon would have shrunk from applying; but I would rather say, supposing you require six or eight men, or whatever number you think proper, I would suggest that the Governor General be requested to select them himself; he would consult others, and of course feel the pulse of those whom he would be inclined to send home, and ascertain, before he offered it to them, their willingness to come; but I think by no means the best men would apply; I am nearly certain that they would not apply.

4831. It would be probably desirable to have applications and consider them?—I would not do it; I rather think if I had to do it there would be a bias in my mind not to take those who had applied; I would rather mark down myself a number

number of names, and then consult A, B, C, and D, as to these men; consult the Bombay Governor, the Madras Governor, the Lieutenant Governor of the Punjaub, and others, and so make selection, than I would have applications.

4832. Mr. *Fowler.*] You have referred to the evidence which Mr. Thornton gave before this Committee last year; did your Lordship quote that as approving of it; Mr. Thornton's evidence was that it was possible to make an arrangement with the railways which would hand them over to the Government in a hundred years?—I do not know his scheme, but he told me that, and I asked him to show it to me, and he explained that he had mislaid the papers; but I really did not see his scheme. If there was a practical scheme, I think it would be a good thing.

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13 June 1873.

Tuesday, 17*th June* 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Eastwick.
Mr. Beach.	Sir James Elphinstone.
Mr. Birley.	Mr. Fawcett.
Mr. Bourke.	Lord Edmond Fitzmaurice.
Mr. Candlish.	Mr. Robert Fowler.
Mr. Stephen Cave.	Mr. Hermon.
Mr. Baillie Cochrane.	Mr. Lyttelton.
Mr. Cross.	Mr. M'Clure.
Mr. Charles Dalrymple.	Sir Stafford Northcote.
Mr. Beckett Denison.	Mr. John Benjamin Smith.
Mr. Dickinson.	Sir David Wedderburn.
Mr. Grant Duff.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. NOWROZJEE FURDOONJEE, called in; and Examined.

Mr. *Nowrozjee Furdoonjee.* 17 June 1873.

4833. *Chairman.*] WILL you be good enough to state what your occupation has been in India?—I have been employed in the Government Educational Department for about six years, in the Elphinstone Institution, and subsequently as Assistant Professor in the Elphinstone College at Bombay; I was attached to the British mission to Cabul under the late Sir Alexander Burnes; I was employed as third translator and interpreter to the Supreme and High Court of Bombay for 19 years; I am justice of the peace and a member of the municipal corporation of Bombay; and I have been secretary to the Bombay Association, and have been deputed by the Bombay Association and the Poona Sarvajanik Sabha to give evidence before this Committee.

4834. And what is the purpose of those Associations?—The purpose of both these Associations is to represent the wants and requirements of the natives of the Bombay Presidency in particular, and of the natives of India in General; to watch the course of legislation, to make representations to the local government, to the local legislature, and to the Supreme Legislature of India, and the Supreme Government of India, on measures affecting the rights and interests of the people, and also to make similar representations, with the same object, to the governing authorities in England and to the Imperial Parliament.

4835. And have you, in your position as Secretary to the Bombay Association, been able to inform yourself, to any considerable extent, of the views and feelings of any particular classes of natives?—I have; and I have travelled through many parts of the Bombay Presidency on a great many occasions, and I have made myself acquainted, with political and other matters in India during the last 20 years.

4836. What are the particular class of persons constituting the Bombay Association?—The Bombay Association is composed of the principal native inhabitants of Bombay, including the native members of the local legislature, the principal merchants, brokers, the educated classes, and other native gentlemen of Bombay.

4837. Do you mean the English-speaking classes?—There are several that are not acquainted with English.

4838. And who constitute the Poona Association?—The Poona Association is composed of the chiefs, the sirdars, and the representatives of the inhabitants of Poona, sent into that body by virtue of a power of attorney from the inhabitants of Poona.

4839. The Poona city do you mean, or the Poona district?—The Poona city; and it represents also the inhabitants of the Poona district and the Deccan.

4840. Now, having directed your attention to the administration of the Bombay Presidency by the local governments, do the members of the association raise any objection to the mode in which that Government is administered in operating upon the finances of India?—They have often done so.

4841. What are the particular objections that they feel to the administration?—They feel objection to the manner in which the administration of the Government is carried on, inasmuch as in a good many respects it produces discontent and dissatisfaction with the measures adopted by Government as government, and by the Government and the Legislative Council of Bombay.

4842. But the Legislative Council of Bombay contains different elements from the Council of the Governor?—The predominant element is the Government element. It is composed of all the Members of the Executive Government, namely, his Excellency the Governor, who is President of the Council, and the Commander-in-Chief, and the two members of the Council, making five; then there are two secretaries of the Bombay Government, who are also generally

generally members of the Legislative Council. The Commander-in-Chief, as one of the members of the Legislative Council, takes no part in the civil business of the Executive Council, nor does he take any active or prominent part in the business of the Legislative Council; and then there are non-official members; one or two of them are selected from the European mercantile community; the Advocate-General is an *ex officio* member of the Council, and besides one or two European non-official members there are about three or four native members.

4843. Mr. *J. B. Smith.*] Do you know how many members there are in the whole Council?—There are thirteen members at present.

4844. Does that include the three natives?—It includes the four natives.

4845. Then there are eight Europeans, and three natives?—There are at present nine Europeans and four natives.

4846. *Chairman.*] Now what is the grievance which the natives feel in regard to this constitution of the Council?—One great matter of complaint and dissatisfaction, so far as the native community is concerned with regard to the constitution of the Legislative Council is this, that the non-official element is in a minority. It is composed, as I have already stated, of two European members, and with regard to the four native members, who are nominated to the Council with the object of giving a sort of representation to the native community, one or two of those gentlemen who are selected are usually Sirdars, or chiefs of the Deccan or Goojerat, who are utterly unacquainted with the English language, in which the proceedings of the Council are conducted. It is necessary to employ an interpreter, who explains a little of what is going on here and there; but the chief explanation is confined to asking those members on which side they would like to vote; and therefore the natives feel that they have not got an adequate representation of their wants, wishes, and interests in the Legislative Council, in which measures affecting their welfare are introduced. Important laws have been introduced, and have been passed, and I will show to the Committee the nature of those laws which have been passed, and how they have affected the interests of the native community.

4847. I am afraid that we are branching very much now out of our sphere. What we are looking to is the purely financial administration of India, and what I want you to explain is how that is affected by what you refer to?—I will put it in a financial point of view. The Legislative Council costs the State a sum of money in expenditure, and in order to justify that expenditure, and in order to its being properly laid out, I submit that it ought to be a properly constituted and efficient body of legislators.

4848. But are the native members paid?—The non-official members, I believe, are paid for their travelling allowances; but the native members, actuated by magnanimity, do not draw that allowance.

4849. Then the only financial question that could arise really is, whether in enlarging the constitution of the Council we should to any considerable extent enlarge the expenditure?—Even if it be necessary to enlarge the expenditure (which I do not think will be the necessary result of enlarging the Legislative Council, because native gentlemen may be found to accept office as a matter of distinction and honour, and therefore it will not entail any additional expenditure), I would submit to the Committee that for the interests of good government it is necessary to enlarge the Council.

4850. Do you know whether the natives understand that the Legislative Council of Bombay controls the expenditure of the Government of Bombay?—At present they do not control the expenditure.

4851. But is it their wish that the Legislative Council should undertake that duty?—Yes; it would be, I think, for the interests of the inhabitants of the Bombay Presidency if the Legislative Council of Bombay were enlarged and reconstituted, and representatives of different classes of the inhabitants of the Bombay Presidency were admitted into the Council, and the provincial budget were introduced into the Council, and all the items of the provincial revenue and expenditure were carefully and thoroughly discussed and resolved upon, item by item, in the same way as it is done in the House of Commons. Then the force of public opinion and public criticism, and the wishes and wants of the native community, would be carried into the Council through their representatives, and a good and efficient check would be provided over the expenditure, which I submit there is not now under the present constitution of the Council. Under the decentralisation scheme a budget was once submitted to the Council, namely, in the year 1871, when it was inaugurated under the late Governor, who submitted a financial statement; but the details of the revenue and accounts of the provincial services were not laid before the Council, nor were they gone into and examined, nor were they voted upon; and the submission of such a budget took place only once in the year 1871. Last year even this form was done away with, and there was no financial statement made.

4852. When the financial statement was made that you have described, did the native members of the Council concur in the Bills that were passed to levy the taxes put before them?—They strenuously objected to the three proposals of fresh taxation that were brought before the Council.

4853. All the native members?—All the native members.

4854. And did any other members also object?—Yes, with regard to some matters of detail some of the other members also objected.

4855. But not to the general principle of the taxes?—With regard to one of the taxes, and the general principle of it, they did.

4856. Mr. *J. B. Smith.*] Which was that?—The tax proposed to be levied on feasts.

4857. *Chairman.*] But was that, nevertheless, carried by a majority and passed?—It was rejected and abandoned.

4858. Mr. *Bourke.*] Was that a new tax?—Quite a new one. There were three taxes brought forward by the Government for the purpose of raising funds to supply the deficit which was stated to exist in the amount set apart by the Government of India for the provincial services of the Bombay Presidency. That deficit was not met by reduction. In my humble opinion, it could have been met by reduction in the costs of the provincial services; but there was no attempt, I believe, made to make reductions, and the

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Government resolved upon adopting the other alternative that was open to them, to raise money by additional taxation, and they proposed three taxes; first, the tax for levying a contribution on the municipalities of the large towns for the expenditure of the police; secondly, a tax on the non-agricultural classes.

4859. Mr. *Fawcett.*] Was that an income tax on the non-agricultural class, ?—Yes; that is a tax that is called the non-agricultural cess. Petitions were sent urging the Council not to pass these measures, as they would be productive of very great hardship and annoyance to the people. With regard to the contribution which was proposed to be levied for police purposes, it was represented to the Council that the municipalities of the towns in the Mofussil were obliged to impose taxation for municipal purposes, which was felt to be very large, and that this might have the effect of adding to the burdens of the inhabitants of the cities. It was represented that the police expenditure of the Presidency admitted of a reduction; that it had been enhanced during the last six or eight years by some four or five lacs of rupees; and that if reductions were made, there would be no occasion for levying this tax and the other taxes. In the same way with regard to several of the other provincial services, they fully admitted of reduction, inasmuch as each service had been increased by several lacs during the last six or eight years. With regard to the tax that was proposed to be imposed on the non-agricultural classes, it was urged by Government that those classes were not subject to taxation, that they escaped scot-free, and that, therefore, it would be a just and proper measure to bring them under taxation. But in reply it was represented that they did not escape taxation; that they were subject, both directly and indirectly, to a number of taxes, and paid their fair share of taxes; and that with regard to the agricultural classes, although it was represented that this tax would not fall upon them, it was apprehended that it would really fall upon the agricultural classes, and, in fact, the limits of the tax were fixed so low, that it would take in all classes of the people including the agricultural classes, who already paid their share of the indirect and other taxes; and not only that, but paid very heavy land revenue to Government. And the non-agricultural tax, as proposed and as passed, was to be divided into three classes or grades; the lowest class I believe was 1½ rupees, the second was three rupees, and the third was five or seven rupees.

4860. Mr. *J. B. Smith.*] Do you mean that it was a poll-tax or what?—Six rupees per annum, and 3 rupees, and 1½ rupees, to be levied on each householder every year. When the Bills were introduced the amounts were lower, but eventually the schedule was altered, and the maximum rates to be charged on the first and second classes were enhanced from 5 and 2½ rupees to 6 rupees and 3 rupees per annum, and on the first class it was left at 1½ rupees. But after this Act was passed, Government, in pursuance of the authority that was vested by the Act in it, authorising it to fix and promulgate rules for the levy of that tax, created an additional class, and that class was assessed so low as 1 *s.* for each individual on incomes ranging from 50 rupees to 100 rupees; that was not contemplated by the Bill as it was brought into the Council, nor was it contemplated at the time it was passed, otherwise the very oppressive manner in which this new class was created and enforced, which produced so much suffering and hardship, would have been brought particularly to the notice of the Council; but this was not mentioned to the Council, and it was not contemplated by the Council; and this new class was created to enhance the produce of the tax, which was estimated by Government to realise 4½ lacs; but by taking in and creating this additional class, one lac more was realised, and the amount realised amounted to 5½ lacs; and the hardship of this was this, that every person, the paupers and mendicants, and every person who was the head of a family, was assessed, and this tax was levied from them all. In vain they remonstrated. They appealed, but the appeal was obliged to be made upon stamped paper of the value of 1 *s.*; so that to get off the tax of 1 *s.* they had to have recourse to a writer, and to pay him for engrossing an appeal on stamped paper of the value of 1 *s.*; and they were put to more cost than the amount for which they were liable, namely, 1 *s.* This hardship was represented to Government, and they were good enough to reduce the stamp fee for applications for remission from 1 *s.* to 2 *d.*, but still they were not allowed to present their appeals on plain paper.

4861. *Chairman.*] That was after the Act was passed?—Yes.

4862. But we were considering the position of the natives in passing the Act; can you state to the Committee whether when this Budget with the scheme of taxation was made public in the newspapers, the native inhabitants generally took any means to represent their views to the Government or to the Legislative Council?—They did; they petitioned the Legislative Council, stating their objections, and the hardship of these additional burdens which were proposed to be devolved on them. They urged that already taxation was severe enough, and that this would be felt more, and that it would press heavily on the poorer classes of the people. But against their petitions, and against their remonstrances, those Bills were passed.

4863. Were these petitions signed by any considerable number of natives?—Yes; a petition was sent by the Bombay Association; petitions were sent by the Poonah Association, and from Surat and Goojerat.

4864. Therefore, in passing the Act, the Legislative Council were fully aware of the opinions of the natives on the subject?—They were; but owing to the way in which the Council was constituted, the Bills were passed on account of the official element being predominant in the Council. And it was done in this way: these measures of taxation were first determined in the Executive Council of his Excellency the Governor, and they resolved to carry it through the Legislative Council. Then they publicly brought forward these proposals, and they had an official majority in their favour, and there was no difficulty therefore in passing them; with the exception of only one measure, to which there was very great opposition, because it interfered with the religious usages and customs of the people, namely, a measure to tax all their marriage and religious feasts, and therefore that was abandoned.

4865. They are like the usages of people in this country to eat and drink on important occasions, I suppose?—Pardon me, they are more than that.

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In regard to these religious usages, the people are obliged to conform to them; a man when his father or mother, or any relative dies, is obliged on certain days to give a sort of religious feast; this is incumbent on him; if he does not do it, he in fact loses his caste and becomes almost an excommunicated individual; it is, therefore, obligatory on him to conform to these usages.

4866. The result was, that the European members of the Legislative Council sympathised with that view and did not pass the Bill?—That Bill was not passed.

4867. Mr. *J. B. Smith.*] Was it proposed that Europeans should be taxed for these feasts as well as natives?—Everybody.

4868. *Chairman.*] Do you mean that if a European gave a dinner on his marriage he would be taxed?—Yes, if he invited more than 100 gentlemen, he would be taxed.

4869. That is a limit which Europeans do not come up to, I think?—No; they would have escaped therefore.

4870. Are there any other measures of taxation in which the local Legislative Council has concerned itself, in which you think that the natives have not been sufficiently consulted?—Yes, of late, and for a considerable time past, Government have promoted most mischievous and unjust legislation by withdrawing from the courts of justice the jurisdiction which they possessed for a great many years, to take cognisance of cases of the undermentioned description: first, cases relating to alienated lands wholly or partially exempt from payment of land revenue to Government, under Act XI. of 1852, and Acts II. & VII. of 1863. Second, cases relating to lands held under treaty, or lands held as surinjam, or on similar tenure, or lands held for service under Bombay Act VII. of 1863, section 2. Third, cases relating to pensions, cash allowances, and grants by Government, of money or land revenue under the Pensions Act, No. XXIII. of 1871. In all these cases, although the Government, one of the interested parties are liable to the people, yet they have promoted the above-mentioned legislation with no other object than that of repudiating their just liability to private individuals, by removing from the jurisdiction of the ordinary courts, such large and most important classes of cases, involving the property, income, and fortunes of numerous individuals, a large majority of whom have been ruined and reduced to beggary by the arbitrary confiscation of their property. Speaking of the operations of that "great confiscatory tribunal known as the Inam Commission of Bombay" established for carrying out Act XI. of 1852, Sir John Kaye, Secretary in the Political and Secret Department of the India Office, who has been examined before this Committee, describes the effect and result of the operations of that tribunal in these terms in his History of the Sepoy War. "But the Inam Commission was established. The fame of it went abroad through the Southern Mahratta country. From one village to another passed the appalling news that the Commission had appeared, had called for titles that could not be produced, and that nothing but a general confiscation of property was likely to result from the operations of this mysterious tribunal." "Each day," it has been said, "produced its lists of victims; and the good fortune of those who escaped, but added to the pangs of the crowd who came forth from the shearing house, shorn to the skin, unable to work, ashamed to beg, condemned to penury." The titles of no less than 35,000 estates, great and small, were called for by the Commission, and, during the first five years of its operations, three-fifths of these were confiscated. Speaking of the same tribunal, Mr. John Warden, who was a Member of the Government of Bombay, and filled some of the highest judicial posts in that Presidency, in the evidence which he gave before the Parliamentary Select Committee on Colonization and Settlement of India in 1858, condemned the conduct of the Government in having departed from that principle of justice by which the *onus probandi* in such cases is thrown on him who seeks to oust another; in having taken away the privilege of succession to an adopted son; in having altered the law of prescription in their own favour; in having constituted a court of their own for the hearing of their own claims (a court composed of young captains and subalterns taken from the regiments), to which court they, a party to the suit, have the power of issuing instructions, which instructions are not to be questioned in any court of law. Speaking of the procedure of that tribunal, he said, "Although the unfortunate landowner may have appeared before the Assistant Inam Commissioner on the original trial, the appeal to the Inam Commissioner is probably disposed of in the Inamdar's absence, and most certainly the final appeal before the Governor in Council is done in a corner, and no order or decision of the Government is to be questioned in a court of law." He thus described the consequences resulting from the proceedings of this tribunal: "As these Inams are numerous, and some of them very small, the iron rule of the Inam Commission spreads alarm throughout the country, alienates from the Government the goodwill of its subjects, and carries dismay, distrust, and hatred into every cottage." Latterly, when Government found it impossible to carry on the work of total confiscation any longer, they laid under contribution one-third and one-eighth of the incomes of the rent-free lands that had escaped from the clutches of the "great confiscatory tribunal." The Bombay Government took undue advantage of the powers of local legislation which were conferred on the local Council by Parliament in 1861 and carried out in 1862. In the following year Government introduced and carried through the Council Acts II. and VII. of 1863, with the object of depriving the freeholders of the Bombay Presidency of a large portion of the revenues of their lands. All the remonstrances and protests that were addressed to the Council were disregarded, and the measures proposed by Government were enacted. The result was, partial confiscation of the revenues which were received and enjoyed by the landholders and their ancestors from generation to generation. A few years ago one of these landowners, Premshunker Raghoonathjee, filed a suit against the Collector of Surat, for having wrongfully assessed his land. The case was decided in 1871 by the High Court. In dismissing the suit, the Chief Justice, Sir R. M. Westropp, made the following observations: "The course of legislation on similar subjects in recent times shows a greater and greater contraction of the spirit of liberality, and of confidence in its judicial institutions, which animated the Government in framing the Elphinstone Code of 1827.

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1827. On the merits or demerits of this policy (of which the effect is to make Government the judge of its own cause) we have nothing to say; but we must note the fact, as throwing light upon the probable intention of the Legislature in passing Bombay Act VII. of 1863. Thus viewing the subject, we do not think it improbable that Government intended to withdraw the whole class of cases, to which our attention has now been directed, from the cognizance of the tribunals to which it was content to leave the adjudication of the subjects' mutual rights and duties where its own interests were not concerned." The Government have so much work, that it is impossible for them to do justice to, and sufficiently to perform, the work which belonged to, and which they have unjustly taken away from, the legal tribunals—work which, to use the words of a member of the Government, is "done in a corner," and behind the back of the unfortunate claimants, who have no right of appeal against the decision of Government (*see* Bombay Act II. of 1863, sec. 13, and Act VII. of 1863, sec. 28). Even supposing the Government have time to investigate such cases, their forms of procedure and mode of doing business are such as to preclude the possibility of doing such justice as could only be obtained from properly qualified judicial officers, conducting trials in open court, in the presence of the parties and their advocates. Under the circumstances which I have submitted to the Committee, it is necessary that measures should be devised for giving redress to the individuals who have suffered so much from the proceedings of the Government and their officers, and removing the evil; and provision should be made for the adjudication of all cases relating to lands wholly or partially alienated, and to land revenue generally, as well as cases relating to pensions, cash allowances, hucks or claims, rights and privileges of every kind, by the ordinary courts of justice, after trial in open court, according to legal procedure, instead of their being disposed of in an arbitrary manner by collectors, revenue and alienation Commissioners, and Government, often on the *ex parte* representations of subordinate officials.

4871. In speaking of the Government doing various things, do you understand that it is the duty of the Government in levying taxation upon the people to take care that all persons are taxed, and that no person exempts himself from taxation by any improper means?—Yes; it would be the duty of the Government to take care of that.

4872. Then, if it were a matter of ordinary notoriety that owing to the dreadful state in which the country was before the British Government took possession, a vast number of persons by every conceivable means of wrong and fraud, and crime, had exempted themselves from taxation, do you think that it would be the duty of the British Government in administering affairs to investigate those matters, and so far as they found them true to redress the evils that had taken place, and for the benefit of those who paid their taxes, to bring to justice those who were exempting themselves?—If it was some tax, such as the income tax, or the salt tax, and the people escaped, it would have been the duty of the Government to do so; but this is taking possession of revenues of lands which people from generation to generation enjoyed and possessed rent free. If they did so through any fraud, Government would have got the benefit of that by initiating legal proceedings against them, or by leaving those parties to take proceeding against Government in case it was within the competence and province of Government to seize and take possession of the lands and revenues of these persons; but I submit that it was not a judicious proceeding on the part of Government to deprive people by legislation of their legal remedies, to assume the functions of a judicial tribunal themselves, and to decide their own cases themselves.

4873. Mr. *J. B. Smith.*] These Inam lands are free from taxation?—Yes.

4874. *Chairman.*] When you speak of the Government being interested in these cases, was not the only interest of the Government to hold the scales truly between those who paid the taxes and those who did not; Government could have no other interest, I presume, in the matter?—The Government not being a judicial tribunal, might be carried a little too far in holding the scales; they might wish to increase revenue, and actuated by that motive, they might resume, and they have resumed, the lands, and incomes and revenues of the people.

4875. But then the Government appointed a special tribunal for the purpose of investigating all these cases of claims of exemption from revenue, did they not?—They did appoint a tribunal, but it was a tribunal composed, as Mr. John Warden has said, of officers from the regiments, who were not in a position to enter into judicial investigation, and were not competent to examine the claims, and decide on them in the same way as experienced and trained judges, the judges of the ordinary courts established by the Government, are.

4876. The objection is, therefore, to the mode of procedure of the special tribunal in investigating these claims?—Yes; but they might have been left to the ordinary courts for adjudication, and then there would have been no ground of complaint on the part of the people.

4877. But are you aware of the fact, or whether it is the fact, that the ordinary courts, from the special circumstances of the case, could not have carried on the investigations that were necessary into the affairs of the Government which preceded the occupation of this part of India by the British Government?—I do not think that there was anything which would have prevented the Courts from deciding all such cases; nothing whatever.

4878. Did not the decision of these cases very much depend upon what course the Government thought fit to pursue, after the conquest of the country, in performing its duty to all classes of the community; was not that a question that could not be entered upon in the courts of justice?—The courts of justice, as you are aware, enter into all questions that are legitimate to the issue, and have any bearing whatever upon the case; and, if this question had an important bearing, they would have entered into it.

4879. Are the Inam Commissioners still in existence?—No; that tribunal, as I have just mentioned, could not be maintained any longer, the disaffection in the Bombay Presidency was so great, and in the Southern Mahratta country in fact, it led to rebellion; and, in consequence of that, Government were obliged to abolish that tribunal; but, latterly, in doing so, they passed legislation such as I have mentioned, by which the

revenues

revenues of the remaining lands that had escaped seizure by the Inam Commission tribunal were laid under contribution, and one-third or one-eighth of the revenues of all those estates were taken possession of.

4880. The matter was disposed of legislatively at last by taxation?—Yes; by Government, in their legislative capacity, with the aid of a few non-official members going through the form that I mentioned before.

4881. Do you know whether it has been the practice, in the repeated subversions of government that have been always going on in India, for every new government not to investigate these matters at all, but to sweep away the whole of the transactions of the character that you have been describing, on the part of their predecessors, and put the whole land again under regular assessment?—You are speaking of former governments. I submit that the former governments would not form a good analogy of procedure on the part of the British Government. The British Government is a perfectly just government, and it would be a shame to resort to any of the confiscatory measures that had been adopted by the previous governments; it would be a disgrace to the British Government to do so.

4882. You would not hold, then, that the British Government would equally disgrace itself, if it had confirmed, without adequate investigation, the transactions of its predecessor in the Deccan, for some considerable period of time before the subversion of the Deccan Government?—Confirmation was given to the rights, lands, and possessions of the people when the country was conquered. It was publicly proclaimed that all the rights, the lands, and privileges of the people would be respected and confirmed; and, that being so, Government were bound to act up to their proclamation, and not to depart from it, and not to institute a special tribunal which seized and took possession of people's lands without full judicial inquiry and investigation.

4883. Did you ever see any such proclamation, or do you know whether that proclamation was attended with several reservations to meet the deplorable circumstances of the country at the time that it was taken by the British Government?—It was subject to reservations; but what I have stated was the general tenor and scope and purport of the proclamation.

4884. Can you state the reservations?—I forget at this moment exactly what they were.

4885. Do you know that the reservation was exactly to leave open an investigation into the acts of the preceding Government, and only to confirm the regular revenue and the possession of the lands subject to the regular revenue?—I submit that when once the territory was conquered, the conquered people became British subjects.

4886. But I am asking you whether you remember whether the nature and effect of the reservation was to leave open for further consideration the position of those who were not in the condition of ordinary occupants paying the ordinary revenue?—I do not remember that just now; but very likely there was such a reservation. Moreover, I wanted to bring to the notice of the Committee the fact that the Government of Bombay have sanctioned and carried out several important measures, although they had no legal power or authority to do so. For example, Mr. Warden, the able and impartial officer to whom I have already referred, has stated before the Colonization Committee that the Government established the Inam Commission, and that this tribunal, "carried on its proceedings most rigorously for nine years, namely, from 1843 to 1852, even without the sanction of an Act of the Indian legislature." In 1863 the Government sanctioned the levy of a local cess of one-sixteenth in the rupee, or a little over 6 per cent. on land assessment for such local improvements as the construction of local roads, Dhurmsales, the promotion of education in the rural districts, &c.

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4887. Was that done by an Act of the local legislature?—Yes; it appears from the speech of the Government member of Council, who introduced the Local Funds Bill in 1869, that about 15 lacs of rupees were raised from the agricultural classes without legislative sanction; and he declared that as some persons "from a spirit of opposition, or if the term were preferred, of independence," would not pay the cess, it was apprehended that many others would follow their example; he therefore said that "it was necessary that legislation should ratify what had been commenced;" accordingly an *ex post facto* law was passed in 1869, legalising the unauthorised levy. In the same way the city survey operations, into which I propose hereafter to enter more fully, were sanctioned by Government in Ahmedabad in 1863, and in Surat in 1867, and were carried out by the executive officers for several years; but when the people offered opposition, and questioned the authority under which oppressions were practised, Government introduced a Bill and passed it in 1868, legalising the measure against the remonstrances of the people. Then there is another matter, which is a subject of great complaint, which I wish to bring to the notice of the Committee, and that is the system of secrecy which pervades all the Government officers from the highest to the lowest; no access is allowed to the public records in the Secretariat, the offices of the Accountant General, the revenue commissioners, alienation, survey and settlement officers, collectors, and magistrates, city survey, high and district judges' courts, &c.; having occasion to refer to the detailed budget estimates of Public Income and Expenditure, the annual reports of the revenue commissioners, alienation officers, survey and settlement reports, and the annual returns showing the income, expenditure, and work of the judicial courts for the purpose of verifying the information I had collected for being laid before the Select Committee, I applied to the Government of Bombay, the Registrar of the High Court, the Judge of Ahmedabad, and the city survey officer of Surat, who declined to allow me access to these records; farmers and cultivators who apply to the revenue survey officers for information regarding the grounds and data on which the assessment of their lands is enhanced or fixed are repulsed with flat refusals; the survey and settlement reports are not made public until long after they are confirmed by Government, and carried out by the executive officers, when their publication is of no practical use or advantage.

4888. Are the natives satisfied with the Imperial taxes that are levied, or have they any cause of dissatisfaction with them?—They are dissatisfied

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dissatisfied with several of the Imperial taxes, and the way in which they are levied; before I leave the subject of the Bombay Legislative Council, perhaps the Committee would be good enough to allow me to bring to their notice some further points which I wish to bring before them. I have stated that the Government brought forward, and carried through the Legislative Council several measures, of which the inhabitants of the Bombay Presidency feel aggrieved; besides those that I have mentioned in connection with the seizure of lands and the income of rent-free lands, there is one measure that has created very great dissatisfaction in the principal towns of the Bombay Presidency, in which that measure has been introduced; I refer to the City Survey Act; there was no necessity for that measure. It has, moreover, proved a failure in a financial point of view.

4889. What did it do financially, or what did it profess to do financially?—It was represented to Government by their officials that it would be advantageous to Government and to the municipalities of the large cities in the Bombay Presidency. It was alleged that people's houses were built on lands that belonged to the Government, to which the people had no right, and that such lands would be assessed, and the proceeds of the seizure, or assessment of such land, would be appropriated in certain proportions between Government and the municipalities of the large towns, and that both of them should share the expenditure connected with the operations of the City Survey Officers. Accordingly, an Act was introduced in the Legislative Council, and it was passed. It has proved a failure in a financial point of view, and has, moreover, been productive of hardship, injury, and suffering amongst the inhabitants of the towns in which it has been enforced. This position I hope to be able to make good and establish. This measure was proposed by Mr. Hope, when he was collector of Ahmedabad, in 1863, and he brought to the notice of Government that the rights of Government, and of individuals to land not built upon in that city "were in a most undefined condition, and that there were no means of checking encroachments on the land belonging to Government, or of preventing fraudulent transfers and appropriations of such land. It was pointed out that an accurate survey and registration of properties would settle definitely the title to all land; if private, secure it from interference, and if public, lay an adequate assessment on it. On Mr. Hope's report a survey establishment was sanctioned, the cost being defrayed by the municipality, who in return were to enjoy the proceeds of the sales of occupancy rights, while the levy of the annual assessment was to be reserved to Government. All land, however, which was either then or seemed likely in future to be required for Government purposes, was reserved, under Government Resolution, No. 3044, September 9th, 1863. In 1867, Mr. Hope, being then collector of Surat, proposed a similar survey of that city, on the same general principles as those sanctioned for Ahmedabad. This was sanctioned by Government Resolution, No. 862, February 28th, 1867, and the rules for assessment and inquiries into titles then laid down have been adopted with slight modifications in all other towns to which Bombay Act IV. of 1868 has been applied." The city survey was sanctioned by Government, and carried out in the city of Ahmedabad from the year 1863, and in Surat from February, 1867, without legislative sanction or authority, and when the powers of the authorities charged with the practical operation of the measure were openly questioned and their authority defied by several public-spirited individuals in Guzerat, Government were under the necessity of bringing in a Bill into the Legislative Council of Bombay to legalise the rules which they were unable to enforce. This Bill was introduced into the Council in August 1868, for the purpose of inquiring into the titles on which lands situated in towns and cities are held, and to resume and assess them if exemption was not proved. No less than eight petitions were addressed to the Council against the measure, showing the injustice of the Bill, and soliciting the Council to refrain from enacting it. In support of their prayer, the petitioners submitted the following facts and considerations: it is an acknowledged fact that all lands used for dwelling-houses, whether situated in towns or cities, or in villages, have always enjoyed total exemption from taxation under the former Governments, and that the British Government has hitherto continued such exemption, and had not made any attempt to tax such lands up to the present time. It was now proposed to depart from that salutary practice. In fact, it is clearly to be gathered from the language of Regulation 17 of 1827, the earliest law now in force on this subject, that lands used for agricultural or like purposes alone are liable to assessment. This view is borne out by the fact that no attempt has hitherto been made to tax lands used for dwelling houses in villages as well as towns and cities. The attempt proposed for the first time to assess lands situated in towns and cities created widespread alarm and dissatisfaction in those parts of the Presidency where the intentions of the Government had been made known and understood. The proceedings of the Revenue Survey and Assessment Officers, who have carried on their operations in several large towns in Guzerat during the last two or three years without legislative sanction or authority, have been productive of considerable annoyance and discontent. In a petition presented by the inhabitants of Ahmedabad to the municipal committee and Collector of that city, the petitioners complained bitterly against the arbitrary proceedings and oppressive acts of the Survey Officers, and declared that these officers were actuated with the desire of resuming private lands situated in the city, which had been exempt from assessment; that they harassed and annoyed the people, and were often guilty of illegal acts; that there was no necessity for a survey; and that it was a great hardship to compel all owners of lands and houses in the city to prove their titles and to take out and pay for sunnuds which conferred no title and were not acknowledged by legal tribunals. In Surat the arbitrary acts of the revenue surveyor and the vexatious, violent, and illegal measures adopted by him, created great excitement and dissatisfaction in the city, almost amounting to a "popular rising." There have been many instances of hardship, oppression, and tyranny practised by the survey officers on the people, who were compelled to neglect their avocation, and subjected to heavy losses, to dance attendance on the surveyor. Threats have been held

held out to many persons, and from a number of them recognisances have been taken to ensure their attendance whenever required. The advent of the head officer in charge of the Survey Department had spread terror, confusion, and dismay among peaceful people, whose hatred was so intense as to make their "blood boil" at the sufferings they had endured, and had produced great indignation and feelings of disaffection; people were called upon to produce their title-deeds within a certain time for being registered, and were threatened with punishment if they neglected to do so; the people could not endure these evils and excesses any longer; a public meeting of the inhabitants of the city was held in September 1866 for the purpose of representing their grievances to the Government authorities. The petitioners further represented the following instances of oppression practised on the people by the officers of the city survey in Broach and Surat:—1. Bhugtudass Bhugwandass, a respectable banker of Broach, was unjustly prosecuted and fined for not having immediately complied with the surveyor's demand to enter his house. The sentence was reversed by the High Court on appeal. 2. Casojee Sooleiman, a shopkeeper of Surat, was prosecuted, convicted, and fined by the Mamlutdar, on the 23rd of October 1866, because, being engaged with his customers he did not immediately comply with the demand of the surveyor's karkoon (clerk) to allow his shop to be surveyed. This innocent man appealed to Mr. Hope, as the magistrate of the district, but failed to obtain the redress he sought. 3. Another illegal prosecution and conviction which took place in Surat in 1868, under the following circumstances, produced great alarm and discontent in that city: Some time after the completion of the survey, in a lane called "Higpole," in Kellapit, the surveyor repeated his visit for some purpose, when a slight quarrel took place between some men belonging to the surveyor's party and a number of boys, who would not let the former have a portion of the fruit picked from a tree in the lane. This quarrel excited the wrath of the surveyor, who complained to his superior and preferred a charge of assaulting a public officer in the execution of his duty, whereupon the Mamlutdar sent some sepoys with the surveyor to apprehend the persons accused. At the instance of the surveyor, eight innocent men who were found in the lane were pointed out, and were at once taken into custody though they were not present at the quarrel. The city Mamlutdar disbelieved the evidence adduced by the accused, and, relying upon the word of the surveyor's servant, convicted all the eight persons on the 2nd of March 1868, and fined them 150 rupees. It was urged that, judging from past experience, the provisions of the Bill were calculated to prove a fruitful source of annoyance and oppression to the people. The hardship, expense, and loss to which the people in the Mofussil towns and cities would of necessity be subjected by the proposed Bill, would be so great as to outweigh the best advantages expected from it, even if it be carried out with great caution, and with due regard to the feelings and interests of the people. These apprehensions have been fully realised during the short time that has elapsed since the City Survey Act was passed in 1868, against the remonstrances of the people residing in different parts of the presidency. I will submit to the Committee the following authentic instances of hardship and oppression inflicted on the people in carrying out the City Survey Act. The generality of the inhabitants of the city of Broach complain bitterly against oppression practised by Mr. W. Waite, one of the city survey officers entrusted with the enforcement of the Act; he has been in the habit of summoning a great many persons from day to day for the purpose of inquiring into their titles; he often does not adjudicate a case for six or 12 months, during which time he remands the case from week to week, or fortnight to fortnight; the parties are obliged to leave their business and dance attendance on him from morning to eve. If they neglect to attend on any day, or if they go out even for a short time, Mr. Waite commits them for contempt, and the Mamlutdar punishes them with fines ranging from two to 20 rupees each. For example, Furdoonjee Sorabjee Ghandee was summoned on 11th May 1872 and subsequent days to attend before Mr. Waite on pain of imprisonment and fine, under Section 174 of the Penal Code; he attended on the 16th and 25th May; 4th and 10th June; 1st, 15th, and 31st July; 15th and 25th August; 9th and 30th September; 15th October; 4th and 29th November; 14th December; and 6th and 15th January, to which days his case was adjourned from time to time. The land which he holds was recently obtained from the municipality, and his title is so clear that it could have been proved in five minutes, and yet he has been harassed and detained from his work for days; being a shopkeeper, he has suffered a heavy loss, there being no other person to attend to his business. The other inquiring officer, Mr. Choonibal Venilal, affords a marked contrast; besides attending to his magisterial duties he has decided titles to more than 1,000 holdings in four and a-half months since his appointment, during which time he has not fined a single individual for neglecting to attend; Hafiz Peer Mahomed, Goolam Peer Mahomed and Oomer Mahomed have been harassed in the same manner. In January last year, Mr. Waite prosecuted Hargovundass Mucundass, Damodhur Purshotumdass, Fukeerbhoy, Purshotumdass and Bhookundass Doolubdass, under Section 168 of the Penal Code, for voluntarily obstructing a public servant in the discharge of his public duties, and for abetment of the said offence; their real offence was refusal to open an old back gate of a khirkee, or enclosed private street, at the bidding of the city survey officer, a gate which had long been closed and which was seldom used. In order to secure conviction, the case was transferred from the Court of the Native Deputy Collector and Magistrate to the Court of Mr. Wilson, the district full power magistrate, who sentenced two of the unfortunate men to imprisonment for four and eight days, and fined the other persons 10 rupees each.

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4890. Who is Mr. Waite?—He is the officer appointed by the Government to carry out the City Survey Act.

4891. Is he in the permanent public service?—He belongs to the Revenue Survey Department, and has been appointed for carrying out this Act in Broach.

4892. Is he in the covenanted service?—He is in the uncovenanted service. Last year Mr. Waite sent a summons to a native of Broach, desiring him to attend the Survey Office on a

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certain day, for the purpose of receiving back the documents relating to his title, which he had deposited there. He failed to attend on the appointed day, whereupon Mr. Waite prosecuted him before the Hoozoor Deputy Magistrate, under Section 174 of the Penal Code, for intentionally omitting to attend before a public servant before whom he was bound to attend. The accused was convicted and fined; on appeal the conviction was quashed, and the fine remitted. If this man had not had the means of appealing to an expensive tribunal like the High Court, he would not have obtained any redress. At the instance of Mr. Waite a large number of the householders of Broach have, on frivolous pretences, been prosecuted and fined, and his proceedings have produced general discontent throughout the city.

4893. Has any representation been made to the Government of the conduct of Mr. Waite, of the nature that you have stated to us?—I believe that representations have been made, but not attended to, and those representations were made through the collector of the district.

4894. No general investigation has taken place into the conduct of Mr. Waite?—No.

4895. Do you know whether any appeal has been made against the decisions of which you complain except the one you stated, which was made to the High Court, where the decision was reversed?—It only happens that a few wealthy individuals who are prosecuted and convicted are able to go up to the High Court, and to retain barristers to advocate their cause; but the poor people have no means of prosecuting their appeals at the presidency town before such an expensive tribunal.

4896. Practically, is not their remedy to present a petition to the collector to inquire into their grievances?—If they do so, the collector generally does not inquire into it; it is only by resorting to a court of law that they are able to get any redress; that is, if something appears from the proceedings, and when the High Court considers it to be its duty in the exercise of its extraordinary jurisdiction to interfere and quash the decision, but not on the merits. In Ahmedabad, also, the city survey operations have produced great alarm and dissatisfaction, and unsettled the rights of the people. "Contrary decisions have been made with regard to the ownership of the same piece of land, and much confusion and fear have arisen with regard to the ownership of estates. Inquiries have been prolonged much to the annoyance of the people." A widow, named Baee Dev, whose property was resumed lately, filed a suit against the Collector, and recovered judgment, which was upheld in appeal. The Assistant Judge states in his decree that, "it appears from a great many cases, that the city survey officers have committed many blunders, and that their maps cannot therefore be relied on." In many other cases the decisions of the Survey officers were reversed by the Court. It was represented to Government that the operations of the City Survey would result in pecuniary advantage to the Government, as well as the municipalities of the towns and cities in the Mofussil, and therefore it was resolved that the expenditure, as well as the income, should be shared by both. The survey operations were therefore conducted with the twofold object of realising additional revenue for Imperial as well as municipal purposes. Notwithstanding the excess of zeal with which the officers of the City Survey Department were actuated with the object of benefiting their employers, the expectations held out to Government and the municipalities have not been realised. After three years' experience of the working of the department, the Government recorded a resolution in July last, in which they declare that the city survey and inquiry into titles was financially a failure in Surat, both as regards Government and the municipality. Government therefore offered to make over the entire concern and its profits to the Surat Municipality if that body would take charge of it altogether. Up to the year 1870 the municipality of Ahmedabad was made to contribute a moiety of the expenses of the City Survey; but in July 1870 the contributions were discontinued. After deducting the receipts, 2,551 rupees, the nett loss to the municipality amounted to 63,000 rupees. In 1863 the said municipality spent about 50,000 rupees in buying land, opening a new road, and making improvements in the city of Ahmedabad. A portion of the land was resold, and realized about 20,000 rupees, and the rest remained in the possession of the municipality. Subsequently the Bombay Government recorded a resolution to the effect that five-sixths of the lands resumed should be the property of the municipality, if the latter undertook to defray the entire cost of the City Survey. The Supreme Government, who were led to expect that a very large amount would be realized by the sale of the land, refused to sanction the proposal, on the ground that it was not competent for the Bombay Government to make such an arrangement. The municipality thereupon expressed their willingness to give up all the land to Government, on the expenses which had been incurred by the municipality being repaid. Owing to the decline in the value of landed property, the Government of India were informed that the land would not fetch a high price, whereupon the Supreme Government expressed their willingness to allow the municipality to hold five-sixths of the land. From the official report made in 1871, by Mr. F. De Sonza, the officer in charge of the Surat City Survey, it appears that the aggregate expenditure of the survey in Surat amounted to 108,238 rupees, of which Government contributed 36,104 rupees, and the municipality contributed 72,134 rupees; whilst the proceeds realised amounted to 60,376 rupees, of which Government received 3,979 rupees, besides an annual income of 432 rupees; and the municipality realised 56,397 rupees, showing a loss of 47,862 rupees.

4897. Did they not realise any income?—No, I believe not, and I do not think that they are allowed to have the income; the income goes to Government. From the report of Mr. Waite, the officer in charge of the Broach City Survey, dated 5th April, 1872, it appears that the total cost of the survey from its commencement amounted to 61,440 rupees, of which sum the municipality paid 37,545 rupees, and Government 23,895 rupees, whilst the total realizations amounted to 31,543 rupees, of which sum Government have received 8,516 rupees, and the municipality 23,027 rupees, showing an aggregate loss of 29,897 rupees, which is barely covered by the gain to the Government of an annual rental of 1,976 rupees, and to the municipality of 450 rupees. I have no access to the

Report

Report of Bulsar, the fourth town in which the City Survey has been introduced; but I find from the accounts of the municipality of that town for the year 1871-72, that the expenditure amounted to 825 rupees, and the income was 530 rupees. I have thus placed before the Committee the results of the City Survey operations in Ahmedabad, Surat, Broach, and Bulsar, the towns in which the measure has been introduced experimentally. As the experiment has proved an utter failure in a financial point of view, and as the inhabitants of these large towns have suffered grievous wrongs and injuries, of which I have given several instances, I beg to submit to the Select Committee the advisability of their recommending the expediency of putting a stop to the operations of the City Survey, and repealing the Act, which has produced intense dissatisfaction in the chief towns of Guzerat.

4898. Can you explain why the cost of the operation was so great, and the return comparatively so small?—On account of the high salaries given to the officers employed in the City Survey Department, and there being scarcely any property that has been encroached upon by the people. Most of the houses are houses that have been built and existed for many years, and the Act only authorises the resumption of lands on which parties failed to prove occupation for five years previous to the passing of the Act.

4899. Is there any other local tax or expenditure that you wish to bring under consideration?—There is another piece of legislation which has been productive of very great dissatisfaction amongst the inhabitants of the cities of Bombay, the capital of Western India, to which I solicit the attention of the Committee. I mean the Acts passed by the Local Legislative Council for the conduct, regulation, and management of the affairs of the municipality of that great city. Three Acts have been passed: Act II. of 1865, the Municipal Loan Act of 1869, and the Bombay Municipal Act of last year. By Act II. of 1865 the Legislature made it compulsory on the municipality to employ very highly-paid officers for the conduct and management of the municipality, namely, a municipal commissioner, whose minimum salary was fixed at 3,000 rupees a month; a controller of accounts, whose minimum salary was fixed at 1,500 rupees a month; and an executive engineer, whose salary was fixed at 2,000 rupees a month; besides a health officer. The municipality, therefore, had no other alternative but to pay these officers, whose nomination did not rest with them but with Government. By that Act Government had the right of nominating and appointing those high officers, and the municipality were made liable for such very high and extravagant salaries. The result was that they had to keep up and maintain a large and very highly paid establishment, and that added to the burthens and liabilities of the municipality of Bombay; and the management of the affairs of the municipality under these highly paid officers appointed by Government, resulted in a disastrous failure. When that Act came into operation the debts of the municipality amounted to only about 30 or 40 lacs of rupees. In the course of about six years after the enactment and operation of that law, the debts increased to very nearly a crore of rupees, and in a great measure these debts were incurred by the municipal commissioner appointed by Government; the large portion of them, amounting to 30 lacs of rupees, were incurred by the municipal commissioner without the sanction and authority of the municipal corporation. The consequence was that the affairs of the municipality were at a dead lock, and could not be carried on. In the year 1868 a large deficit was discovered in the finances of the municipality, and in order to supply that deficit the Legislative Council were asked to grant a loan of eight lacs to the municipality. On that occasion a Bill was introduced for granting that loan, and it was referred to a Select Committee for inquiry. The Report of the Select Committee showed that the deficit was much larger than the amount of the loan which was at first applied for, namely, eight lacs, and that it was caused by the Municipal Commissioner having spent more monies than the amounts authorised and sanctioned by the corporation in the annual Budgets, that the officer who had been appointed by Government to supervise the municipal accounts, and to check and control the Commissioner, had neglected to do his duty as required by the Bombay Act II. of 1865, and that a loan of 15 lacs would be needed to clear the municipality of all over-due debts, and leave a suitable working balance. (*See* Proceedings of the Legislative Council for 1869, Vol. VIII., pp. 2 and 3.) In order to prevent a recurrence of these evils, it was the duty of the Government in the exercise of the authority vested in them by the Act to remove the Municipal Commissioner, who had incurred these debts without the knowledge of the Bench of Justices, and also to dismiss the Controller for having connived at the unlawful dealings of the Commissioner, and neglected to report the same to the Bench; but Government did not remove these functionaries. In February 1869 the Bench solicited Government to appoint a Commission to inquire into the management of the affairs of the municipality, with the view of adopting the most effective means of placing the municipality on a proper basis with the least possible delay; but the Government did not comply with this application, though repeated in April following. The result of this neglect on the part of Government was highly detrimental to the interests of the municipality. The Municipal Commissioner, Mr. Crawford, a member of the Civil Service, and a man of great influence, persevered in his course of reckless extravagance to such an extent as to incur fresh debts to the amount of about 19 lacs, to pay off which it was necessary to raise a fresh loan of 15 lacs in 1872. Thus, owing to the neglect of Government, the Municipality suffered a fresh loss of this large amount, which would in a great measure have been obviated had Government appointed the Commission of inquiry asked for in 1869. When the gross mismanagement of the affairs of the Municipality was brought to light by the Committee which was appointed by Government in 1871, when the ruin of the municipality had been completed by the nominee of Government, who suddenly left Bombay under a cloud in October 1871 (I mean Mr. Crawford), Government were compelled to introduce a new Municipal Bill in March last year.

4900. Have you a copy of that Report?—I have.

4901. Can you hand it in to the Committee?—I will. As I said, Government were compelled to introduce a new Municipal Bill in March last year;

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year; many modifications were subsequently made, and it was enacted against the remonstrances of the people. Several petitions were addressed against the objectionable provisions embodied in the Bill, but Government persistently declined to amend the objectionable clauses. I will give the Committee a few instances of the injustice and wrongs inflicted by Government on the Bombay municipality.

4902. Mr. *B. Denison.*] Have you any copy of the discussion that took place in the Council about these proceedings?—I have.

4903. *Chairman.*] Do we rightly understand you, that throughout these proceedings, beginning with the Act appointing the officers at high salaries, the municipal body has been objecting and protesting against them?—They have repeatedly protested, not only the municipal body but the ratepayers of Bombay, in several public meetings which they held, and several petitions which they addressed. The great increase of taxation which has taken place in the City of Bombay, and the enhancement of the debts of the municipality, are in a great measure attributable to the heavy burthens and liabilities imposed by Government on the municipality in the year 1865, under Act. II. of that year, and also subsequently. In 1864 the rates, taxes, fines, and fees amounted to 12,44,769 rupees, and miscellaneous receipts to 1,10,212 rupees, total receipts 13,54,981 rupees. The expenditure amounted to 8,89,603 rupees, inclusive of contribution of 2½ lacs of rupees to the drainage fund, which was not spent, showing an excess of income over expenditure of 4,65,378 rupees.

4904. Was that surplus of 4 lacs applied in payment of the then existing debts?—It was subsequently applied. In that year the municipality contributed to Government 88,540 rupees towards the expenses of the city police; under Act IV. of 1867, the Municipality was made liable for the entire police expenditure, and to meet this expenditure a heavy police rate was imposed on the inhabitants of Bombay. When that Act was passed the cost of the city police amounted to 2½ lacs; Government has enhanced this expenditure from time to time, and it has amounted to 4 lacs a year for several years past.

4905. Then the Government has entirely administered the police, and made the municipality pay the whole expenses?—Yes, just so. For several years government contributed one-fourth of the police expenses, in conformity to the Resolution of the Government of India, dated 31st August 1864, admitting the claims of the large seaport towns in India to a contribution towards the police expenditure from Government. This contribution was granted, but it was suddenly withdrawn in 1871. In the city of Madras the police expenses are defrayed by Government, and that municipality does not contribute a farthing. In Calcutta, Government still contribute one-fourth of the police expense. Under Bengal Act, No. 11 of 1867, the expenses of the police are completely under the control of the Calcutta Municipality; but under the late, as well as the new Municipal Act, the Bombay Municipality have no control whatever over the police expenditure, which can be increased by Government to any amount, and the municipality is bound to pay any sum which the Government might fix. By the Bengal Act, there is such a complete control given to the municipality of Calcutta over the police expenditure, that it is directed by that Act that the budget for the expenses of the police should be submitted to the members of the municipality, and they have the right of cutting down the police expenses to any amount, and exercising the fullest control over the police expenses. But, under the late Municipal Act for Bombay, as well as the present, there is not the least control given to the municipality of Bombay; and the result is that Government has been enabled, without check or control, to enhance the police expenditure, as I have shown, from 2½ lacs to 4 lacs; and they may, under the present Act, enhance it to any amount, and compel the municipality to levy a high rate for the purpose of paying that.

4906. Have you finished with regard to the police?—I have one important fact, which I wish to point out to the Committee in regard to the police, and it is this. In proof that the municipality is not allowed to have the least voice in, or the least control over, the police expenditure for which they are made liable, I will give to the Committee a remarkable instance that occurred during the municipal administration in which I have taken an active part during the last five or six years. The municipality, when they thought that they were in good and flourishing circumstances in the earlier days, and that their finances were in a good condition, were prevailed upon by the influential municipal commissioner of the time, Mr. Crawford, to give a personal allowance of, I think, 250 rupees a month to the police commissioner, the nominee of Government, beyond the amount of the salary which Government had fixed, and which, of course, the municipality was bound to pay. When the deficits were discovered in the finances of the municipality, the municipality took every step to curtail their expenditure, and one of the first steps they took was to take away the personal allowance which they had given of 200 rupees a month to the police commissioner. As all the proceedings of the municipal commissioners in this matter are subject to the confirmation of Government, this resolution, when it was submitted to Government, was negatived, and the municipality were told that they had no right to take away the personal allowance which they had given before, and they were desired to continue it, although they were not in a condition to do so.

4907. Can you state the amount of the police rate?—It is two to three per cent. on the valuation of landed property.

4908. Mr. *Beckett Denison.*] On the letting value?—Yes; there is some little deduction allowed; it is on the letting value.

4909. Mr. *J. B. Smith.*] Is that on houses as well?—Lands and houses. Since the year 1864 Government have, with the aid of the Bombay Legislative Council, enhanced municipal taxation besides imposing the undermentioned new taxes; first, the police rate; second, the lighting rate; third, the water rate.

4910. *Chairman.*] Can you state the amount of those rates?—I will give you the amounts later. Fourth, the halalkhore cess; that is a compulsory cess levied from the owners of all houses for sewerage; fifth, the license tax; sixth, market fees; seventh, tobacco duty; eighth, tax on fire insurance companies. These eight new

new rates and taxes have been legalised and enforced since 1864.

4911. Mr. *Candlish.*] For local, or imperial purposes?—For local municipal purposes. Although the license tax has been lately abolished, the town duties, the wheel tax, the tax on labour-carts (which have latterly been enhanced, some of them 50 per cent.) remain. The result of this enhancement of taxation is the prevalence of general discontent throughout the community. The people cannot bear the load of the heavy taxation imposed on them.

4912. Mr. *J. B. Smith.*] What is the aggregate amount of all these taxes?—On an average they come to from 15 to 18 or 20 per cent. on the rental of their landed property. I speak of the municipal taxation in the town and city of Bombay.

4913. *Chairman.*] Do you mean that the aggregate of the tax upon houses and lands in Bombay amounts to 20 per cent. of the rental?—Including the direct tax on houses as well as the other rates that I have mentioned.

4914. But have you estimated the indirect taxation of tobacco, and other taxes in that figure?—No; tobacco is the only indirect taxation, and, the town duties; the others are all direct taxation.

4915. You have a wheel tax?—Yes.

4916. When you speak of 18 or 20 per cent., you mean that the tax on the houses amounts to 18 or 20 per cent.?—I include all the direct taxes I have enumerated. I may take the wheel tax also, because as a householder I might keep up a carriage and horse.

4917. Mr. *Fowler.*] Is that on the rateable value?—Not in the case of carriages, but on each horse and carriage of four wheels, or two wheels. I will give the Committee the scale of the different taxes. The people cannot bear the load of the excessively heavy taxation imposed on them, which amounts to nearly 30 lacs of rupees, a year, showing an enhancement of close upon 250 per cent. in municipal taxation in the city of Bombay since 1864. In 1871 the late Governor, Sir Seymour Fitzerald, in the financial statement which he made, publicly condemned the enhancement of taxation, which he declared was "almost crushing"; these are his words: The pressure of taxation is so great that it falls with crushing severity on houseowners, who are obliged to pay from 15 to 18 and 20 per cent. on the assessed value of their landed property. There was another unjust provision that has been introduced by Government in these Municipal Bills, to which I wish to direct the attention of the Select Committee, and that is, the exemption of lands and buildings owned and occupied by Government. In both the Acts to which I have been inviting the Committee's attention, all the lands owned and occupied by Government have been totally exempted from municipal taxation.

4918. Mr. *J. B. Smith.*] Do you know that that is the case in this country?—I am not well acquainted with the state of things in this country It may be the case, but I think I saw some proposal when I was lately in Bombay for rating even Government property, and bringing it under municipal taxation. I do not know whether that measure has been brought into Parliament, or how far it has progressed, but I know that it is in contemplation. But I want to show how unfairly the municipality of Bombay has been treated, not only in regard to the police, but in regard to this matter also, compared with the treatment accorded to the other sister municipalities of Calcutta and Madras. In those cities, all Government property is rated, and is not exempted from municipal taxation; even the Government House of Calcutta is rated, and pays municipal rates and taxes. This is a subject which has been reported upon by two Committees which were appointed by Government; first, when the Municipal Bill of 1865 was brought into the Council, a Select Committee appointed by that Council reported the inadvisability of making any such exemption; and, preparatory to the introduction of this new Municipal Bill of last year, the Government appointed a Committee for the purpose of preparing an amended draft law for introduction into the Legislative Council, and that Committee in their report have at length shown reasons and arguments proving the justice of bringing all Government property under municipal taxation. They urged that Government have the benefit of all the municipal improvements, and all the advantages of the large expenditure which the municipality incurs, and that they should contribute their fair share. The Committee appointed by Government and composed entirely I believe of Government officers, reported on the inexpediency and injustice of exempting Government property from municipal taxation. I can give, if necessary, an extract from the report. During the progress of the new Municipal Bill, which was introduced into the Bombay Legislative Council in March last year, many petitions were addressed by the inhabitants of Bombay, and earnest appeals were made to the Council to reduce the taxation, and induce Government to bear their fair share and liability, and to modify and remove the objectionable provisions of the Bill.

4919. Mr. *Candlish.*] "Their fair share and liability," would mean by rating Government property?—By rating Government property, by contributing towards the police expenditure, and in a variety of other ways, which they adopt with regard to other municipalities; a few concessions were made which were insufficient to meet the just demands of the people, and the Bill was passed in October last. I will give the Committee a brief summary of the objectional features of the new law passed for regulating the conduct and management of the affairs of the municipality; first of all, although the Government for the first time made a concession which I consider important, giving a direct voice and representation (by the new Bill they have given to the ratepayers of Bombay the right of nominating and appointing by election half the number of the members of the corporation), the basis of this representation which is conceded, is circumscribed and limited so as to exclude several large classes of ratepayers, not only from the exercise of the municipal franchise, but also from admission into the proposed corporation; the qualification fixed is such, that those only who contribute 50 rupees in three of the direct rates, are allowed the privilege of electing members of the municipality; the qualification for members of the corporation is also fixed in such a manner as to exclude other large and educated classes, and other classes of the community.

4920. Mr. *J. B. Smith.*] What is the qualification?—The qualification is that they must contribute

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tribute 50 rupees in the shape of three of the rates and taxes that are imposed by the Bill, namely, the house-tax, the police-tax, and the lighting-rate; that is the qualification of voters. And the same is the qualification for the members of the corporation, with the addition that fellows of the university are also eligible to act as members of the corporation.

4921. Do you consider that a high qualification?—The qualification is such that those who do not possess landed property, and do not pay these three taxes (and there are many who live in hired houses and do not pay these rates and taxes) would be excluded, not only from voting but from acting as members of the corporation; if I, for instance, had not any landed property there, and if my landlord paid the rates and taxes which I have mentioned, I should be disqualified from acting as a municipal commissioner under the new law, and I should have no vote even for electing anybody. Then another objectionable feature is, that the Bill confers extensive powers of interference and control on the Government, and these are inimical to the interests of the corporation, and subversive of its independence and freedom of action. There are provisions in the Bill by which it authorises the Government to interfere and compel the municipal corporation to do such-and-such things that are mentioned in the Act. Further, the Bill, instead of giving any relief in the shape of a reduction of taxes, imposes additional burdens and liabilities on the corporation, and tends to increase the existing heavy and oppressive pressure of taxation in the city; then there are the exemptions that I mentioned before.

4922. Mr. *Candlish.*] How does the Bill increase the pressure; is it by conferring further powers upon the corporation?—By putting no limit at all to the police expenditure. If the Government were to double its police expenditure, the municipality would be under the necessity of raising, by enhanced rates and taxes, money sufficient to meet it.

4923. Was not that so before 1872?—The rate was fixed; it was limited, I believe, to 3 per cent.

[MR. AYRTON LEFT THE CHAIR, WHICH WAS TAKEN BY MR. BECKETT DENISON.]

4924. *Chairman.*] Have you got to the end of your objections?—No; there is the further objection that it vests the entire executive power and responsibility in a Commissioner appointed and removable by the Government, who is in a great measure independent of the Corporation, and is armed with extensive authority and arbitrary powers. It gives little or no power to the Corporation and Town Council to supervise and manage municipal affairs, and it imposes heavy and extortionate penalties on the people for infringement of municipal regulations; it imposes on the corporation fresh obligations, such as those of erecting and maintaining hospitals, lunatic asylums, public halls, offices, and other buildings, and giving contributions towards the erection and maintenance of public libraries and museums, liabilities from which the municipality ought to be exempted.

4925. Mr. *Candlish.*] Have you a copy of that Act with you?—I believe I have one, and I will bring it with me on the next occasion.

4926. *Chairman.*] Is there anything more that you wish to add on this head?—No.

4927. Then I would ask you this question: the whole of these objections that you have now detailed to the Committee were embodied in a petition to the Council of Bombay, were they not?—In several petitions.

4928. And they were discussed at length in the Council of Bombay, were they not?—They were.

4929. And all that you have stated to the Committee is on record in the proceedings of the Legislative Council?—Yes.

4930. The objectionable Act has now been in force since when?—It has passed, but Government have not yet framed and promulgated the rules for the conduct of the election, and for other matters which the Act authorises the Government to do; and until they do that it will not be in force, and the old Act continues in operation.

4931. Mr. *J. B. Smith.*] By whom is the Municipal Council elected?—A third of the Council is appointed by Government, and the remainder by the members of the Corporation.

4932. *Chairman.*] The next tax that I find mentioned on the paper before me is the non-agricultural tax; you have already referred to that?—Yes, I have; but first, I would exhaust the head under which I propose to give the first part of my evidence, and that is the nature and character of the laws passed by the Bombay Legislative Council, and how they press on the people, and how they affect the people. I have mentioned the municipal laws; I have mentioned the laws relating to land; and with the permission of the Committee I will mention some other laws. There is another measure that was passed by the Bombay Legislative Council in 1869, called the Bombay Local Funds Act; it was for the purpose of raising money for making local roads, and for establishing schools in the agricultural districts, and for the erection of dispensaries, dhurumsalas or travellers' bungalows, tanks, wells, and such other works of public utility; and it was to be applied for purely local purposes; but this cess has been exacted from all the ryots with whom fixed settlements had been made for a term of 30 years, and also from holders of the rent-free lands, which I submit ought not to have been done, because in the case of the ryots with whom fixed settlements had been made, their profits from culture were taken into consideration; their means were taken into consideration, and the assessment was fixed at the amount which it was thought they could bear, and afford to pay to Government as the share of Government; now that assessment fixed for 30 years is affected, and ryots, beyond what they undertook to pay under the fixed settlement, are made to pay one-sixteenth more of the produce of their fields.

4933. Where you make use of the word "ryots," there you mean the actual cultivators of the soil, I suppose?—Yes, cultivators of the soil; and freeholders are also made to pay this cess, which is considered a great hardship; their lands being free, and free from payment of all revenue,

revenue, they ought not to be laid under contribution for local purposes and local improvements.

4934. Will you state to the Committee for how many distinct purposes these local funds are levied, in order that we may have a better idea of what you are alluding to. There are roads, education, and one or two other things, are there not?—For roads, education, water supply, dispensaries, and dhurumsalas or travellers' bungalows.

4935. You are speaking also now on these local funds of the province of Bombay, outside the municipality of Bombay?—I am speaking of the whole of the Presidency of Bombay.

4936. Including Bombay?—The Local Funds Act does not apply to the city of Bombay, because the municipality takes the place of the local funds administration. Instead of the money raised for local funds being devoted to merely local roads, it is devoted, in many parts of the country, to Imperial purposes, for the purpose of constructing important roads to act as feeders of railways. I submit that that is an object of Imperial or provincial expenditure, but not of local funds expenditure.

4937. But what greater benefit could be conferred upon a country than bringing it into direct communication with the railway stations?—It would benefit the country no doubt; I do not deny that; but if they go on charging for the construction of these important railway feeders, perhaps they will make the local funds contribute also to Imperial roads and to railways, which, I submit, is not a charge that was contemplated, and did not come within the proper scope and province of the Local Funds Act. And I will show what large sums of money have been drawn from the local funds for the purpose of meeting what I consider to be an Imperial charge. What I say is, that if it was contemplated to make a charge for the construction of main lines, that would have been explained at the time that that measure was introduced in to the Council, and then the people would have been prepared, and would have known exactly what the purposes were for which this cess was imposed.

4938. How are these local funds administered in Bombay; under what authority; the district officer, or several officers?—They are administered by the collector of the district, who is the president of the local funds committee, and under him is the Talooka committee, which is composed of two or three landholders and two or three of the executive officers of Government.

4939. Then, in point of fact, except in rare instances where some gentlemen have very great influence, the collector is the man who decides how the funds shall be spent?—The expenditure is chiefly in the hands of the collector; he has a potential voice in fixing and determining the local works budget, and the native members are placed in such a position towards the collector and the other executive authorities of the district, that they dare not offer any opposition to any schemes of expenditure that may be proposed by the collector and magistrate, or by his assistant or deputy; they have dealings and transactions as subjects, as ryots or as landholders with the executive officers of Government, and if they dared to offer any opposition to them they would feel the consequences; hence, the assertion of any independence of opinion is always checked and suppressed, and even if they wished they could not offer any opposition; and then, moreover, these district Committees make it a rule, or rather the President of the committee, the Collector and Magistrate, in almost all the districts throughout the Bombay Presidency make it a rule not to enter any application or any item into the budget for local improvements unless the applicants, the ryots, or the people, consent to contribute a moiety of the amount; a verbal consent is often deemed insufficient; in some cases they are made to give a written undertaking that they will supply half the amount of the funds requisite for the works; and then only they are put in the budget and carried out. I travelled extensively throughout the Bombay Presidency, and in Goojerat, and in all the districts I have been credibly informed that that is the rule on which the Collectors act. The result is, that the ryots are made in the first instance to contribute a cess according to the rate specified in the law, namely, one-sixteenth of their incomes, and then they are again made to pay half the amount of the work.

4940. You are secretary to the Bombay Association?—Yes.

4941. Have you ever had instances reported to you in which public officers have visited with resentment gentlemen who have made suggestions to them for local improvements?—I have had instances of members of the municipal committee who, on account of the opposition which they made to the wishes of the collector and magistrate, the president of the municipality, have been removed.

4942. In the country districts?—I will mention the districts. I will lay before the Committee the names and facts, as given to me from what I consider a most reliable authority. At the recommendation of the collector and president, the undermentioned Municipal Commissioners were removed because they opposed several motions: Bhugoobhoy Premchund, Pranabhoy Juggabhoy, and Manickchund Moteechund. I have also been informed that several native members of the Municipal Committee of Broach, who offered opposition to the acts of the President, were also removed.

4943. Were those gentlemen removed by the mere order of the collector of the district, or had he to refer to higher authorities for their removal?—I do not know whether he did it from his own motion, or after having proposed it to Government.

4944. You merely state the bare fact; you know nothing of the reasons?—The bare fact is what I state.

4945. Mr. *Bourke.*] Can you state the year?—I have not got the exact year, but it has all taken place within the last six years.

4946. Sir *D. Wedderburn.*] Do you know who were the collector and president in those two places?—The collector of Ahmedabad is Mr. Borradaile; and of Broach, Mr. Waite.

4947. *Chairman.*] You do not know whether this removal was on account of some particular act of these gentlemen, or whether it was from systematic opposition to the president of the committee?—So far as I have been informed, it is owing to opposition to certain measures proposed and carried by the Collector.

4948. I suppose that in the administration of these local funds, under this local committee, no detailed record of their proceedings is kept beyond a simple resolution probably of certain moneys to be spent on a particular work?—I do not know if detailed records of the proceedings are kept. In some places perhaps they are kept;

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but I will give authentic instances in which the acts of the municipal committee have been negatived and set aside, and disallowed by the Government; and the presumption is, that in many of those cases it was at the recommendation of the Collector of the district, who is the President of the municipality.

4949. But the Collector is not in direct correspondence with the Governor, is he?—He corresponds through the Revenue Commissioner.

4950. And does the Revenue Commissioner correspond through the Board of Revenue, or direct with the Government?—He corresponds direct with the Government. Three years ago the Managing Committee of the Ahmedabad municipality appointed a maistry, a native engineer, to superintend the waterworks on a salary of 50 rupees per month; but Mr. Borradaile, the collector, who is *ex officio* president, refused to allow the appointment to take effect. About the same time the committee unanimously resolved and appointed Miss Chamberlain, Lady Superintendent of the female school at Ahmedabad, on a salary of 150 rupees; but Mr. Borradaile, the Collector and Magistrate, declined to carry out this resolution, and directed the Secretary not to pay her anything. She continued at her post for eight months without receiving her salary, and then left the school in disgust. The present incumbent, Miss Williams, having been appointed by Mr. Borradaile to succeed her to that post, receives a salary of 230 rupees.

4951. Mr. *J. B. Smith.*] Was the first lady that you mentioned an English lady?—Yes; she went out from this country, and was taken to India by Miss Carpenter, who takes a very great interest in the promotion of female education. About four years ago the same municipal committee of Ahmedabad appointed a gentleman of high integrity and superior ability, Mr. Bhogeelal Pranvullubdass, Secretary to the Municipality, on a salary of 300 rupees per month. The president, Mr. Borradaile, refused to sanction the appointment, on the ground that he was not satisfied of Mr. Bhogeelal's fitness.

4952. Sir *D. Wedderburn.*] You said just now that the municipality appointed this lady and this gentleman; I should like to know what that means; is it a majority, or in what way is it done?—A majority of the committee; almost all the members were agreed with regard to that appointment, with the exception of the president, I believe.

4953. *Chairman.*] Ahmedabad is an important place; will you tell the Committee of whom the municipal committee was composed; how many native members were on it, and how many Europeans?—I have got the names of the members, but I have not brought that paper here.

4954. The only object of this Committee in taking all this in detail is to have one well-authenticated instance of the way in which these local Committees are over-ridden by the collector in the district. We do not want a multiplication of instances, but only one well-authenticated instance, if you can furnish it?—I will, at the next sitting, give the names of the municipal committees of Broach and Ahmedabad, to which instances these facts refer.

4955. Perhaps you will discontinue that part of the subject which regards the administration of the funds, and give the committee some information as to the amount of these funds, and the mode in which they were assessed, and the objections that have been taken to them?—Will you allow me to give you a few instances, showing how the managing committee's acts have been treated and disallowed in regard to municipal management.

4956. But I think you have already referred to Ahmedabad; we cannot go on taking a great quantity of detailed evidence of this kind; it is sufficient for the Committee to be assured that these local committees are from time to time overruled by the collector, either for good or bad reasons; we do not take upon ourselves to decide?—Well, I have got instances of that, and will trouble the Committee with a few more. They show how the acts of the majority of the municipal committee have been disregarded and disallowed, and no effect given to them by the President, who is only one member. Mr. Borradaile's predecessor, Mr. Shepherd, refused to convene meetings of the managing committee of the municipality of Ahmedabad, although requisitions signed by 10 members were sent to him in conformity to the rules. He also neglected to lay before the municipal commissioners propositions, of which due notice had previously been given by members who wished to bring them forward at meetings.

4957. Were representations made on this subject to the Government of Bombay and objections taken?—I do not know whether they were made or not; but if not made, I think that the people would be deterred by the treatment which they had met with from the President; and all such representations would have to go through the channel of that gentleman himself.

4958. But ordinarily speaking, there is a very swift and ready mode of bringing to notice any act of a collector which meets with the displeasure of the people over whom he has authority?—Only through that collector himself, and in no other way.

4959. But a petition to the Revenue Commissioner would immediately cause inquiry, would it not?—I think that the Revenue Commissioner would object to receive a petition direct, unless through the collector and magistrate, who is usually the channel of communication between the people and the Revenue Commissioner.

4960. But surely (this is a point of considerable importance) if any subject, no matter who, presents a petition to the Commissioner, the Commissioner calls upon the collector for a report upon that petition, and then he takes his further measures according as he sees fit, does he not?—I think that a direct complaint to the Revenue Commissioner must be referred back, if sent direct, to the collector for report.

4961. Exactly; it is referred back to him for report?—And people have not the courage to complain against the acts of such powerful and influential local authorities as the collector and the assistant collector.

4962. Then it would seem that the people of Bombay must be very differently constituted from what they are in other parts of India?—I am speaking of the people in the Mofussil, the interior of the Bombay Presidency, who are very timid, and it would be a most extreme case of grievous hardship that would induce them to complain against the acts and doings of the authorities; they have so many dealings with the collector and magistrate, and the subordinates of the collector and magistrate, that they think they would be visited with the consequences of their

temerity if they were to complain against the acts of the collector and magistrate.

4963. Mr. *Candlish.*] What would be your own suggestion for avoiding such tyranny as seems to be implied in the facts which you have related?—Not to make the collector and magistrate of the district the president of the Local Funds and Municipal Committees.

4964. Mr. *Bourke.*] But you do not know of any attempt to make a representation to the superior authorities upon the conduct of any of the collectors for acting in this way, do you?—No, I do not know whether any have been made or not.

4965. *Chairman.*] Your information, as I take it, has been gathered lately, has it not, in an extensive tour that you have made through the provinces?—Some lately and some previously.

4966. And you have taken the facts as they have been stated to you; you have not had an opportunity of testing them yourself, or of pursuing them to the end?—The only way in which I could have tested them would have been by an application to the Collector himself, for an inspection of the documents and papers, which application would surely have been immediately refused. As I have already stated to the Committee, no access is allowed to the public records of any of the public offices throughout the Bombay Presidency.

4967. As there are all these higher authorities, the Commissioners and members of the Government, open at any time to be petitioned in the regular way, it would be an inaccurate statement to say that there were not means of bringing to notice any grievance in the Bombay Presidency?—Grievances, even if they were brought forward, would have to go through the channel of, and the reports to be submitted by, the high authorities against whom these complaints are made, and people are in such a dread of gentlemen in that position, such as the collector and magistrate of the district, lest they should be punished some day or other for complaining against the acts, that they are deterred by that very fact and circumstance, in a great many instances, from going up to the Government with complaints.

4968. Mr. *Bourke.*] Do you know of any instance, in your own experience, of anybody being punished for doing a thing of that kind?—I do not know exactly; not directly punished, but indirectly perhaps they have been.

4969. *Chairman.*] You mean, visited with the displeasure of the collector for all future time?—Yes.

4970. Mr. *Cave.*] Do you mean that the complaints are referred back to the collector for report invariably?—Invariably.

4971. And that there is no way of getting the collector's conduct investigated except by report from the collector himself?—No other way; and that the parties have no opportunity of seeing or knowing the contents of the report, with a view to rebut any assertion contained in that report.

4972. *Chairman.*] Have you never known complaints carried right up to the Governor himself, against the conduct of district officers?—Complaints may have been made to the Governor, but I do not know special instances just now.

4973. Have you never known instances of collectors, or whatever you call them in that part of the world, being removed from one district to another, owing to their arbitrary acts?—No, not collectors.

4974. Mr. *Candlish.*] Do you want to convey to the Committee now, that there is practically no redress for any wrong-doing on the part of the officials in the Bombay Presidency?—I do not want to convey that there is practically no redress, but I want to convey that there are circumstances and difficulties which I have mentioned, which prevent the people from seeking such redress; they are in dread of being visited with displeasure by the collector and magistrate, and such other authorities against whose acts they complain, and that deters them from complaining, especially when their complaints are to be referred to the very parties against whom the complaints are lodged and disposed of on the reports of those parties, without the complainant having any opportunity of submitting any other explanation to the superior authority.

4975. *Chairman.*] You have known several Governors of Bombay, have you not, previous to Sir Seymour Fitzgerald; you knew Sir Bartle Frere and others before him, I dare say?—Yes. About four years ago a sub-committee of the Municipal Commissioners of Ahmedabad was appointed by the Committee, for the purpose of revising the rules of the municipality; they made a report revising the rules. This report was never submitted by the President to a general meeting of the Municipal Commission; one of these rules provided, that the Commissioners should select and appoint their own President. The General Municipal Committee recently reduced the heavy tolls levied on the Ellis Bridge at Ahmedabad, but the Government did not confirm the reduction. Government recorded a resolution in December last, sanctioning the reduction for only six months as an experimental measure, because the reduction was not approved of by the President, Mr. Borrodaile. In 1869 the General Municipal Committee of Ahmedabad sanctioned an expenditure of 19 rupees a month as a contribution towards the expenses of the leper hospital; but the Revenue Commissioner refused to sanction this small outlay. Mr. Borrodaile, Collector of Ahmedabad, and *ex-officio* President of the Municipality, has prevented ratepayers from attending general meetings of the municipality contrary to the express terms of Rule 6, which directs that "all parties being ratepayers shall have a right to appear at general meetings, and bring forward any complaint they may have to make."

4976. Is Mr. Borradaile still Collector of Ahmedabad?—He is.

4977. And who is the present Revenue Commissioner over him now?—Mr. Ashburnar, the gentleman who gave evidence before this Committee.

4978. And these acts which you give evidence about are continuing to the present time, are they?—Yes; in fact, when I was at Amedabad in January last, a large body of the inhabitants of Ahmedabad presented a petition complaining of their grievances in regard to municipal and other affairs to the Governor; at least, they wished to present it to the Governor when he visited Ahmedabad in January last; but the Governor declined to see a deputation from the inhabitants of Ahmedabad who wanted to go, and present that petition in person. They were afterwards obliged to send it to him by a messenger.

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4979. Was that Governor Sir Philip Wodehouse?—Yes; and this petition I can hand to the Committee; it represents their complaints and grievances in regard to their municipal management and other affairs (*producing it*). At first, the Governor declined to receive it from the hand of the deputation. It was a deputation from a public meeting that was held for the purpose of adopting that petition; a large influential public meeting held at Ahmedabad just at the time of the Governor's visit.

4980. Mr. *Bourke.*] What is date of that petition?—The 20th of January last, and immediately afterwards it was sent to him. This is the petition: "To His Excellency, Sir *Philip Wodehouse*, K.C.B., Governor of Bombay. The humble Petition of the Inhabitants of Ahmedabad. May it please your Excellency. 1. We the undersigned loyal subjects of Her Majesty, while heartily welcoming your Excellency's arrival among us, beg to approach your Excellency with this humble and brief statement of our wants and grievances, as similar representation made before to your Excellency and the local authorities by post proved fruitless. 2. We firmly believe it to be the desire of Her Gracious Majesty Queen Victoria to keep her subjects in India contented and happy, and we are sure your Excellency will fully share in this desire; but diverse circumstances have interfered with our enjoyment of the blessings of contentment. 3. Foremost among these is the rapid decline and decay of the indigenous industrial arts pursued in this town. We would not trouble your Excellency in Council with the causes of these sad facts which are beyond control, but would entreat your Excellency to give due weight to them in the apportionment of local and general taxes. Our poor and half desolated town is obliged to pay more than a lac and a half every year towards municipal improvement alone. This burden is excessive for the poor income of the town. We would earnestly entreat your Excellency to consider whether it be not possible to remit a portion of the current municipal taxes. 4. The heavy item of contribution towards the police charges of the town is another source of impoverishment. The Police Act (I of 1871) was a counter-part, in effect, of the non-agricultural cess. Government have found it practical to remit the latter; we humbly submit that in justice the former be remitted also. There are three towns now paying for their police, and the Police Contribution Act is therefore become very limited and unjust in its incidence. Ahmedabad, your Excellency will find on inquiry, is not well off, and we trust that the prosperous state of the local finances will enable your Excellency to relieve this declining town of its police burdens. 5. The management of our municipal affairs is another source of great and constant discontent amongst us. This institution is become now utterly distasteful to your Excellency's subjects. In their zeal to carry out favourite schemes of sanitation and reform, the municipal authorities utterly set at nought the feelings, the ability, and the circumstances of the people. This is done in various ways: (*a.*) The municipal subordinates intrude upon the privacy of households. At the present day no man, unless he is rich and has leisure for litigation, can dare empty a potful of pure water or keep logs of wood in front of his house, for a day or two, without incurring legal liability. The municipal inspector takes down his name and reports it to the magistrate, who invariably disbelieves the testimony against the inspector and his peon, of even the respectable people of the neighbourhood, who are regarded as interested parties. It is needless to say that this leaves room for the inspector very frequently to abuse his power by making trivial and vexatious complaints. (*b.*) The executive, by imposing heavy fines, although within limits, for light and trivial offences, add to the evil. It may convey to your Excellency some faint notion of the oppressive nature of the punishments, to be informed that in a single day the sum of 1,000 rupees was paid into the Treasury on account of fines inflicted for municipal offences alone. No appeal lies against such decisions, as they are passed generally by F. P. magistrates. (*c.*) The people of this town had from time immemorial been left to make their own arrangements regarding the removal of nightsoil, subject only to the orders of the magistrates regarding its place of deposit. No disorder had been proved to prevail under that system, and the town was as clean as it is now, since the people could withhold payment from the bhungies if they did not work properly. The municipality, however, in imitation of the sister institution at Surat, where circumstances are quite different, undertook, against the wishes of the people and the bhungies, the cleaning of private privies, and imposed a cess which, though light in itself, is too heavy for the incomes of the many poor inhabitants of this place, besides being highly obnoxious as a direct tax. (*d.*) In the matter of expending the income the municipality is far from being considerate; 50,000 rupees were paid towards the Ellis Bridge, which is very useful to the people of the neighbouring towns, but not so, in any great degree, to the inhabitants of this city. The repairs ought, in propriety, to be borne by the local cess fund and the revenue from tolls; but a similar want of caution and foresight has led the municipality to undertake the repairs of the same bridge, which cost annually more than 3,000 rupees. The tolls do not amount to a tenth of the expenses. (*e.*) In the matter of road improvements, the convenience of the majority of the people is not at all consulted. Roads not much frequented, or frequented principally by the ruling leading classes of the inhabitants, are kept in good repair, while those daily used by thousands of people are allowed to remain almost in a primæval state. 6. We are humbly for believing that many of the evils above complained of must continue to disturb and oppress your Excellency's petitioners until the constitution of the municipal body is altered. (*a.*) Many of the non-official commissioners at present are men of little or no education, and less independence of thought or action. Nay, some of them have hardly a tolerable conception of their duties as commissioners, or of the use and purposes of the institution. (*b.*) We, your Excellency's subjects, therefore most earnestly entreat your Excellency to allow us the privilege of electing some number of the commissioners. The steady loyalty of this town to the Crown, and the industrial and peaceful habits of the people, will be a guarantee that any privilege of the kind above requested will be, if granted, respected as a great boon, and that the happiness and contentment of the people will be alone studied in the exercise of it. We would leave the question of arranging the details to your Excellency in Council. (*c.*) Much of the discontent at present existing among all classes,

classes, is due to the local affairs not being managed consistently with the wants and circumstances of the people. They are generally unable to distinguish local and municipal grievances from the acts and orders of Her Majesty, and her representatives in India ignorantly ascribe the shortcomings of the former to Her Majesty's Government. We trust, therefore, that the boon we seek for will be granted to us, if only to prevent the rise of such false and mischievous impressions. 7. The city survey operations have caused great alarm as having unsettled all rights in landed property. Though the act was designed to define and settle the boundaries of houses and lands, it has been so loosely executed, that it has been the means of unsettling the same. Contrary decisions have been passed with regard to the ownership of the same piece of land, and much confusion and fear have arisen with regard to the ownership of estates. A possession of even many years has counted for nothing; inquiries have been prolonged, much to the annoyance of your subjects. A report from the Collector will satisfy your Excellency that it neither benefits the State nor the people, but forms an item of annual loss to Government. 8. Next to the municipal and city survey grievances, we would humbly point to one in the administration of justice. Till within the last few years the Zillah Court of highest original jurisdiction was located in this city. Its location now at Kaira involves the litigants of this Zillah in much additional expense, and indirectly leads to a frustration of justice. A reference to the records of the court at Kaira will show that there are very few claims filed that require at Kaira a first class first grade judge. The orders of the Government of India to re-establish the assistant judge's court at Kaira have removed the only ground on which the first class sub-judge's court was taken to Kaira. We humbly trust these facts will induce your Excellency to order a transfer of the court to this Zillah again. 9. On the side of the river where Hindoos and Jains resort, fishermen were not allowed to spread their nets. This was done by order of Government, but of late these orders are disobeyed much to the annoyance of your subjects. Attention of the authorities may be called to it. 10. The police here force cartmen to leave their occupations and go with officers who require carts on their journey. This, besides being a violation of individual rights, produces a great obstacle to trade. 11. Not to trespass at great length on the limited time your Excellency can have to afford from your Excellency's short stay among us, we have confined ourselves to a bare statement of severely felt grievances, in the hope of redress being obtained, in accordance with your Excellency's high sense of justice, and we, in duty bound, shall ever pray, &c. &c. (Here follow the signatures of the members of the committee, and about 700 others.) Ahmedabad, 20th January 1873.—*N. B.* The address presented to your Excellency on the 20th, by the Municipal Commissioners and others, purported, we understand, to emanate from 'the inhabitants of Ahmedabad;' but we beg leave respectfully to assure your Excellency that the few who delivered it are alone responsible for it, whereas this memorial faithfully represents the feelings of the masses. We, who approach you in the cause of suffering humanity, have the same status and influence as those who presented the said address, and are numerically greater by hundreds."

This petition contained complaints against the acts of the local authority, the Collector of Ahmedabad, who acted as the guest and guide of his Excellency during his visit to that city; and it is signed by 700 of the inhabitants of Ahmedabad, and I have not yet heard of any inquiry having been instituted by the Government into all the different complaints that have been urged in it, in regard to the acts of the collector and magistrate, the municipal government, the municipal oppression, and other matters that are urged in this petition. I was informed that the people were not allowed to have access to the Governor, who wished to reach him, except through the collector or other local authority, and that the Governor held a levee at Ahmedabad on the 20th of January last, to which no one was admitted, except a select number of persons, who were invited by the Collector and his deputy.

4981. *Chairman.*] Let me caution you; can you give these statements to the Committee as actual facts; they may be your impression of things as they occurred, but you must bear in mind what you give here in the way of evidence before this Committee will go back to Bombay, and is certain to be taken up by those whose conduct is impugned?—I have no apprehensions of that, because the information which I have laid before the Committee I have derived from the best sources, sources on which I place implicit reliance, and the fact of invitations having been issued to a select number of the natives of Ahmedabad, who alone could go to that levee, is undeniable.

4982. Is that custom quite contrary to anything which you have hitherto known of a Governor of Bombay when making tours?—When the Governor holds levees in Bombay they are open to the public, and all respectable gentlemen have only to send in their cards, and they are admitted without any selection or prohibition from attending the levee. The proceedings which took place on the occasion when the Governor visited Ahmedabad, and when the levee was held there, were all pre-arranged by the Government officials. An address of congratulation, which had been prepared by the deputy collector and magistrate, and signed by seven members of the municipality and four other natives, was presented to the governor in the name of the inhabitants of Ahmedabad. The bulk of the community, who were anxious for an interview, for the purpose of presenting a memorial prepared by them and adopted at a large public meeting, representing the wants and grievances of the people, were refused all access. These are facts.

4983. Was the Commissioner of Revenue present on that occasion, the one who has authority in that district of Ahmedabad, because, generally speaking, when the Governor goes on a tour, all the officers of the district are present?—He was at Ahmedabad, but I am not sure whether he was present and visited with the Governor, or whether he came there afterwards. The petition which I have handed in is a most important document, and is signed by 700 of the most influential inhabitants.

4984. And your statement also is most important, which is this, that the inhabitants of a great town like Ahmedabad had a distinct grievance embodied in a petition, which they were anxious to lay before the Governor, and that they were not permitted to do so by the intervention of the district officers?—That is what the people concluded,

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concluded, that it was owing to that, because the Governor was the guest of the very officer against whom they desired to complain, and was always near him and with him.

4985. Have you anything further that you wish to say about Broach?—No; but about another place called Punderpoor, I have an instance to give.

4986. In what part of Bombay is that?—That is in the Deccan.

4987. Is it called by that name?—Yes. In July last the municipal committee of Punderpoor, with the concurrence of their Chairman, the Assistant Collector, resolved that 15 cisterns or reservoirs of water should be constructed in different parts of the city for the use of the inhabitants, but Government refused to sanction the outlay; without the sanction of Government no disbursements can be made. In Almedabad most oppressive fines were inflicted upon the people, and on one day the collection of fines amounted to 1,000 rupees for infringing petty municipal regulations; there were fines inflicted on the people for walking in the middle of the road, or on the wrong side of the road, and some of these people, with the assistance of some liberal gentlemen, appealed against these unjust decisions to the High Court, and the Court interfered in the exercise of its extraordinary jurisdiction, and reversed those decisions.

4988. Were those fines all inflicted in one day by the collector?—It is asserted in that petition, I believe, that they were on one day, and I think they amounted to 1,000 rupees.

4989. Sir *D. Wedderburn.*] When you spoke just now of the outlay for cisterns at Punderpoor being disallowed, you said that the Government disallowed it; do you mean the Government of Bombay?—Yes, through their executive officer in such case, namely, the Revenue Commissioner.

4990. Then it was not against the President of the municipality committee, that that complaint was made?—No; some of the complaints bear on the acts of the President, and others on the acts of the Government themselves, interfering with petty matters of expenditure connected with the cities, and of which expenditure the municipal committee ought to be the best judges.

4991. *Chairman.*] If you have done, as regards the statement of grievances from the administration of local funds, I would point out to you that there is one thing that you have omitted to tell us; you have omitted to tell us how the Municipal Council, or the Local Committee, I should, perhaps, call it, of Ahmedabad is composed, of what persons it is composed?—I have not got their names here; but I will give their names on another occasion, showing how many are official members and how many are non-official.

4992. Have you anything to say about the cesses for dispensaries or for education?—No; I have nothing particular to say of cesses appropriated for those purposes; but, with regard to a large portion of the local funds administered under the Local Funds Act, I have to say that it is felt to be a subject of very great complaint by the inhabitants of the rural districts of the interior, from whom the cess is collected, that, instead of erecting suitable accommodation for native travellers, who are the bulk of the travellers in the districts, a large portion of the funds raised from the local cess is appropriated for the purpose of building large bungalows for the accommodation of European gentlemen.

4993. Then when you tell the Committee that a portion of the funds are devoted to travellers' dhurumsalas, what are we to understand by that?—That is the expression; that was the object and purpose for which the local cess was raised.

4994. But the dhurumsalas are essentially for native travellers?—Yes, that was the original intention; but it has been appropriated, and a large portion of these funds have been devoted to the purpose of erecting costly bungalows for the Europeans.

4995. Did not the Bombay Post Office Department erect bungalows on the main lines of communication?—I am not aware of that.

4996. Do you mean that the expenses of erecting European bungalows has been in a large measure thrown on the local funds of the districts?—Yes.

4997. Do you state that generally, or have you some particular districts in your mind at the time?—That is a subject of general complaint, and I could produce at the next meeting the local funds expenditure, showing what large sums have been spent for these bungalows during the last two or three years.

4998. Mr. *Bourke.*] Can you state the income which these bungalows brought in?—I think the income will very likely appear in the Returns, which have been sent by order of the Committee, of the product of all the local taxes, and that, I am sure, will present a very small amount.

4999. *Chairman.*] Are not the local committees of the Bombay districts, called upon to furnish annual Budgets of their proposed expenditure, and of the objects on which they propose to spend money?—Yes.

5000. Therefore every object on which money is proposed to be spent in the forthcoming year has to be reviewed by the Commissioner of Revenue, and also by the Government?—I believe so.

5001. Therefore nothing that is proposed in these district budgets can be spent, except with the sanction of the highest authority?—Just so.

5002. Do the rural districts of Bombay think it a great grievance to have a light cess imposed upon them for educational purposes?—With regard to the schools which are established from the proceeds of that fund, the majority of attendants at the schools are not the children of the cultivators, but of other classes.

5003. The lower classes, do you mean?—Yes, and the middle classes too.

5004. Do you mean that the schools are of too high an order for the children of the rural population?—No, not that they are of too high an order, but that the advantages are reaped by all the different classes, although the cess is contributed by the agricultural class only.

5005. You mean that the children of the inhabitants of towns, the children of the trading classes, benefit by these schools?—Yes.

5006. They are purely vernacular schools, I presume?—They are vernacular.

5007. Do the inhabitants of the towns contribute in no other way directly to the support of the schools; you know what we understand in England by school pence; do not the children pay anything at all in these schools?—There are some fees levied like school fees.

5008. Then do the children of the rural population pay school fees, besides their parents contributing

tributing to the school fund?—I forget whether they pay some small fee or not.

5009. Has this grievance also about the educational cess ever found its way into a petition?—I do not know.

5010. Do you know what the amount of it is per rupee of rental?—The cess for all purposes is one-sixteenth on the revenue paid by the agricultural classes.

5011. But how is that estimated?—On the Government assessment.

5012. It is an anna in the rupee on the Government assessment?—Yes.

5013. For all purposes?—Yes, for all purposes.

5014. For roads, education, dispensaries, and dhurumsalas?—Yes.

5015. Mr. *M'Clure.*] Who appoints the municipal committee?—They are appointed on the recommendation of the Collector and Magistrate of the district; he selects them and officially recommends Government to appoint them, and on his recommendation they are appointed.

5016. *Chairman.*] And the names are published in the Government Gazette, are they not?—Yes.

5017. Mr. *Candlish.*] Are a certain number elected?—No; the rule is that the municipal committees should be composed of official and non-official members, the official members not to exceed one-third of the total number; but in practice a number of gentlemen holding different offices under Government, who strictly do not come within the description of official members, are appointed. In that way there is a larger number of what I should call Government members in the municipal committees than one-third.

5018. Are the Committee to understand you to mean appointed or elected members?—Appointed.

5019. Are there not a proportion elected?—Not one; that is only the case in the town of Bombay, and there it has only recently been conceded, and has not come into operation yet.

5020. Sir *D. Wedderburn.*] For what period do the members of the municipal committee hold their appointments?—I do not think that there is any fixed period for which they hold office.

5021. Then the same authority that has appointed them has apparently the power of deposing them?—Yes.

5022. At any given time; is there no limit?—There is no limit.

5023. Mr. *M'Clure.*] There is no right of election, as I understand you?—No right of election whatever.

5024. Mr. *Beach.*] And who recommended these names?—The collector and magistrate, the chief Government executive authority of the district.

5025. *Chairman.*] No member of the committee, I presume, can at the mere word of the collector be turned off the committee; but his name must be gazetted out of the committee, in the same way as it was gazetted into it?—Yes.

Friday, 20th June 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir George Balfour.
Mr. Beach.
Mr. Birley.
Mr. Bourke.
Mr. Candlish.
Mr. Crawford.
Mr. Cross.
Mr. Charles Dalrymple.
Mr. Dickinson.
Mr. Grant Duff.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Robert Fowler.
Mr. Hermon.
Mr. Lyttelton.
Mr. J. B. Smith.
Sir David Wedderburn.
Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. NOWROZJEE FURDOONJEE, re-called; and further Examined.

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5026. *Chairman.*] ARE you enabled to produce to the Committee the Papers referred to in your Evidence on the last occasion?—Yes; the Committee wanted the new Bombay Municipal Act, which was passed on the 17th of October last, and I will put it in (*handing in the same*). They also wanted the proceedings of the Legislative Council of Bombay, in relation to the introduction and passing of that Act; these are those proceedings (*handing in the same*). I will also put in the memorials that were addressed by the Bombay Association on behalf of the inhabitants of Bombay, in regard to the Bombay Municipal Act (*handing in the same*); and the petitions addressed by the ratepayers of the City and Island of Bombayto the same authority (*handing in the same*). I will also put in the Report, which the Committee wanted, of the Committee appointed by Government, just before the introduction of the new Municipal Act, to ascertain the present financial condition of the municapility of Bombay, and the action of the Controller; I put that in, together with the resolution recorded thereon by the Bombay Government (*handing in the same*). Then the Committee wanted the names of the municipal commissioners of Ahmedabad and Broach. Of Ahmedabad, I am sorry that I have not been able to get them; but of Broach I have got. The municipal commissioners of Broach consist of 25 gentlemen, whose names are given in this list (*producing it*), from which it appears that 11 members are Government officials, three non-official Europeans, and 11 non-official natives. Under the Bombay Act IX. of 1862, s. 2, all collectors, subcollectors, assistant and deputy collectors, mamlutdars, and mahalkurees (these are revenue officers) are *ex officio* commissioners of every municipality within the limits of their local jurisdiction. Besides these, the following officers are also *ex officio* commissioners when resident in the town or city, namely, the executive engineer, the civil surgeon, the superintendent of police, the deputy collector, and the city foujdar (that is executive police officer). In Broach also, several independent municipal commissioners have been removed on account of their opposition. The removal is effected in a manner which is not likely to attract the notice of Government. The Collector and Magistrate from time to time sends to Government a list of the municipal commissioners whom he selects, recommending their appointment. From this list he omits the names of such commissioners as he wishes to exclude, and the nomination of the gentlemen whom he recommends is confirmed by Government and is gazetted.

5027. Will you be good enough to explain what you meant by saying that the names are omitted from the list of municipal councillors?—The collector and magistrate, who is the head of the municipality of every town and district, has the privilege of selecting from time to time, whenever he thinks fit and necessary so to do, and recommending the appointment of municipal commissioners for any particular city or district, and there is no limit as to the duration for which the municipal commissioners are to hold office. Whenever he likes he sends in a new list of gentlemen whom he recommends at any indefinite intervals of time just when he considers it advisable so to do; and when he does that, he, as I am credibly informed, omits the names of such members as have offered opposition either to his views or to the views of the Government members, and they are thus omitted. That is the feeling amongst the people.

5028. Sir *D. Wedderburn.*] He does not assign reasons for removing them?—No, nor does he say that he has removed any particular individual from the list formerly sent in; but, compared with the previous list, it would turn out that three, four, or five names are omitted and the rest are all there, and perhaps two or three others are substituted in the place of the gentlemen whose names are omitted, and then they are gazetted, and then people know who have been removed and not until then.

5029. *Chairman.*] Have you any further information to give the Committee respecting the administration of local funds?—I have, and that evidence is not very long, but of a most important character. With regard to the administration of the local funds, this is the information that I wish

to

to lay before the Committee. The annual income from the local funds in the talooka of Unkleser amounts to about 30,000 rupees. Very little of this money is spent in the construction of public works for the benefit of the people; there are no roads except the road to Hansote and a Kutcha road between Unkleser and Sarangpore. The rivulets, creeks, and nullahs are not bridged. There is a ferry between Bore Bhatta and Broach, which yields about 2,000 rupees a year; but there is no pier and landing-place at Bore Bhatta. There is no made road between Unkleser and Broach, though the traffic is large. There is no road between Oodwara and the railway station. The local funds committee, though frequently applied to, have refused to construct it. No money has for several years been appropriated out of the local funds for the benefit of the people of Oodwara. Four years ago the tank at that place was repaired by a private individual, the late Mr. Rustomjee Jamsetjee. The school and dispensary there, are maintained at the cost of private benefactors. Complaints have been frequently made to Government by the Collector of Surat and other local authorities regarding the inadequacy of the allowance granted out of the Imperial and provincial funds for public works and improvements. The bulk of the outlay is borne by the local funds. Railway feeders are constructed out of local funds with small contributions granted by Government. Works constructed through the agency of the Public Works Department are very costly; 20 per cent. is charged extra for the support of Imperial public works establishments. Roads in the military cantonment of Surat have been constructed and repaired from local funds, and yet these roads are under the control of the military authorities, who sometimes prevent people and carriages from passing along the road. There is a public band stand at Surat, in the locality I am describing, the approaches to which are repaired, and the road watered, out of the municipal funds, and yet native gentleman are prevented from going to that band stand in their carriages, or even on foot. I attempted to go, and was prevented by the commanding officer, and when I remonstrated he threatened to send me into custody.

5030. Is not the ground on which the band plays, the parade ground of the troops that are quartered there?—It is on one side of it, the river side, close by the river, not in the middle of the parade ground.

5031. It is in the midst of the officers' lines?—It is in what they call the cantonment.

5032. I am not speaking of the propriety of the thing, but of the fact; the military, therefore, consider that they have a right to regulate the use of their ground. Your grievance would be that they have no right to ask the people of Surat to keep up and repair the road?—And then to prevent their making use of it. The railway feeder roads from Olpar to Scion, Randeer to Olpar, and Keem to Turkeser, have been constructed by the Public Works Department, and the local funds have been compelled to contribute two-thirds of the entire expenditure, Government contributing only one-third; 20 per cent. is contributed from the local funds for the Imperial public works establishments. The undermentioned disbursements have been made for these feeders from local funds; from old local fund, balance, 1,16,000 rupees; from new local funds, 1,24,000 rupees; total, 2,40,000 rupees; add 20 per cent. for the support of Imperial public works establishments, 24,800 rupees; total, 2,64,800 rupees paid out of the local funds.

5033. Are not these roads, of which you have been speaking, on the western side of the city, towards the sea?—They lead between the railway line into the interior of the country, not on the sea side.

5034. And how about the band?—That is not exactly the sea side, about nine miles from the sea; it is on the river side.

5035. It is on the western side, which is the side where the sea is?—Yes, about 10 miles from the coast.

5036. Do you know whether there are any roads on the eastern side of Surat up the river?—There is no road between Surat and several large towns on the eastern side of Surat.

5037. Do you know the road to the native burial ground, on the eastern side?—No, I do not remember that, but I am speaking of the roads and communications between Surat and the towns situated on the east of it.

5038. Is there any tax paid, do you know, upon funerals?—I do not know. Now I wish to solicit the attention of the Committee to another important subject, namely, the misappropriation of local funds. The Honourable Mr. Ellis, a member of the Bombay Government, in introducing the Local Funds Bill in the Bombay Local Council on the 15th February 1869, explained the objects of the measure. On that occasion he especially requested that (I am using his own words) "care be taken not to consider it in any sense as a Government assessment. It was a local rate imposed for local purposes, and not with the view of appropriating any portion to Imperial purposes. It was also one essential feature in the scheme that, in thus providing for local taxation, the proceeds of the taxation would be devoted purely to local objects, and that the people should receive, by reason of the payment, something which they had not before, and which, but for the payment, they would not receive at all." Such was the pledge given when the Local Funds Bill was enacted into law. I will now show instances in which it has been violated in the Bombay Presidency. The local fund of the Talooka, or sub-district of Chowrasee, in the Surat Collectorate, is charged with 11,101 rupees in 1869 and 1870, for machinery purchased from the Broach Exhibition, and 5,000 rupees as contribution towards the public park of Surat in 1870, and 1,000 rupees more in 1871, and 30,000 rupees towards the construction of the high school at Surat in the year 1868-69.

5039. How many scholars are there in that school?—The number of scholars in that school is between 200 and 300.

5040. I am afraid education would be very expensive at that rate?—This is only a contribution towards the erection of that school. That school has been constructed by a public benefactor, Mr. Soraljie Jamsetjie, and the bulk of the funds were provided by him; and to supply the deficiency, allotments were made from different directions, and amongst others, from the district of Chowrasee, comprising a number of villages, from the district fund of that district, which, according to the terms of the Act, and according to the objects of the Act as explained by Mr. Ellis in the quotation that I gave to the Committee, and as laid down in the rules that have been framed by the Government, ought to be appropriated in that

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district and in no other district; but they have been diverted to such purposes as I have mentioned, and in other districts.

5041. Are there any other illustrations which you wish to give?—Yes. Whilst on this subject, I wish to draw the attention of the Committee to the rules that have been laid down by Government, in pursuance of the Bombay Local Funds Act III. of 1869. The first rule relates to the removal of any member of the District Local Funds Committee by Government. Rule 2nd says that "the local fund revenues shall include the proceeds of the one anna cess, the levy of which has been authorised by Bombay Act III. of 1869, and such other funds as Government have either already made over, or may hereafter be pleased to make over to the local fund Committees." Rule 3rd says, that "a third of the proceeds of the one anna cess leviable under Bombay Act III. of 1869 shall be held to belong to the Educational Department, for expenditure in the talooka in which it is levied, and the annual accounts of this portion of the local fund cess shall be incorporated with the annual general local fund accounts of the district." Rule 4th says that "the remaining two-thirds of the one anna cess shall be expended wholly in the talooka, in which it is levied, exclusively on roads and communications, and works subordinate thereto, namely, on dhurrumsalas, or rest-houses, on water supply, and on the plantation of avenues of trees. The only exception that shall be permitted to this rule is in the case of communications connecting adjacent Talookas." The local funds of the Surat Collectorate have been charged 4,800 rupees as a contribution towards the Broach Exhibition in 1868-69, and 1,149 rupees and 1,908 rupees for exhibitions in the Government High School in the city of Surat. The local funds of the Ahmednugger Collectorate have been charged 18,182 rupees for completing the Government High School in the town of Ahmednugger in 1871-72. In 1871-72 the local funds of the Sattara Collectorate have been charged 22,545 rupees for the Mahableshwer Ghaut road, constructed for the convenience chiefly of Europeans visiting that cool hilly station, and 72,936 rupees for the repairs to Imperial roads, and 8,575 rupees on account of Imperial establishments in the Public Works Department. In the Canara district the dhurrumsala establishment cost 397 rupees in 1871-72, whilst the European travellers' bungalow establishment cost 2,196 rupees.

5042. Do you mean gross or net after deducting the fees that are paid by the travellers?—I am not quite sure whether the net amount is given, or the gross, but even if it be gross the receipts are so few and small that they would not materially affect the amount. In the Administration Report of the Local Funds of the Colaba district for the year 1871-72, the President of the Local Funds Committee, Mr. Salmon, states, that (I use his words) "the cause of the local funds of the district being at a debt is chiefly attributable to the heavy expenditure incurred in past years on the Nagotna and Dharamter road, which was unjustly debited to this fund by Government Resolution dated 31st of March 1870." That is a quotation from the Report made by the President of the Local Funds Committee of the Colaba district, which is published in the Bombay Government Gazette; and also the other instances to which I have previously referred, are taken from the Reports of the Administration by the Local Funds Committee, rendered to Government and published in the Government Gazette. I find that the Canara district local fund is charged 11,873 rupees for contribution for Imperial road repairs. The acting collector, Mr. Grant, in his report of the Khandeish local funds for 1871-72, says: "Considerable irregularities were brought to light which resulted in the dismissal of the engineer, three overseers, and a number of the subordinates." In the educational expenditure I find an item paid from this district local fund for the support of the female normal school at Poonah, which is maintained from Imperial funds, and is situated in a different district altogether. Thus it clearly appears that in this case, and in the case of the Colaba district, local funds raised in one district have been appropriated in another contrary to Rule 4 laid down by the Government, which directs that the amount of the cess "shall be expended wholly in the talooka in which it is levied." In the year 1871 grave irregularities and defalcations were discovered in the Local Fund Engineering Department of the Tanna district (which is near Bombay). Government appointed Captain Maunsel to inquire and report on the subject. This officer has made a report which I have before me, from which it appears that he has investigated a great many cases of irregularities and defalcations that were brought to light, and has officially reported to that local funds committee; and there are a number of such cases and instances. For each case there is a separate report; but I will not trouble the Committee with any further details beyond mentioning that this is the general character of the irregularities which he has brought to light and reported. This is the result in almost each case. As a sample I will mention this:—"The following irregularities are noted. Exemption of fees on pre-sanction; non-submission of revised estimate on altered line; transfer of work from Rowjee Dadaram to Nanabhoy Nowrojee without contract; payment of bills to different persons; alteration of design; allowing Nanabhoy Nowrojee to be contractor after distinct orders to contrary, but making no contract, &c.; unauthorisedly ordering work; permitting contractor to evade work; inferior workmanship in large metal and masonry." That is a sample of the reports that he has made after a careful and patient inquiry in a number of cases. This Report is dated the 18th November 1871.

5043. Do you know whether the person whose proceedings were thus reported upon, was appointed by the local authority or how was he appointed?—By the Local Funds Committee; Mr. Addis is the engineer, who was appointed by the Local Funds Committee, and it was in the engineering department of that district of which he was the head, that these irregularities were brought to light, and reported upon.

5044. Do you know whether Mr. Addis was appointed by what I may call a free election of the Local Funds Committee, or was he nominated by any officer of the Government?—I think generally the collector and magistrate of the district, who is the President of the district committee, makes all the important nominations. They are, of course, made at a meeting of the Committee of the local funds.

5045. I wanted to know, as a matter of fact, in this particular case, whether you knew how Mr. Addis had been appointed?—I do not know particularly how he was appointed; but the appointment

appointment of the local funds engineer rests with the district Committee, of which the Collector is the President. It is subject to the confirmation of the Revenue Commissioner.

5046. That Committee being, as far as you know, nominated under the general provisions of the Act?—Yes.

5047. Are you going on with some further illustrations?—I have done with regard to this sort of local funds. Oppressively heavy and vexatious tolls are levied on roads and bridges throughout the Bombay Presidency.

5048. Are those levied, do you mean, by the direct authority of the Presidency Government?—Yes.

5049. And by local Acts?—Yes.

5050. That is, Acts passed recently, or some considerable period of years back?—Yes.

5051. Mr. *J. B. Smith.*] Is there any account rendered to Government of the receipt of the tolls?—Yes.

5052. *Chairman.*] Are these tolls part of the general revenue of the Government?—They are incorporated with the district local funds, and appropriated to local purposes under the rules which I put in.

5053. Have you any illustrations of what you consider the vexatious character of these tolls?—Yes.

5054. Will you be good enough to state them?—A toll of four annas is levied on each cart crossing the Sion causeway from Salsetta, near Bombay, besides another toll of two annas charged by the Bombay municipality; on a four wheeled carriage, the toll at Sion is half a rupee; the same toll is exacted on carriages and carts crossing the Bandora causeway; I will not trouble the Committee with details of these tolls which are imposed in all the different districts, but their heaviness, and their oppressive character, is a matter of universal complaint throughout the Presidency.

5055. Can you tell us generally the rate of those tolls which are oppressive?—The tolls are very nearly the same rates as I have mentioned as being in operation at Sion, near Salsette.

5056. Do you mean tolls of the same amount are levied in various places?—Nearly the same amount for various places.

5057. Do you know, as a rule, whether these tolls which you pay for the particular work for which they have been imposed, more than pay the interest on the outlay and the cost of maintenance of the particular work for which they have been imposed?—I find from the accounts of the District Funds Committee that very large sums are realised on account of these tolls, showing the heaviness of the rate.

5058. But do you know whether these tolls were originally levied to cover the interest of the expenditure upon the public works, and the cost of maintenance?—I believe that was the object for which they were originally imposed.

5059. Do you know whether they have produced more than was necessary for those purposes?—I think many of them have.

5060. But have you seen any accounts showing that?—I have not been able to lay my hand on any account framed in that way; there is none that has been accessible to me of that nature.

5061. When you say that the tolls are vexatious, do you mean that they are vexatious merely in the sense that they are more than the people like to pay?—Not only in that sense, but people

at the toll bars are sto
they are subjected to a
ances by the officers in ch

5062. Since you have
you informed yourself of th
people pay here for the use
No, I have not. I forgot to m
instance of the irregular manner
local funds. It appears from the
ministration Report of the Public
partment that a riding path, 3¾ miles
30 feet broad, had recently been built
cantonment of Poonah at a cost of 19,970
"which has been met nearly equally from
perial and from local funds." This work
described in the Administration Report in these terms, "as one of the most useful and most highly appreciated improvements that have been made in the station of Poonah." I need scarcely say that it is of no use so far as the native inhabitants of the district are concerned, from whom half the amount has been obtained for the construction of this riding path, and that it was constructed almost exclusively for the benefit and enjoyment of the European visitors of Poonah. It is a sort of Rotten-row that has been constructed in the cantonment of Poonah.

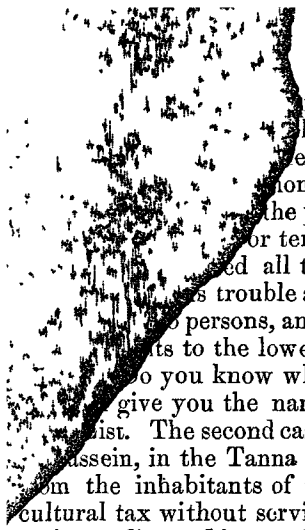
5063. Mr. *J. B. Smith.*] Are natives excluded from the use of that road?—I have not seen natives riding and taking advantage of it. I do not think that any respectable native would be excluded; perhaps some may be found occasionally to take advantage of it; but so far as the natives are concerned there was no need for it, and it is not a common thing that the natives like to ride on fine horses in a sort of Rotten-row road.

5064. But there is nothing to prevent them from doing so if they choose?—No.

5065. Mr. *Hermon.*] And they choose not to do so?—Some few might do so; but what I complain of is this, that a large contribution from the local funds, raised from the villagers of the district, was devoted for this work, and villagers do not ride on horseback on that sort of road.

5066. *Chairman.*] Do you know whether the cantonment houses and barracks are brought under assessment to the local funds in Poonah?—I do not know.

5067. Are there any other cases which you would like to bring before the Committee in dealing with the local funds?—No. I have here before me a statement of six classes of authentic cases showing the injustice to which people have been subjected in the course of carrying out the non-agricultural tax, which I will submit to the Committee. In February of last year the mamlutdar of Rajapoor assessed more than 100 heads of families residing in the small village of Kashalee Talooka Rajapoor, in the Rutnagherry Collectorate. He served them with notices calling upon them to pay the tax within one month at different rates, namely, 6 rupees, 3 rupees, 1½ rupees and 8 annas. In default he threatened to exact double the said amounts. This village is inhabited chiefly by cultivators, who have no other calling, excepting the heads of 10 or 15 families who follow other trades. Many of the persons assessed being too poor to incur the expense of appeal, a benevolent visitor who happened to be present, was moved with compassion; he advocated their cause, and defrayed from his own pocket the cost of lodging formal appeals on stamped paper. Thirty per-



ption on the ground that
he tax, and that they did
ession, trade, or calling
ion of land. On the day
he petitions, the mamlutdar
or ten of the cases only, and
d all the other appeals. The
s trouble and expense was the ex-
persons, and the transfer of eight of
ts to the lowest class.

o you know who the mamlutdar was?
give you the name afterwards from the
ist. The second case is this; the mamlutdar
ssein, in the Tanna Collectorate, has levied
m the inhabitants of that town the non-agri-
cultural tax without serving on them one month's notice as directed by section 9 of Act II. of 1871, thereby depriving the people of the right reserved to them by sections 12 and 13. Thirdly, in the Indapoor talooka of the Poonah Collectorate, where the poor people had suffered exceedingly from bad harvests and drought, many of the indigent villagers were mulcted, and compelled to pay double the amount at which they were assessed, on the ground that they had failed to pay the tax within one month after the date of the notice, although in several instances the notices were not served until after the lapse of two weeks. The result of such proceedings was disastrous. The unfortunate victims were compelled even to sell their clothes and cooking utensils to enable them to pay the amount of the tax and fine. Fourthly, in another district the Collector having requested Government to authorise him to grant remissions to persons who had suffered heavily from drought and other causes, was informed by Government that no exemption or remission should be granted, except for special reasons, after the most careful investigation.

5069. Sir *D. Wedderburn.*] What district was that?—I have not the name of the district here; but I believe it refers to one of the districts of the Deccan. Fifthly, last year 500 inhabitants of the Duskroee talooka, in the Ahmedabad district, who were assessed and required to pay the non-agricultural tax by the mamlutdar, appealed on stamped paper; but that officer did not inquire into their appeals which he referred to the supernumerary assistant collector and magistrate, who referred them back to the mamlutdar. The applicants did not get any redress. Sixthly, more than one-half of the number of appeals preferred against this tax in the city and district of Broach had not been disposed of up to the commencement of this year.

5070. Mr. *Crawford.*] Upon what authority are these statements made?—Upon information which I received in some cases from the parties themselves and in others from the most reliable sources.

5071. *Ex parte* statements?—I was not sitting in judgment when I collected this information, and I had no right to call up and hear the Government high and other functionaries, so as to be put in possession of their reasons, and their defence.

5072. But they are statements made in the nature of complaints addressed to you with reference to the matters which you speak of?—Yes.

5073. By the parties themselves?—Yes.

5074. Not corroborated by any other statement?—Several of those aggrieved parties in their own name made petitions and representations to Government in which these complaints have been urged; I could give to the Committee one of those petitions, which I have brought with me, at the next sitting.

5075. Are the complaints, when they are made to the Government, heard publicly?—No, never; they are disposed of in the Council Chamber, to which the public have no access.

5076. But are they not referred by the Government to the parties against whom the representations are directed?—They are referred to the local authorities, and their reports are invited; but they are not shown to the aggrieved parties.

5077. The parties are never heard in support of their statement?—No, nor have they the opportunity of knowing what sort of report has been made on the subject of their complaints by the authorities against whom those complaints have been urged; the complainants have no opportunity of knowing in what way the authorities have answered or met their complaints.

5078. *Chairman.*] Have you any further information to give respecting the administration of local funds?—Not at present. If you will allow me, I have some further representations to make on the subject and nature of local legislation as affecting the people. Two of the Acts, to which I wish to draw attention, refer to funds drawn from the city of Bombay. As an instance of the high-handed manner in which Government have carried several projects of law through the local Legislative Council, I will cite the instance of the Cotton Frauds Bill, which was passed in 1869, against the remonstrances of all classes of the community, Native as well as European, amongst whom it produced universal discontent.

5079. In what way does that bear upon the question of local taxation?—It bears upon it in this way, that Government imposes a tax on the trade, a tax on every bale of cotton exported from Bombay, for the purpose of keeping up, supporting, and maintaining the Cotton Frauds Establishment. If the Committee will allow me, I will put in the petitions addressed to the local council and the Viceroy, objecting to the principle and provisions of the Bill, showing the injustice and oppression practised upon the people in enforcing the existing Act, No. IX., of 1863, which is milder and much less stringent than the proposed Bill, citing many cases, decided by the High Court, in proof of the justice of their complaints, and soliciting the Viceroy to withhold his assent to the Bill (*handing in the petitions*). Owing to the complaints of the people of Bombay having been supported by the Bombay Chamber of Commerce, the Manchester Cotton Supply Association, and other commercial associations of England, several of whom memorialised the Secretary of State against the measure, the Viceroy was induced to veto the Bill. With regard to the inutility of keeping up the Cotton Frauds Department, and taxing the trade to support a very large and highly paid establishment, which is maintained by Government for the purpose of carrying out the Cotton Frauds Act, the Chamber of Commerce of Bombay makes the following important declaration in their last report: "Every year of the existence of this Act impresses merchants more strongly than ever regarding its utter uselessness for the purpose of putting down fraud, and with the fact that the large sum of money spent by the department is utterly wasted. Your Committee are of opinion that the time has come when

when this subject can be no longer left in the stage of 'consideration,' but must now be actively dealt with." This statement is contained in the Chamber's Report for 1871, which is dated 28th September last.

5080. Can you state about the amount of expenditure on that account?—Yes. There is an Inspector in chief for the Presidency of Bombay, on a salary of 1,833 rupees a month, and 125 rupees for travelling allowances; two inspectors on 800 rupees a month with travelling allowance in one case of 150 rupees, and in the other of 100 rupees; the inspector for Goojerat is maintained on a salary of 1,000 rupees a month, with 200 rupees for travelling allowance; the inspector for Khandeish, 700 rupees a month, and 200 rupees travelling allowance; the inspector for the Southern Mahratta country, 700 rupees a month, with 200 rupees for travelling allowance; the inspector for Scinde, 500 rupees a month, and 200 rupees travelling allowances; preventive inspector (for the Hubshee's territory), 250 rupees a month, and 100 rupees travelling allowance. These are the heads of establishments, but I believe that I can give at the next meeting of the Committee the total amount, including the subordinate establishment.

5081. Mr. *Hermon.*] The inspection, I suppose, only occurs when the crop is being picked?—The salaries are drawn permanently; but the travelling allowances are drawn for eight months of the year during the fair season, and not for the four months when they are stationed at particular places.

5082. *Chairman.*] Have you any particular statement there of the number of convictions in the course of the year?—In our petitions which I have put in, I think the number of convictions is given, and how they were disposed of.

5083. I do not see a statement of the total convictions?—They are given in the reports of the Chamber of Commerce.

5084. Do they give the total convictions for the year?—Yes. "Out of 33 cases prosecuted under the Cotton Frauds Act by the Cotton Department, in 1870–71, eight ended in acquittals of the accused parties, and convictions were procured in 13, of which two were reversed on appeal; and of the remainder, six cases were dismissed, and as many were pending the completion of the trial at the date of the report under consideration. Besides the above, there were 11 cases prosecuted by the Preventive Inspector of Surat and Broach, under Act VI. of 1863."

5085. Can you state at whose instance this Act was passed?—I believe it was at the instance of some mercantile men at an unusual period, when the merchants were much injured in consequence of frauds that had been practised by adulterating cotton.

5086. Did the Chamber of Commerce petition for it, do you know?—I do not remember.

5087. Do you know whether the frauds have been repressed which were complained of by the operation of the Act, or do the same frauds occur still?—The Chamber has reported from time to time that this Act, and the establishment of this department, have had no effect in the suppression of the adulteration and frauds.

5088. Mr. *J. B. Smith.*] But was not the passing of the Act rendered necessary by the enormous frauds that were committed by the growers of cotton?—When the Bill was introduced, there was a great cry raised to that effect, and that led to the enactment of the law.

5089. Was there not a great outcry from Manchester, who are the consumers of the cotton, that they were cheated by these frauds?—I believe there was.

5090. And was it not necessary therefore for the Government to take some means of repressing those frauds?—Yes, if those means could be effectual.

5091. But was it not necessary for the Government to take means to repress the fraud?—I will give a qualified answer to your question, if you will permit me. If it be necessary to suppress frauds in trade, I think that, on principle, there should be a general measure for the suppression of frauds practised in trade, with regard to every kind of commodity. For instance, there are frauds practised in this country in connection with piece goods, which are sized and mixed largely with clay, and mildewed goods, and in seeds, and in a number of cases frauds are practised; and if it is necessary, and advisable, and feasible by legislation to suppress these frauds, it is a fair thing for Government to pass a general measure for the suppression of frauds of every kind, and in trade of every kind, and not to select a particular article of trade like cotton; but in this case, even the attempt to suppress the frauds and mixture of cotton has, by the admission of the Chamber of Commerce, and other mercantile bodies, failed. The Chamber of Commerce of Bombay has memorialised Government to repeal the Cotton Frauds Act; but the subject, I believe, is under consideration, and a reference has, I believe, been made to the commercial bodies in this country.

5092. *Chairman.*] Is not the objection rather of a different kind, namely, not that the Government ought not to legislate to make penal frauds in any branch of trade which is particularly liable to fraud, but that they ought not to have an establishment at the public expense for the purpose of assisting the merchants in the way of precautionary inspection, but that they ought to leave the merchant to conduct his own business, and when he is defrauded to prosecute the person who defrauds him, and then to have a proper law for punishing him?—Just so; the penal code would be sufficient for the purpose of convicting in the case of legitimate fraud in reference to any trade.

5093. The objection is to spending the public money in having highly paid officers to assist merchants in dealing with cotton?—Just so; that is the objection.

5094. Mr. *Crawford.*] Can you tell me at whose instance these prosecutions, which resulted in conviction, were made?—By the inspectors employed by Government in the Cotton Frauds Department.

5095. Do you mean that the inspectors viewing the cotton form their opinion that the cotton is adulterated, and bring the presumed offender before the authorities?—Yes.

5096. Were any of those prosecutions on this footing, that some of the purchasers when purchasing cotton of a certain quality found on the delivery of it that inferior cotton had been passed upon them, and then went to the magistrates to complain?—I do not think that it was at the instance of the purchasers. All these prosecutions were initiated by the heads of the Cotton Frauds Department,

Mr. *Nowrozjee Furdoonjee.*

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Department, and employées of the Government of their own motion.

5097. Has the cotton inspector the power of going round the district and of looking at any cotton that he finds, whether for sale or not for sale, in a man's private warehouse, or in the open market, just as he pleases?—He has that power.

5098. And if he thinks that cotton is adulterated, he then brings the presumed offender before the magistrate?—Yes; he can do so.

5099. Then it is a question of judgment on his part whether the cotton is adulterated or not?—Yes; and the case is decided by the court on questions of law and of evidence.

5100. Does the law go the length of preventing a man from selling inferior cotton?—No, it does not. All that the law says is this, that if a party is guilty knowingly of adulterating cotton he shall be punished.

5101. But supposing he adulterates inferior cotton with good cotton?—I think that the judge would hold that this is not adulteration.

5102. *Chairman.*] He would hold that that was an improvement, you think?—Yes.

5103. Mr. *Fawcett.*] What I understood you to wish to convey to the Committee in the answer you gave just now is this, that one reason of your complaint against the Act is that you allege that there are quite as great frauds committed with reference to cotton goods which are imported into India from England as there are with reference to the raw cotton exported from India to England, and that the refore you think it is unfair that any special Act should be passed applying to the raw cotton exported from India which does not equally apply to the manufactured cotton goods imported from England?—Yes, and to other commodities.

5104. Lord *E. Fitzmaurice.*] Your objection is also, as I understand, that the Act cannot be carried out?—Yes, the mercantile body and the Chamber have often reported that it is ineffectual in preventing the adulteration of cotton.

5105. *Chairman.*] Are there any other special proceedings that you would wish to bring under notice of this local character?—Yes, one more. It is a measure that was promoted by the Government and enacted by the Legislative Council recently, namely, in the year 1870, the Bunder Fees Act. By the Bunder Fees Act, which was passed in 1870, the traffic and trade of the port of Bombay, which were free, have been taxed, and fees ranging from 6 pies to 1½ rupees have been imposed with the view of raising a revenue to pay for the heavy amount of interest payable for the Elphinstone Company's property purchased by Government and the Moody Bay reclamation works made over to the Port Trust.

5106. These bunder fees are a wharfage due paid for putting the goods on to the wharf?—Yes, not only is merchandise taxed, but fees are also charged on the personal effects and every description of package in the hands of passengers going to and from. The imposition of these new burdens has caused great dissatisfaction in Bombay.

5107. Mr. *Candlish.*] What is the rate of this charge?—In certain cases it is on packages; in certain cases it is for a ton or so many maunds, according to the nature and quality of the articles. Negotiations were carried on with the Government of India for a long time regarding the proposed formation of the Port Trust, and no information was laid before the mercantile community until a remonstrance was addressed to the Supreme Government by the Bombay Chamber of Commerce. These bunder fees have been imposed on the people and the trade without affording any facilities, such as deep-water piers, basins, or docks, for which a large outlay will be necessary, and which will add to the existing burdens and liabilities of the port.

5108. *Chairman.*] Has one of the effects of making these new wharves projecting further into the harbour been, that the vessels can get to the wharf at a much later period of the tide, so that a great deal of time is saved?—I am not aware of any such works having been constructed; vessels cannot get alongside there.

5109. I am speaking now of the harbour boats, what are called the cargo boats; do you know that the cargo boats could formerly only get to be unloaded almost at high tides, and that by projecting these wharves very much into the harbour, they can now come to be laden and unladen at some different parts of the tide, say half tide or any other period of the tide?—These boats do not require any large draught of water, and they could come up to any place, irrespective of the state of the tide.

5110. When you say that no result has come from this expenditure to the mercantile community, I want to see if you are quite clear upon that point; supposing it were correct, that in former times, before these wharves were made projecting considerably into the harbour, the water at the side of the old wharves, and at the side of the harbour, was so shallow, that the cargo boats could only come on the top of the tide to unload, and that now, by the wharf walls being run a good way into the harbour, they can come at half tide, would not that be a very great gain, in point of time, and also a very considerable reduction of expense in the use of harbour boats, if they could do the work in half a tide, which before they could only do in one tide, in consequence of their being able only to come up and get off at full tide?—I am not aware of these advantages which you speak of, being afforded.

5111. Have you informed yourself sufficiently of the relative state of things before those wharves were built into the harbour, and now that they have been built and brought into use?—I do not know exactly as to that; but with regard to the Custom House, there has been no facility afforded.

5112. I am speaking, not of the Custom House, but of the economy to the merchant, and the reduction of the expense of unloading vessels, in being able to bring vessels at half tide, instead of only on the top of the tide?—I do not know that.

5113. Mr. *Crawford.*] Is it not a fact within your recollection, as it is within mine, that there was a time when the whole of the trade of Bombay had to pass over the Custom House bunder within the fort, and the bunder outside?—Yes.

5114. And is it not a fact, now, that the number of landing places for goods has been very much increased by the construction of the Elphinstone wharves, and the bunder, and a variety of other bunders, and that consequently the trade have now the enjoyment of very great advantages and facilities in the shape of landing the goods?—Yes.

5115. Is it not reasonable that the trade should pay for that in the form of a tax upon the goods?—The fact is this, that it was fair, or would have

have been fair, for the Elphinstone Company, for such improvements as they made, and for the facilities that they afforded on their wharves and bunders to impose a certain charge, but the people have now to pay charges and fees for all the Government bunders, and all the bunders which hitherto had been free, and on which no such facilities have been provided.

5116. But those wharves or bunders have many of them been constructed of late years, have they not, and are in point of fact additions to the facilities which the mercantile public had former days in Bombay?—Not the Government bunders.

5117. *Chairman.*] They are all Government bunders now?—Yes, now; but I mean up to the time when they took over the Elphinstone Company's property.

5117. Mr. *Crawford.*] What I was referring to just now is the fact that 25 or 30 years ago the whole of the trade of Bombay passed over the Custom-house bunder, and over those two other bunders I was mentioning, the Chinch bunder and the Boree bunder?—Yes.

5119. Now there are greater advantages given to the public by the extension of these facilities, is it not reasonable that people should pay for the use of these facilities?—Yes, it is reasonable that they should pay for resorting to any particular bunders where facilities are afforded; but I submit that it is not fair, as regards the people who hitherto landed their goods and passengers and others at the Government bunders free of charge, to impose vexatious fees and charges for landing goods and passengers without providing any additional facilities, such, for instance, as that of directly stepping into the ships without having to go to them by means of a boat.

5120. *Chairman.*] We want to know the exact point that you are putting before the Committee. If you are putting before the Committee that assuming the services, the rate of the charges is vexatiously heavy, that is one proposition; but if you are putting before the Committee that to make any charge is improper, you can hardly be in a position to do that unless you know exactly the true character, commercially speaking, of the conveniences that have been afforded; for instance, unless you know whether, before these large works were undertaken, vessels through loss of time were kept waiting because the accommodation was so small and could not unload; and now in consequence of the increase of accommodation they can save time and come up when they want to load and unload; all those are questions which it is necessary for you to explain to the Committee, if you intend to go into the matter?—I have not personally investigated that, but from the representations that were made by the mercantile body, the Chamber of Commerce, to the Bombay Government, and to the Supreme Government, it appears that they feel the levy of these duties and charges at all as a hardship, and they, throughout, in their correspondence complain of it, I believe, on the assumption that without any facilities to the trade having been provided, these burdens have been imposed; in fact a large outlay has to be incurred to provide facilities for the landing of goods and passengers.

5121. Further facilities, you mean; but to say that there are none at all provided by these wharves, and so forth, is rather a strong proposition. Do you know whether the craneage of the goods on the wharves is included in the charge, that is, whether taking the goods from the boat and putting them on to the wharf, is included in the charge that is made?—I do not think that is included.

5122. But do you know exactly?—I do not know; I will not undertake to say that.

5123. Mr. *Candlish.*] Do you know that in the Port of London, and in every port of this country, bunder dues are charged?—I do not know the state of matters with regard to this country.

5124. Mr. *J. B. Smith.*] In the last 25 years the trade of Bombay has enormously increased, has it not?—Yes.

5125. Do you think that it would have been possible to carry on the present trade of Bombay, unless greater facilities had been afforded for that purpose, and a great outlay had been incurred?—Perhaps not.

5126. *Chairman.*] I think we had better not pursue this any more, because without having all the facts, one cannot form any judgment on the matter. Will you go to some other illustration?—There is one circumstance connected with the question of local legislation in Bombay, which I wish to bring to the notice of the Committee, namely, the great dissatisfaction which has been produced in the Bombay Presidency, in consequence of sufficient publicity not having been given by the Council to the new measures of additional taxation which were introduced and pushed through the Council with undue haste in 1871. The Standing Orders were suspended when the Bills were introduced and referred to Select Committees. The time given to report on them, within a fortnight, was too short and insufficient for the purpose. The Bills were published in the Government "Gazette" only, in English, a day before they were introduced, and translations in the vernacular languages were not published at all for the information of the eleven millions of people residing in the Bombay Presidency, whose interests were deeply affected by these measures, and who were therefore utterly ignorant of the nature and character of the taxes proposed to be levied from them, and therefore had no opportunity of expressing their views and representing their objections to the Council. Both the Police Bill and the Non-Agricultural Tax Bill were hurried through the Council and passed into law within the short interval of three weeks after their first introduction.

5127. Mr. *Crawford.*] What is the ordinary method used for promulgating a new law in India among the Natives?—It is made known by promulgation in the "Gazette," of the Act in English and vernacular translations.

5128. But in some village up the country, how can the native who does not read the Government Gazette know what law has been made?—Copies of the Government Gazette in the vernacular languages are posted at the cutcherries, and people have the opportunity of coming and reading or getting them read there.

5129. *Chairman.*] Have we come to an end of what you wish to say about the local matters?—There is one other subject which I wish to bring to the notice of the Committee, namely, the necessity of giving adequate representation to the natives, and enlarging the local Legislative Council. To remedy the grievance which I have brought to the notice of the Committee, namely, want of adequate representation, it is necessary to remodel the present defective constitution of

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the Council with a view to the giving to the natives an effective voice, and a real and true representation, instead of the semblance which they now possess, and which is of no practical advantage; I submit to the Committee the advisability of recommending a suitable extension of the Council, by admitting a greater number of properly qualified natives, elected by the inhabitants of the principal towns and districts of the Bombay Presidency, as proposed by Sir Bartle Frere, late Governor of Bombay, or any other well-considered scheme. Under the present faulty system, laws are passed for which no necessity exists, and which injuriously affect the interests of the people, as I have endeavoured to show to the Committee; and the Budget of the Provincial Services which have been made over to the local government is not submitted to, nor discussed by, the Council. There is, therefore little or no check upon the public expenditure, which has gone on increasing from year to year. In order to consult the feelings and opinions of the people through properly qualified representatives elected by them, and to bring public opinion to bear on their deliberations, I humbly submit that the Budget should be framed by a duly qualified functionary, and submitted to and fully discussed by a properly constituted local Council, who should sanction, reject, or modify each item of the expenditure, very nearly in the same way as is done by the House of Commons sitting in Committee. If necessary, the Governor in Council might have the right of vetoing any Resolution of the Council, for reasons to be publicly assigned.

5130. Then supposing the Council and the Governor in Council differed, what would be the result?—If the Executive Government differed, and did not consider it in the interests of Government and the interests of the State to carry out the vote of the Council, against which they might have strong reasons, as I have already stated, they might veto such resolution for reasons to be assigned, and which would be known to the public and to the Supreme Government.

5131. But who would decide?—The Governor might on his own responsibility.

5132. You use the term "veto," in a sense in which we do not understand it quite?—I mean cancel any particular vote with regard to any item.

5133. Supposing the Legislative Council declined to sanction expenditure to carry out something that the Governor wished to be done, they would be the party vetoing, and the Governor the party proposing. Supposing that state of things to arise, who would decide between them what was to be done?—The Governor, for reasons to be publicly assigned.

5134. Then you would leave the executive authority in the Governor in Council, to the same extent that he possesses it at present; but you would allow his acts, before they were carried into effect, to be canvassed in the Legislative Council?—To be canvassed and fully discussed, and each item to be voted upon after a careful scrutiny of the expenditure.

5135. Mr. *Crawford.*] A sort of Presidency Parliament?—Yes, on a small scale.

5136. *Chairman.*] But not having absolute powers, because the Government might find it necessary to act independently of the Council on their own responsibility?—Not having absolute powers.

5137. Do you think that it would be easy to carry out elections satisfactorily in the way suggested by you?—I think it would be easy; I do not see any insuperable difficulty in the way of it. They have already made a commencement; the inhabitants of the town and island of Bombay have hitherto had no right to elect the members of their own municipal corporation; that right has, to a certain extent, been recently conceded, and I hope will be properly exercised, and beneficially exercised, and that it will be the harbinger of extending this still further.

5138. Mr. *J. B. Smith.*] Who are to be the electors of the Council according to your notion?—The inhabitants of the large towns throughout the Bombay Presidency.

5139. Is it to be universal suffrage?—No, a limited suffrage; some such suffrage as has been laid down for municipal elections by the Act that was passed last year. I would make it general with respect to rates of every kind, so as to bring in a larger body within the franchise than those to whom it is given under that Bill.

5140. *Chairman.*] Is there anything further that you wish to add on this head?—That is all on this subject.

5141. You did not state the nature of your objection to the Executive Council of the Governor; can you do so?—My objections will be gleaned from a short statement which, with your permission, I will make with regard to the manner in which the Council conducts the business, the general routine, and the expense of the service. The Executive Government of Bombay is composed of the Governor and President, and a Council consisting of the Commander in Chief and two other members. They have a large staff of four highly-paid secretaries and four under secretaries, besides five uncovenanted assistant secretaries. The Governor receives a salary of 1,28,000 rupees; his staff and household expenses amount to 1,67,000 rupees; and his tour expenses to 1,00,000 rupees; total, 4,00,000 rupees per annum. These figures are taken from the Civil Budget Estimate of Bombay, page 512. In 1856-7, the Governor's staff and household expenses amounted to 66,020 rupees, and his tour expenses to 11,720 rupees only. In these two items alone there has been an increase of nearly two lacs since the transfer of the Government from the East India Company to the Crown. The Commander in Chief receives a salary of 66,000 rupees a year, which, together with the salaries of his personal staff, and travelling expenses, amounts to one lac and a quarter.

5142. He does not receive all that; you mean that he and his staff receive that?—He and his staff taken together. He takes little or no part in the transaction of civil business. Each member of the Council receives a salary of 64,000 rupees per annum. There are four secretaries to Government in different departments, each receiving from 30,000 rupees to 40,000 rupees a year, and four under secretaries, each on 15,000 rupees to 27,000 rupees per year, and four assistant secretaries, on 7,200 rupees to 7,800 rupees a year. Natives are eligible for employment in the lowest grade of the Secretariat Department. There is only one Hindoo and one Portuguese employed in this lowest grade. The rest are all civil servants and military officers, and a few uncovenanted Europeans. In 1856-7, there were no under secretaries. In the Secretariat Department there has been a great increase of expenditure.

ture. In the time of the former Governors, such as Lord Clive, Lord Elphinstone, Sir George Russell Clerk, and others, meetings of the Council were held regularly every week, public business was transacted, after full discussion, and a record of the proceedings of each meeting was kept by the Secretary, which was read and confirmed in due course at each subsequent meeting. Latterly the system has been changed; council meetings are seldom held, and business is disposed of by putting the papers in circulation amongst the members of the Government, and the Under Secretary writes out a statement of the case, which usually forms the basis on which one of the members of the Council records his Minute, and on the authority of this document, orders are issued by the Secretary or Under Secretary in the name of the Governor in Council. Two or three departments are assigned to each Councillor, whose instructions are carried out without reference to the other members of the Government unless an express intimation is given to circulate particular papers to the other members, which is seldom the case. The Governor at present disposes of business in the Military, Political, and Public Works Departments; the honourable Mr. Tucker in the judicial and educational: and the honourable Mr. Rogers in the Revenue, Police, Financial, and General Departments. Notwithstanding this sub-division of the work, there is a great delay in the transaction of public business. Many persons do not receive replies and decisions from Government, for months and even years. For example, the honourable Mr. Tucker has not yet had time to write out and give to the parties, judgments in several cases which he decided about four years ago, when he was Judge of the High Court; whilst one native judge was lately dismissed from the public service because he neglected to write out his judgment shortly after pronouncing his decision. The proceedings of Government are kept secret in every department, and people have not the full opportunity of their cases being represented to Government when they come up before that body. I will not say more than what I have stated with regard to the injurious effects of the secrecy system that is carried on in all the Government departments; but the short account that I have given of the very high expenditure that is incurred, and which has increased a great deal during the last 10 or 12 years, and the mode of conducting business, will show that the manner in which the public business is disposed of by Government, at the very heavy cost that I have described, does not give satisfaction. It promotes delay, and it is time that measures should be devised for placing the management and the conduct of business by Government on a better footing. At the present, although there are several members of the Council, I have already shown that one does not take any part at all in the transaction of civil business, namely, the Commander in Chief; in the Legislative Council, of which he is a member, he never takes a part in that branch of the Public Department; and whereas the business ought to be disposed of by the Board, after full and matnre discussion and consideration, and giving the parties full opportunity to be heard before the Council previous to their coming to a decision, they are not allowed that opportunity, and business is disposed of in the way that I have described by the Minute recorded by one member only of the Government, who, so far as the public are concerned, issues his orders on the statement of the case as laid before him by the Secretary or Under Secretary, and that goes before the public as the act of his Excellency the Governor in Council. Therefore, I would submit to the Committee the advisability of recommending a change in the constitution of the Government. The Committee after hearing all the facts and the evidence, will perhaps form an opinion whether a Council is necessary, and whether the large staff of secretaries, under secretaries, and assistant secretaries, is or is not advisable; whether it is necessary to make a reduction in the large staff of the Secretariat, and whether it is necessary to give to the Governor the benefit of a Council, and under what circumstances; but if a Council is to be kept up, in justice to the public it is necessary that all the members should hold regular meetings, and deliberate and have the cases fully laid before them, giving parties whose interests are affected by the decision full opportunity of being heard, and they should be allowed to be present when their cases come up before the Council, either themselves or by their representatives, and, after careful discussion, the ordinary business should be disposed of, excepting, of course, matters relating to the Political and Secret Department, in which a different procedure might perhaps be thought advisable and the Commander in Chief might be relieved of all his duties as a member of the Civil Government. In fact, I submit that it is not necessary to have a separate Commander in Chief for each Presidency; one Commander in Chief for the whole of the Indian Army would be quite sufficient; and, so far as the Presidencies and Provinces are concerned, subordinate officers may, on smaller salaries, be appointed to take charge of, and conduct the supervision of, the local army of each Presidency and Province, and in that way a great reduction could be made in the public expenditure, and the public might be relieved of a portion of their burthens.

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5143. Do you think that the opinion of the Natives in Bombay, in the town and in the districts of the country which you have visited, is, that it would be better to have a Lieutenant Governor taken from the public service in India without any Council to administer the Government of Bombay at a very much less cost, or that they would rather have the Governor with his Council, kept within the reasonable cost of former Governors of Bombay?—I think that it is an open question whether there should be a Council or not; but if it be advisable that the Governor should have the assistance and benefit of a Council, it should be given in such a manner that the people might have the benefit and advantage of the whole Board, including all the councillors.

5144. But I am asking you whether you know generally, whether there is a feeling amongst the Natives of the town and the Provinces in Bombay on that subject, one way or the other?—I am not exactly able to say that there is any feeling; there are different opinions, and therefore I would not venture to say what is the prevailing opinion.

5145. Mr. *J. B. Smith.*] You merely give your own opinion?—Yes.

5146. Mr. *Fowler.*] Do you advocate the amalgamation of the Native army?—I would advocate the amalgamation, and the whole army to be placed under one command and

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one inspectorial and superintending staff; and, further, that it should be a purely local army, subject to the orders of the Supreme Government, and not be subject to the orders and jurisdiction of the Horse Guards in this country, which entails a very great expenditure, and which fetters the reduction of military expenditure, on account of all proposals for such reduction having to be submitted to the Commander in Chief in this country, and being negatived by him.

5147. *Chairman.*] Do you know that that is the case?—I have been informed that that is the case; and one reason why I state it is this, that a proposition was made by the Supreme Government some short time ago for the reduction of some regiments, which, I believe, was negatived by the authorities in this country.

5148. That is not the Commander in Chief. To what subject do you now propose to proceed?—If there is no objection, I would enter to-day on the subject of the Engineering Department and the Public Works Department.

5149. Are you conversant with the organisation of the Engineering and Public Works Departments in India, or in the Presidency of Bombay?—I have made myself acquainted with the organisation in the Presidency of Bombay, and taken some pains to do so.

5150. Have you any objection to make it as leading to unnecessary expenditure of the public finances?—I have. With regard to the civil engineering colleges of India, evidence has been given before this Select Committee by several high officers of Government, for whom I have the greatest respect, to the effect that Government has offered very high attractions to the natives, which they have not at all responded to, and that they do not take kindly to the work of engineering at present; that it would not have been possible to get a sufficient supply of engineers from the natives of India; that the Government has done all it can do quite in advance of the feeling of the people; that India has produced only one man who has made a mark in that country as a distinguished engineer; that native engineers have not undertaken works involving a large responsibility; that only some have reached the grade of executive engineer, and none have become superintending officers, and this result is attributed to want of talent and qualification; that natives have not exhibited remarkable qualifications as students of engineering, and that the native mind leans more towards sedentary employment; that the course of studies in the Indian colleges is very much shorter, and lasts only a year and a half; that Government tried the experiment of admitting the natives to perfect equality with Europeans for several years, and gave it up upon finding it a failure; that the natives who do best in examinations are perfectly useless with their hands, and unfit for practical work; and that in their own country they are found, for hard work, almost useless; that they go about in palanquins, and see somebody else do the work, instead of doing it themselves; that it is very rarely that young native engineers have been found fit for the higher posts; and that they cannot qualify themselves for the duties that are required of the various grades of the Engineering Department. Such is, in the words of the Government functionaries that have been examined before the Select Committee, the evidence that has been placed before the Committee regarding the natives in justification of their exclusion, and their not being promoted and admitted into the higher grades of the Engineering service. With due respect to the high authorities (one of them is General Strachey, and the other is the superintendent of the engineering college at Cooper's Hill, Colonel Chesney), I submit that these opinions are utterly baseless and unfounded. That is an assertion which I hope to make good, and to establish before the Committee by indisputable facts.

5151. Will you be good enough to state, then, what the facts are which lead you to the opposite opinion to that which we have just quoted?—With regard to the specific allegation and instance that was specified, that for some years the entire number of appointments guaranteed to Roorkee College, namely, eight annually, were not filled up, I beg to state that the failure attending the eight appointments that were guaranteed to Roorkee is to be accounted for by this circumstance, that very few natives join the upper department in that college, and they do not form an important element in the Roorkee College. From the calendar of the Roorkee College for 1871-72, it appears that the college is not a college established for the express purpose of training and qualifying natives of India. Its engineering or first department consists almost entirely of military officers, men from various regiments, and from the Royal Artillery. Its second department is almost entirely confined to serjeants, corporals, and privates, selected from British regiments. Therefore it cannot be expected that natives will join a college where they will be subject to the various slights which British serjeants and privates are in the habit always of offering them; Roorkee Engineering College, for all the good it does to the natives of India, might as well not have existed. There is a magnificent and highly paid European staff employed in the college, consisting of four Royal Engineer officers, a Fellow of Cambridge, a Doctor, and F.R.S.E., and a host of inferior European teachers, all engaged, not in teaching natives, but in teaching officers of European regiments, and serjeants, corporals, and privates of the same. There is a third department in that college which is a native department, but there are none of these highly paid instructors in that department to teach the natives. There are only a few native teachers, and the instruction conveyed is only in the vernacular. The Roorkee College is merely a military institution. It instructs natives only in name, and by no means acts up to the policy ascribed to it by the Court of Directors. The encouragement which is stated as being given to Roorkee is given, in fact, to European officers chiefly, and such encouragement has not been extended to the Engineering College established in the Bombay Presidency, I mean the Civil Engineering College of Poona. In the Civil Engineering College at Poona, the teaching staff is small, and inadequate compared with the staff of the Roorkee College. In October 1867 Government appointed special visitors to the Poona Civil Engineering College, who have made their reports, in which they show the inadequacy of the staff that is employed in the Civil Engineering College. They conclude their Report with this remark: "Through the liberality of Mr. Cowasjee Jehanghier Readymoney, the engineering college will soon possess a local habitation of its own, and become one of the acknowledged and permanent institutions of the country.

country. It struggled through the first years of its existence amid much conflict of opinion on the part of the officers of the Public Works Department; but by its regular annual production of a most useful body of public servants, its value to the State and to the public has become recognised. Its growth has been slow, but steady; and we would recommend that the same policy of gradual development which has marked its history during the last 12 years should still be continued." The Report is signed by Mr. Coke, M.A., and C. T. Haig, Captain of the Royal Engineers.

5152. Does it describe what the "useful body of Government servants" is?—Yes; with regard to the encouragement which Government was pleased to give to the training of the natives in civil engineering, on which stress has been laid by one of the witnesses that were examined by the Committee, I desire to bring to the notice of the Committee the fact that in Bombay the encouragement from Government consisted of one appointment in the upper department of the engineering service, which was given to the best qualified student of the college.

5153. Mr. *J. B. Smith.*] How many appointments were given in the whole; what proportion does that bear to the total number employed?—I will show you presently. Now that one appointment which was given every year to natives who had passed the required test and examination, and qualified themselves, was subsequently withdrawn by Government, because too many natives passed.

5154. *Chairman.*] Do we rightly understand you to state that there were a number of qualified natives to take up the appointments?—Yes.

5155. And that they were not appointed?—Yes; they were not appointed, and one appointment that had previous been guaranteed was practically taken away by the restriction which Government imposed, limiting the appointment to licentiates of the first class.

5156. Do you know the reason why they were not appointed; was it merely because they were natives, or from any other ground?—I do not know any other ground.

5157. Why was the appointment taken away then?—I do not know the reason that actuated the Government in taking away the appointment, and it has afforded a subject of complaint and remonstrance to the Head Government Educational officer, who has remonstrated against this proceeding of the Government in his Report on Public Instruction for 1870-71, at page 70, paragraph 65, and also in his Report for the subsequent year. It appears from the report of the Director of Public instruction at Madras, that no encouragement is offered to natives at Madras who desire to qualify themselves for the Engineering Department, and that statement will be found in the Report of the Director of Public Instruction in Madras for 1870-71, There is a passage in paragraph 16, at page 269 of the Roorkee Calendar, which I wish to bring to the notice of the Committee, regarding the capabilities of the natives for qualifying themselves in the Engineering Service. The Principal of the Engineering College at Roorkee, in his annual report for the year 1870-71, at paragraph 16, makes these observations: "Unless, then, more appointments are guaranteed to the passed civil engineer students I cannot see with unmixed satisfaction any further expansion of this particular class; nor can I hope to see many natives join it, although I consider that they have perhaps the first claims upon the college, and should be more encouraged to enter the higher grades of the Public Works Department. The necessity for employing an experienced European agency in the public works, as in other departments of the public services, was originally forced upon the rulers of India because the necessary material was not procurable in this country. Meanwhile, however, we have been improving the native article; had we failed to do so we should have manifestly neglected our duty; and now, in many branches of education, a standard of culture has been reached quite sufficient for the requirements of the public service in several departments of Government. The time should be approaching when all the subordinate, and many of the engineer, appointments in the Public Works Department could be efficiently filled by natives of this country, who, while in ability quite equal to their European rivals, and nearly, if not quite as competent to discharge the duties of a civil engineer, would cost the State far less."

5158. That is if they were paid a less remuneration?—He thus explains what he means: "A sub-overseer, as turned out of this college, is in many particulars a more highly trained subordinate after his two years' curriculum than the overseer who leaves after one session in the college; and I am by no means prepared to assert that he is not, on 35 rupees a month, quite as useful a man in most cases as the European overseer on 100 rupees. In the lower grades the natives have quite established a footing in the Public Works Department, and the country is full of men trained in our colleges and on our works capable of carrying out all the simpler operations of surveying, building, road-making, &c. . . . . That the natives of this country, under favourable conditions, are capable of excellence, both as architects and builders, the beauty and solidity of many of the historical monuments of the country fully testify; and that they can compete with European skill in the choice and composition of building materials may be proved by comparing an old terrace roof at Delhi or Lahore with an Allahabad gun-shed or many a recent barrack."

5159. Mr. *J. B. Smith.*] That is the report of a European?—The report of the principal of the Thomason College at Roorkee, and the principal is an engineer of very great eminence in the public service.

5160. *Chairman.*] Before you pass from this Report from which you have previously quoted on the Poona Civil Engineering College for 1866 (that is some time ago), it would seem that the class of servants adverted to in this Report is called the Maistry Class or subordinate officers of the Public Works Department, not the superior directing officers?—That is only one department referred to.

5161. The only officers referred to in this college are in what is called the subordinate department, the maistry, and superintending class, not what are called the executive engineer officers?—I will show presently how the engineer officers have been trained and turned out.

5162. I will call your attention to these two paragraphs: "We would strongly support Mr. Cooke's recommendation that an appointment to the engineering branch of the Public Works Department be awarded annually to the first licentiate in civil engineering at the university." Then it

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goes on to say, "We have seen the standard of the competitive examination of candidates for appointments in the engineer establishment of the Public Works Department in India, as laid down by the India Office in 1863, and after comparing it with that for the degree of licentiate of civil engineering, we are satisfied that the latter standard is very much higher than the former." Then you say that after that Report the Government declined to nominate?—No; at first they gave one appointment, and afterwards they took it away when a larger number passed the required examination, and qualified themselves for admission into the Government service.

5163. Did they withdraw that nomination before or after the establishment of the Engineering College in England?—I think it was about that time.

5164. The same Report goes on to say, "It will be for the Government to determine whether it will be desirable to encourage the profession of civil engineering among the natives by gradually admitting them to the higher appointments of the service, or to leave them unencouraged to establish independent offices for themselves; without encouragement, we fear it will be long before they take full advantage of the university course"?—Just so; and the suggestion was taken up, and further representations were made to the same effect by the Director of Public Instruction in two of his successive reports. Then with regard to that part of the evidence that has been given, that no natives have been elevated to the post of superintending engineers, I submit that that is not the fault of native talent or capability, but the fault of Government. They have not even offered sufficient inducement for their admission into the lower grade, and they have not promoted any one to the superior grade of superintending engineer, except only lately, when there has been a solitary instance of an acting appointment of superintending engineer being conferred upon a native in Bengal.

5165. Would it surprise you to be told, that the Government has never afforded any encouragement in this country to the education of civil engineers, and yet that engineers have grown up to eminence, and conducted all the public works in this country without any such assistance from Government; and that the first effort that we have heard of its being necessary to make to teach civil engineers in this country, is for the purpose of qualifying civil engineers to go out to India?—I submit that the circumstances of India, and the requirements of India, are quite different from those of England; there are in England very remunerative openings for engineers in the railways, and in a great many other capacities, and there is a great demand for them, and there are very great facilities for qualifying themselves; and, therefore, it may not be necessary for the Government here to give any such encouragement or inducement; but I submit that the circumstances of India are quite different; and that, unless inducements are given, it is futile to expect that natives should spend some years of the best part of their time in acquiring the necessary training and proficiency, without expecting an appointment, after qualifying themselves in the public service; moreover, it has been the policy of Government, that natives should be trained and educated, and qualified for all the different departments of the public service; and when they are so qualified that they should be freely admitted.

5166. Do you know that the railway companies who have constructed works, exceeding in magnitude all the public works of the Government of India, in India have been able to provide themselves with engineers ready made, without any assistance whatever from the Government?—They bring their engineers from this country, because there are engineering colleges and private establishments, and every facility exists for that purpose, and there is a great demand, and the supply is created by the demand.

5167. Do you know whether, notwithstanding the fact that the railway companies have been operating in India for the last 20 years, and they would have been glad, on account of economy, to employ natives as engineers, they have never been able to find any native who could accept a responsible engineering post?—I do not know that.

5168. Do you know as a matter of fact that they never have found any native qualified to accept a responsible employment during the 20 years that they have been carrying on their operations?—I do not know that.

5169. Do you know whether any native ever offered himself as qualified?—I know one instance in which the railway authorities have employed and promoted a native to one of the highest posts in their employment, namely, that of engineer, and that is Mr. Harrichund Sudasewjee, who is employed in Bombay at the head-quarters office as an engineer in the employment of the Great Indian Peninsular Railway Company.

5170. In what particular employment?—He is employed in the head office, and he was so highly qualified and so efficient, and gave that company so much satisfaction, that they would not allow him to leave their service and go to another, although there was an opening. For want of adequate support and promotion in the Public Works Department, this gentleman left the Government service, and was better off in the service of the railway company.

5171. Do you know whether he is employed as the head of the official establishment of natives under the chief engineer, or whether he has ever been employed as an executive field engineer in the service?—He is employed, I know, in the head office, and occupies one of the highest and most responsible posts in that office.

5172. But do you know whether his employment is that of being the head of a considerable establishment which the chief engineer has in Bombay, to carry on his business as superintendent, or whether he has ever been employed in what may be called the engineering staff, as an executive officer in charge of works, or in the construction of works?—No; not in the construction of works.

5173. But I was asking whether any of the railway companies, within your knowledge, had ever been able to find any native during these 20 years who proposed himself as qualified for taking the post of an executive engineer, designing or constructing works?—I believe there was no opening in the service of the Government for that native whom I have mentioned; but his services were secured the company for the head office, and they would not allow him to go.

5174. But still there are establishments by which the natives for many years past, in fact during the last 20 years, could have pursued their

their education for all the qualifications necessary for engineers; there have been educational establishments in Bombay and Calcutta, and Madras, in which natives could have acquired all the learning, scientific and otherwise, that is necessary to qualify a person to be an engineer?—Yes, and the Poona Engineering College is one of them.

5175. Do you know whether any native of India, having a sufficient basis of education, has ever applied to any of the engineer officers to take him as a pupil to teach engineering, civil engineers in India being at liberty to take pupils if they had offered themselves?—I do not know. Then it should further be borne in mind that the post of superintending engineer, that high post to which it has been alleged no native has yet risen, is rarely attained before 20 years' service in the employment of the Government, and it is not 20 years since colleges have been established for the training and education of natives in the engineering department. It is only lately that that has been done, and therefore there has not been sufficient time for them, even by showing their usefulness and talent, to rise to the high post of superintending engineer, to which it is alleged, as a matter of blame to them, that they have not yet risen.

5176. Are you aware that in this country no necessity has ever been discovered yet for having engineering colleges, but all that is required is to have schools where certain branches of science are taught to qualify young men to become pupils of engineers, in order to make them, in the end, competent, practical engineers; that this is a new discovery that an engineering college is necessary at all for this purpose. Until this establishment of Cooper's Hill College, in the profession of civil engineering in this country, are you aware that the necesssity of having an engineering college has never been discovered, but all that has been considered necessary has been that they should be grounded in certain branches of scientific education, and then become the pupils of civil engineers and learn their business?—It may be so.

5177. And have not those opportunities been open to the natives of India during the last 20 years as completely, and perhaps, having regard to economical and gratuitous education, more completely in India than in this country?—I do not think so.

5178. Mr. *Fowler.*] Would not a native naturally have a preference over an Englishman, on the ground of their being a good deal exposed to the Indian climate?—Certainly; but that is a fault that is attributed to them as if they were fond of remaining in sedentary habits, of remaining at home or going about the country continually in palanquins and conveyances, and not going out for out-door work; it is utterly unfounded, as I will further show.

5179. *Chairman.*] Will you proceed with the illustration of your view?—As regards what the Honourable Member has just said, I beg to state that it is a well-known and undeniable fact that all the actual out-door engineering work is now done by the natives. The European engineer rarely visits the works, say only once in 10 days. He sits in his office preparing his reports, and writing reams of foolscap, whilst all the work is carried on by the native supervisors; that is corroborated in the quotation which I gave from the Roorkee College calendar to the effect that "in the lower grades the natives have quite established a footing in the Public Works Department, and the country is full of men trained in our colleges and on our works, capable of carrying out all the simple operations of surveying, building, road-making, &c."

5180. Upon what do you ground your statement that the superintending officers only visit the works once a fortnight?—That is usually the practice.

5181. What works are you speaking of?—Works that are being constructed throughout the Presidency by the Public Works Department.

5182. Do you mean ordinary roads, or do you mean great works like bridges or barracks?—My remark applies to almost all kinds of works.

5183. But there is a great distinction, perhaps you are aware, between what are called the current services of the department which are called minor works, and great new works requiring skilful supervision; does your remark apply to works of that kind?—To important structures as well as to other works.

5184. Could you give an illustration of any great work that has been carried on upon that principle?—I cannot cite names and instances of such; but this is a matter of notoriety, and well-known in the Bombay Presidency.

5185. Have you heard that it has been made a matter of very exceptional and great complaint, that in the construction of the works of the Great Indian Peninsula Railway Company, many of which failed, the subordinate officer did not, on this occasion, visit the works every day, and constantly, and that they were left in the charge of natives from whose negligence the works all failed?—I do not know that.

5186. Did you ever hear it stated that one of the causes of the failure of those works was that some of them being placed in the charge of subordinate Europeans not immediately and constantly under the eye of superior Europeans, the natives took means to prevent the Europeans constantly seeing the works, and the consequence was that the work was very bad, and the result was that it tumbled down?—I do not know that, but I shall be able to show instances in which several important works which were left to be carried on under the immediate supervision and conduct of European subordinates, and the direct superintendence of European engineers broke down and failed. With regard to that part of the evidence given to the Committee, that the course of study in the engineering colleges in India is short, and does not extend over more than a year and a half, so far as the Poona Civil Engineering College is concerned, I am able to contradict that evidence altogether, because the course of study in the Civil Engineering College at Poona is full three years, the same as in the Cooper's Hill College. And then with regard to the allegation that the natives who do best in examination, are perfectly useless with their hands, and that in their own country they are found for hard work almost useless, Colonel Chesney himself admits, in his evidence, that the natives do the work in the sun, and bear the burden and heat of the day. With regard to the way in which Europeans are admitted into the engineering service, the fact is that Europeans who come out from this country without having undergone a thorough engineering training and education have been admitted (by undergoing a

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sort of superficial examination in India) at once into the upper grade of the engineering service, and yet natives have, after going through the required test of examination, and going through a course of engineering studies extending over three years, not been admitted, as I will show further on. Therefore the injustice done in that respect to the natives is very great; and with regard to the test to which the natives are subjected at the time of their undergoing the final examination to obtain the degree of a Licentiate of Civil Engineering from the University of Bombay, the test is very high and severe, and I am informed by engineers themselves, who are intimately acquainted with the matter, that the course of examination prescribed by the Bombay University for giving a diploma for a licentiateship of civil engineering is far superior to that laid down by the Stanley examiners selected by competitive examination in this country, and a comparison of the question papers of the two examinations held here and held in the Bombay University for the last five years will bear out my assertion; and, if necessary, I will produce the questions which are prescribed in the Poona Civil Engineering College for the examination of the students, and those papers will show that the test is very severe. Then, in addition to that, the natives have the advantage, not only of attaining that high degree of proficiency, but they have the additional advantage that they are quite conversant with the language of the country, and with the habits and customs of their countrymen with whom they have to deal.

5187. Sir *G. Balfour.*] Have those highly qualified natives ever undertaken any public works?—I will show that they have, and that they have constructed them in a highly satisfactory and creditable manner.

5188. *Chairman.*] Would you, by next time, make out a list of works undertaken and carried out by native engineers and builders, without the assistance of Europeans, entirely on their own account?—I will give such a list; and I will also give another list of works undertaken and erected by Europeans and under European supervision, which have broken down.

Wednesday, 25th June 1873.

MEMBERS PRESENT:

Sir George Balfour.	Mr. Grant Duff.
Mr. Birley.	Sir James Elphinstone.
Mr. Campbell-Bannerman.	Mr. Fawcett.
Mr. Charles Dalrymple.	Lord Edmond Fitzmaurice.
Mr. Beckett Denison.	Mr. Robert Fowler.
Mr. Dickinson.	Mr. M'Clure.

CHRISTOPHER BECKETT DENISON, Esq., IN THE CHAIR.

Mr. NOWROZJEE FURDOONJEE, re-called; and further Examined.

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5189. *Chairman.*] I THINK at the termination of your last day's evidence, the Chairman asked you if next time you would make out a list of works undertaken and carried out by native engineers and builders, without the assistance of Europeans entirely on their own account, and you said, "I will give such a list, and I will also give another list of works undertaken and performed by Europeans, and under their supervision which have broken down." Have you brought those?—Yes, before I put in those lists, however, there is one list which the Committee wanted me to put in, and which owing to certain figures which I had not collected, I was not able to put in the last time, and which I have since prepared with as much care as I was able to bestow on it, and which I will now put in, and that is a Return of the municipal rates and taxes imposed in the City of Bombay. I have made this list a comparative one, showing in one column the rates levied under Act 2 of 1865, and in another column those levied under the New Act No. 3 of 1872.

5190. From what document has that been compiled?—It has been compiled from the Acts of the Legislative Council passed in these two respective years and other official documents (*handing in the Return*, vide Appendix).

5191. Is there any observation that you wish to make upon this Return?—No, I made my observation when I gave evidence on the subject of the municipal taxation in Bombay, and this Return will corroborate what I stated. With reference to the house rate, which according to this Return shows an apparent reduction in the Act of last year from the rate of 6 to 10 per cent. to the rate of 4 to 7 per cent., so far as the practical operation of the Act is concerned it will not be a real reduction, inasmuch as although the limits were greater, the minimum 6 per cent. and the maximum 10 per cent. laid down in the Act of 1865, yet the 10 per cent. was never levied, and the usual amount of house rate that was levied by the municipality was 6 per cent., and only in extreme cases 7 per cent. Therefore, the reduction of the minimum and maximum limit in the new Act will not practically make any reduction of taxation.

5192. It is an apparent diminution, in fact, not a real one?—Yes.

5193. The police rate in 1865, according to this Return, was from two to three per cent., and under the new Act also it is from two to three per cent.; there is nothing to be said upon that, I suppose?—With this exception, that it is laid down in the new Act, that if the proceeds of the higher rate, three per cent., are not sufficient to defray the expenses of the police, the deficiency should be supplied from the general revenues of the municipality.

5194. I suppose that the police go on increasing in numbers according to the increase in the dwellings and population of Bombay?—I think the increase of the police force in Bombay has not been quite in proportion to the increase in population; it has been made in a much greater ratio. I stated on a previous occasion that the police expenses were 2¼ lacs before the Act of 1865 came into operation, and since that they have been enhanced, and they now amount to about four lacs of rupees per annum.

5195. Taking the Government buildings in Bombay, which are very extensive, I think you said on a former occasion that the police had the guardianship of all the Government property; are not soldiers of the line employed in very many cases as sentries over Government property?—In two or three buildings only, such as to guard the Government Treasury, or the Treasury of the Bank of Bombay and Government House.

5196. And the arsenals?—And the arsenals; but all the civil buildings are looked after in the same way as the other buildings in the city of Bombay.

5197. Is the civil police also within the cantonment of Bombay?—There is no police in the cantonment; the civil police supervises the police arrangements of the whole of the town and island of Bombay, including the military cantonment.

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5198. Next in your Return we come to the lighting rate, which is two per cent. under both Acts; have you anything to say about that?—No, nothing in particular about that.

5199. Then comes the sewage cess, which is three per cent. in both cases?—Yes; that presses very heavily on the people; tenants who used to pay a quarter of a rupee or half a rupee per month, are now obliged to pay one rupee and two rupees, and three rupees a month.

5200. Then there is the water rate, five per cent. on 100 rupees of monthly rental, or 2½ per cent. on 200 rupees of rental. Under the former Act it was six per cent., and under the last Act of 1872 it is four per cent.?—That, too, is felt to be a very high rate, and the inequality is felt by the people, inasmuch as it falls upon the owners and occupiers of houses only.

5201. Is the management of the supply of water in Bombay in the hands of the Government engineers now?—In the hands of the municipality, and the engineers of the municipality, with the right to Government of supervision, checking and controlling to a certain extent.

5202. But you told the Committee on a former occasion that certain sums of money were claimed by the Government in each year for the extension of the waterworks, did you not?—When the Vehar Waterworks were originally constructed, the municipality of Bombay had stipulated that they should pay 25 lacs of rupees for the construction of those works; but these works were taken into hand by Government; the contracts were given by Government, and there was a want of supervision on the part of the Government in regard to the construction of the Vehar Waterworks, which led to a very large excess of expenditure, and a moiety of that large excess of expenditure the municipality of Bombay was compelled to pay; and a contribution in reduction and repayment of that debt is being paid by the municipality, which is a very large item, and ought to have been a smaller item if the municipality had been only asked to pay the amount of 25 lacs of rupees, which they had undertaken to pay for the construction of those waterworks.

5203. But there were grave engineering defects, were there not, in the original design of the works; did not the iron conduits all blow up, from being too small a dimension, and have to be replaced?—It was not defects in the original design, but the character of the pipes laid down and supplied was inferior, and the dam was not constructed strongly, and it gave way several times, and the municipality was obliged to spend large sums of money to repair it, and also for replacing pipes that gave way; and in that way a heavy outlay for the maintenance and repair of the waterworks was imposed on the municipality, which would not have been the case had the Government exercised supervision over the construction of those works in such a manner as to obviate those defects and faults.

5204. But at the time that those waterworks were constructed in Bombay, I think they were quite new, were they not, to the experience of Indian officers?—Yes, they were the first of the kind erected in the Island of Bombay.

5205. The engineer officer was Colonel Rivers, was he not?—He was, I think, the Government officer; but the gentleman who obtained a contract from Government was Mr. Conybeare; but the municipality had nothing to do with the engineer into whose hands the contract for the construction of those works was given; he was under the orders and supervision of Government alone.

5206. Is the water supply now good and sufficient?—It is very good, and has been very beneficial in promoting the health of the inhabitants of the city of Bombay; but it is apprehended that in case the dam gives way, the supply might be cut off, and to obviate that apprehended contingency, a fresh reservoir has been constructed, called the Toolsee Reservoir, to serve as a sort of feeder to the Vehar Lake, and to afford a larger supply of water, and to prevent any catastrophe occurring in case of the Vehar Lake giving way altogether.

5207. But passing on from the question of the great expense (and it no doubt has been very large), is there any general complaint now amongst the inhabitants of Bombay as to the way in which the water is distributed, or as to the collection of the water rate?—No, there are no great complaints with regard to the distribution of the water.

5208. Or with regard to the water cess?—The water cess is felt to be heavy, and presses on two particular classes of the people, namely, the landlord and the occupiers.

5209. Then, I suppose the landlords recoup themselves in the rent which they get for their houses, do they not?—Rents have been falling so much in Bombay latterly, that they are unable to do that.

5210. To what do you attribute the general falling of house rents in Bombay?—To the crisis that overtook Bombay in 1866.

5211. Then the whole of these cesses to which you have been referring, house rate, police rate, lighting rate, sewage rate, and water rate, make up a total of from 19 to 21 per cent on the assessed rental under the old Act, and from 15 to 18 per cent. under the new Act?—Yes, the diminution to be accounted for in the manner which I have mentioned before, that the reduction is apparent, but not real.

5212. I think that you told the Committee on one occasion, that the Act of 1872, although it had passed, and become law, had not yet been put into operation?—No, but it is expected that in the course of this year, as soon as the rules are laid down and promulgated for conducting the elections under the Act, it will come immediately into operation; it has received the sanction of the Viceroy. I will now put in a Return showing the produce of the municipal rates and taxes in the Bombay Presidency, exclusive of the city of Bombay. The city of Bombay I have given before, and this Return shows the income of all the municipalities in the interior; showing a total of municipal taxation in 1856-57, of 2,08,987 rupees, and in 1871-72, of 18,14,368 rupees, being an enhancement of 900 per cent. (*handing in the Return*, vide *Appendix*).

5213. But there probably is some special explanation to be given of this statement, which is a very remarkable one?—I have compiled the statement from a Return of all the different kinds of rates and taxes levied in the Bombay Presidency, compiled by the Accountant General of Bombay, and transmitted to Government on the 11th of January last.

5214. Are

5214. Are you pretty sure that there is no Imperial taxation transferred from Imperial taxes to the head of local taxation included by you in this Return?—I believe there has been no such transfer.

5215. I will take a few instances from your Return; in Surat the increase is from 28,000 rupees to 280,000 rupees in round numbers; in Hydrabad the increase is from 20,000 rupees to 118,000 rupees; in Khandesh from 600 to 55,000 rupees; in Tanna from 800 to 83,000 rupees; in Shikarpoor from 38,000 to 184,000 rupees; in Kurrachee from 35,000 to 218,000 rupees; in the Ahmedabad district there is nothing in the former year, and 185,000 rupees in the latter?—The last case is accounted for, perhaps, in this manner that the Municipal Act had not been introduced in 1856-7 in that district.

5216. Then in Broach the increase has been from 10,000 to 83,000 rupees?—In Broach the inhabitants complain very much of the very large increase of municipal taxation.

5217. In Dharwar from 10,000 to 49,000 rupees; in Poona nothing formerly, and 126,000 rupees in 1871-72; will you tell the Committee what are the new heads of taxation which have brought about this enormous increase?—In several places owing to the municipalities being required to contribute towards the police expenses, the expenses have been very much enhanced, and roads have been constructed, and in many towns the complaint is that large outlays have been made on roads which are constructed, and which are not in the heart of the town, but in such parts of the town as are frequented by Europeans.

5218. That was increased taxation; but is there any tax on the transit of cotton in some of these places?—Yes, taxes are levied on cotton, so much for each cart entering, and in other places on the export of cotton from these cities.

5219. Mr. *Dickinson.*] For consumption in the town?—I do not think it is merely for consumption in the town; the duty is levied on all carts that enter the city laden with cotton.

5220. Mr. *Fawcett.*] But suppose a cart goes out of the town, is the tax simply levied on a cart entering the town laden with cotton, or upon a cart entering the town as well as one leaving it?—Not on a cart leaving as well as entering it.

5221. Then, it is simply an octroi duty?—Yes, and in other places it is export duty. I was going to draw the attention of the Committee to the fact that in the town of Sukkur, in Scinde, town duties are levied at different rates, on no less than 158 articles; in Kurrachee, on 49 different articles; and in Shikarpoor, on 32 different articles of consumption, trade, and merchandise, besides very heavy wheel tax and tolls. I understood the Committee to wish to have the amount of the local rates and taxes that are levied. I have got here an official statement, which gives in these three pages all the information with regard to local rates and taxes existing in 1856-57, and since. It is the same Return to which I referred, compiled by the Accountant General of Bombay, last year.

5222. *Chairman.*] I think the feeling of the Committee is that you should confine your statement, as much as you possibly can, to those salient points which are looked upon as grievances?—It is only because some member of the Committee wished to know what they were that I mentioned them, otherwise I should not have mentioned them to the Committee. I have also brought the amount, which the Committee at the last meeting wanted to know, of the total expenditure of the cotton frauds establishment, with reference to which I gave evidence on the last occasion; I was not able to get that item from the Civil Budget Estimate, in which it does not appear; but I have got it from a small pamphlet, which has been compiled by Mr. W. W. Burn, of the Accountant General's Office, of Bombay, in 1871, giving "A succinct history of the local funds of the Bombay Presidency." In this pamphlet these are the figures with reference to the income and expenditure of the Cotton Frauds Department. On the 1st of April 1868, the balance to the credit of that fund was 1,88,555 rupees; in the year 1868-69, the receipts amounted to 2,95,023 rupees, and the total charges to 2,49,787 rupees, leaving a balance on the 1st of March 1869 of 2,33,790 rupees. In the year 1869-70, the receipts were 2,11,437 rupees, and the charges 2,56,130 rupees, and the balance on the 31st March 1870, was 1,89,118 rupees. All the charges debited to this fund come out of a fund established by levying a duty not exceeding four annas per bale on the export of cotton from Bombay, under Section 13 of Act 9 of 1863, which rate has been somewhat reduced since, and is now, I think, three annas per bale. In March last Government made a reduction of about 20,000 rupees per year in the establishment, chiefly by cutting down the salaries of the clerks and reducing the sepoys, leaving the bulk of the establishment almost untouched.

5223. And the feeling of the mercantile community of Bombay, I understand you to say, is that this department is wholly useless?—Yes.

5224. What is the next subject on which you wish to give evidence?—I also wish to bring to the notice of the Committee the fact that all travellers' bungalows situated on Imperial lines of roads are maintained and repaired out of local funds.

5225. From which I suppose the Committee are to gather that the fees are not adequate to the support of the bungalows?—No, they are not; the income comes to about one-third of the expenses of keeping them.

5226. Then there are dhurumsalas kept up from the local funds equally, are there not?—Yes, there are; but the expense of their maintenance, compared with the expense of the travellers' bungalow, is very small and insignificant. And there is another fact, which is this, surplus net receipts, over and above the amount of contributions levied from local funds, are credited to provincial and not to local funds.

5227. Passing to the head of local funds generally, there is a very large fund, called the Cotton Improvement Fund; from whence is that derived?—That is the fund regarding which I have just been speaking, and the figures are those which I quoted.

5228. Will you tell us something about this Cotton Improvement Fund?—It is a fund for the purpose of carrying out the Cotton Frauds Act.

5229. Then it is put in the book before me simply under another name?—Yes. Besides the municipality of Bombay, which stands in the

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town and city of Bombay as a local fund, there is another local fund raised in Bombay, called the Esplanade Fee Funds, of which the object is the general care and conservancy, and improvement of the Bombay esplanade. Its income was was 1,40,000 rupees in 1868–69. It was represented to the Legislative Council, when the new Municipal Bill went through the Council, that it would be advisable not to have a smaller municipality within a larger municipality in the city of Bombay, and that this esplanade fee fund should be incorporated and amalgamated with the municipal fund of Bombay; but the Government declined to give effect to that proposal.

5230. Do you know the special reason of that refusal; had it anything to do with military reasons?—I believe not.

5231. The officers' quarters are actually on the esplanade of Bombay are they not?—The officers' quarters are there no doubt.

5232. Perhaps you will now go to the subject of public works?—To the Engineering College. In continuation of my evidence on that subject, in refutation of the evidence recorded by the Select Committee, that Government have offered very high attractions to which natives have not at all responded in the Engineering Department, I will cite the following indisputable facts. Four students of the Civil Engineering School passed the prescribed examination on the 4th of September 1861, and were declared qualified for admission into the higher grade of the Engineering Establishment. The notification declaring their eligibility for employment did not appear in the Government Gazette till after the lapse of nearly five years, namely, on the 31st of January 1866. It was to the following effect: "The undermentioned members of the upper subordinate establishment of the Public Works Departments passed the examination laid down in the Public Works Code, paragraph 4, chapter 6, on the 4th September 1861, Mr. Dajee Nilkant Nugarker, Mr. Laloobhoy Keshowlal, Mr. Chanbusapa, and Mr. Gungundhur Venayeck Mehdale." Of these, Daju Nilkant is now employed as professor of mathematics in the Poonah Civil Engineering College, and is classed third grade. Sub-engineer, Mr. Laloobhoy, was not appointed assistant engineer till the year 1869, namely, after the lapse of eight years, and the rest are still excluded from the upper grade of the Engineering Establishment, whilst 70 or 80 Europeans have been freely admitted. Another native student passed the examination in 1867. The following notification appeared in the Government Gazette of the 19th of September 1867: "Overseer Bomanjee Sorabjee has passed the examination for employment as assistant engineer, according to the test laid down in article 4, chapter 5, of the Public Works Code." In 1867 he volunteered for active field service; served in Abyssinia during the war, and obtained distinction. This young man waited for three years in the expectation of getting employment as assistant engineer, to which he was entitled; but finding that there was no chance for him, he was obliged to make a heavy pecuniary sacrifice of 5,400 rupees to gain admission into the upper grade of the service. With this view he procured three years' leave, without pay (his pay was 150 rupees per mensem), in November 1870, for the purpose of rejoining the college and going through a regular course, extending over three years, in order to obtain the degree of licentiate of civil engineering, which renders it obligatory on Government to provide an appointment to the first successful candidate. Several other natives who have passed the examination of licentiate of civil engineering have not yet been admitted into the service. In order to satisfy the Select Committee regarding the aptitude of the natives for engineering pursuits, and to place beyond controversy the position which I seek to maintain, that natives of India possess knowledge and abilities, and display talents in no way inferior to Englishmen, I will put in a list of important public works constructed by or under the supervision of my fellow countrymen. This is the list which the Committee wanted on the last occasion (*producing the same,* vide Appendix).

5233. When you speak of the "construction" of certain works by these gentlemen, whom you mention in that list, do you mean that they have designed them from the commencement and carried out their own works, or that they have merely erected the designs of other officers?—In several cases they have been designed by the superior European engineering officers, and they have been constructed under the supervision of those officers by the natives that are there mentioned. In other cases they have been designed and constructed by the natives themselves.

5234. But do you mean by the word "constructed," that they have been the superintending engineers of the works whilst under construction?—Yes.

5235. Mr. *Dickinson.*] Under the European head?—Yes, and in some cases as assistants in the Public Works Departments the designs also were, I am informed, prepared by them, and submitted to their superiors. There are some peculiar circumstances connected with the construction of the Victoria and Albert Museum, which is mentioned in this statement, and which I wish to bring to the notice of the Committee. The Victoria and Albert Museum was commenced by the contractor Mr. Johnstone, under the superintendence of Messrs. Scott, M'Cleland & Co., civil engineers, in 1869, and was nearly completed except the roofing. The funds at the disposal of the Committee (about 1½ lacs) having been exhausted, they were obliged to apply to Government for assistance. Eventually Government took charge of the work, and undertook to complete the building which was accordingly made over to the Public Works Department. On examining the structure, it was found that the east and west main walls were leaning inside out of plumb, 15 inches and 8 inches respectively. The former had been propped up by a large wooden support to prevent it from falling down; the walls having been examined by a Government Committee, were condemned and pulled down; the edifice was commenced *de novo*, the walls were rebuilt by the Government executive architectural engineer at a cost of 42,000 rupees; the bad stones had to be replaced at a further cost of 5,500 rupees; the museum was built by Mr. Muccoond Ramchunder, assistant to the executive engineer, under the supervision of that officer. Messrs. Scott, M'Cleland & Co. estimated painting, gilding, and decorating the interior of the building at 45,000 rupees; but the work was done most creditably by Mr. Muccoond and native artists at a cost of 9,570 rupees only. There are also waterworks,

masonry

masonry dam, and aqueducts constructed by native architects and engineers at Aurungabad, Ahmednuggur, and at Katruj, near Poonah, under the former Government, displaying great engineering skill and talent.

5236. Mr. *Fawcett.*] Then those were not only constructed, but designed by natives?—Yes, designed and constructed. These works, though from 150 to 200 years old, are still in good working order, and they are works of an extensive nature and character, and the works at Katruj provide the town of Poonah to this day with a good supply of water.

5237. *Chairman.*] What is the point that you wish to bring out before the Committee; is it that native gentlemen who have qualified themselves for the degree of licentiate at these colleges have been kept out of employment, or have failed to receive appointments in accordance with the promises which have been held out?—Both; and not only that, I want to show that natives are as fully qualified to construct public works and edifices as Europeans. Their qualifications, talents, and abilities, have been denied in the evidence that has been recorded before the Committee.

5238. I do not think that anybody denied the capability of natives to carry out works under the superintendence of European engineers; what has been denied, I think, is their capability to design great works?—Both, I believe, have been flatly denied, and by officers of the highest rank. It has been asserted that native engineers have not undertaken works involving a large responsibility (that is the evidence of Colonel Chesney I believe) that only some have reached the grade of executive engineer, and none have become superintending officers; that natives have not exhibited remarkable qualification as students of engineering, and that the native mind leans more towards sedentary employment.

5239. Do not you think that there might be a difficulty in attempting to place European military officers under the orders of native civil engineers as superintendents?—I do not think that there could be any difficulty.

5240. You think that whatever difficulty there might be, would be a difficulty owing to prejudice more than anything else?—Yes; now by way of contrast to the statement which I have put in of works that have been constructed by native engineers in the service of Government, and private native engineers, I will put in a list of public works which have proved failures—works constructed by Europeans and under the supervision of Europeans.

5241. We all know that there are hundreds of such works which, owing to one cause or another, have proved failures; in fact, some of the great railway works in the Bombay Presidency have proved failures?—Yes, they, too, are mentioned in this statement.

5242. Will you pick out one or two of the largest examples from your statement?—There is one remarkable instance; the Mhowke Mulla Viaduct, on the Great Indian Peninsula Railway line, over the Bore Ghaut, was reported by the native mamlutdar of the district to be unsafe. The Government appointed a committee of European engineers, who, after inspection, reported that the work was perfectly stable. In a few days the viaduct fell down, and had to be re-constructed. The Great Indian Peninsula Railway bridges, viaducts, culverts, and other large and costly works, which were constructed under the double supervision of Government engineers and of European engineers in the service of the railway company, which fell down in 1867, cost nearly a million sterling to replace. This heavy loss which the company sustained has been ascribed by Mr. Berkeley (the gentleman who was sent out to India to examine and report on the disaster) to a simple error of judgment, although he gives a great many instances which betray serious defects in design as well as execution, and culpable negligence in permitting the use of inferior materials, to the construction of low culverts, insufficiency of waterway afforded by the viaducts or bridges, their piers not having sufficiently deep foundations, or not being strong enough to resist the floods, absence of effective supervision, &c., &c. With a view to place the company's engineering staff on a satisfactory footing it was deemed necessary to dismiss seven engineers, and to engage and send out 12 engineers from England.

5243. I am afraid that what you have just now been stating with reference to the Great Indian Peninsula Railway is a very common story all over India, is it not, that bridges and viaducts have been constructed, in the first instance, without sufficient waterway and without sufficient reference to the possible maximum height of sudden floods?—They had data as to the rise of water, which had been taken into consideration, and there was no unusual or extraordinary rise beyond the highest rise, which is well known, and which is marked in those localities, and these works were designed and constructed by European engineers; and again, the construction was not only supervised by the engineers of the company, the resident engineers and the assistant engineers, but also by Government engineers; there was a double set of supervision, it was all European supervision and inspection; and yet the works were open to all the faults and objections which I have mentioned as brought to light.

5244. You alluded to one very considerable cause of damage to public works, and that is the inferior nature of the masonry that is used, but all engineers, and contractors too, are subject to great frauds, both in the preparation of the masonry, and that of the bricks, are they not?—Efficient and good engineers can easily detect by careful supervision any such frauds that may be attempted to be practised; it is the easiest thing possible to find that out, and to remove and fine those contractors, and employ others instead.

5245. You see that the time for working on any great public work in India, is limited to about eight months in the year; for four months in the year, during the heavy rains, nothing can be done; and the consequence is, that before the rainy season sets in, a great deal of work has to be done in a very hurried manner, in order to prevent the whole structure being washed away; that is very commonly the case, is it not?—It is only a few works that are on the river side that could not be prosecuted and conducted in the rains; there are intervals of fair weather, and works go on, and it is not on account of any peculiarity of the weather in that part of the country; but I submit that these failures were caused by culpable negligence on the part of the

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staff of European engineers. I would not have said this, but the nature and effect of the damaging evidence, that has been given before the Committee, is such as to compel me to say it. It has been asserted that natives are incompetent, that they cannot conduct any works of great importance, or involving any responsibility, that they have no talent, and that they are not fit for out door work; and all sorts of damaging insinuations and charges have been cast against them, solely with the object of justifying their exclusion from employment in the higher grade in the engineering service. I have shown that those who have been employed in high and responsible posts have given the highest satisfaction. Mr. Kahandass Muncharam, a very competent man, who is the only man who has been promoted to the post of Executive Engineer in Bombay, has served Government in that capacity with the highest satisfaction to Government; and I will give some more remarkable instances.

5246. But do you think that the Government are slow to appreciate the services of a gentleman like him?—He is the only one that has been promoted to that post; and not only is it the case that no other native has been promoted to that post, but qualified natives, as I have already shown, who have passed the test, and the highest test laid down by the University, have not been admitted into the higher grade of the engineering service, whilst Europeans, finding their way into India, and not having received any special training in engineering, were employed for a few months, in several cases, under native engineers to learn engineering, and were pitchforked into the higher grade of the engineering service in the course of a few months, of which I will give two instances: Mr. J. Adams was employed for a short period, about eight months, in the temporary establishment of one of the engineering offices at the Presidency, and was then admitted at once, on the 7th of November 1871, as second-grade assistant engineer without passing any examination; and on the 12th of November 1872 he was promoted to the first grade, superseding a great number of Europeans and natives of longer service. A European named Mr. H. E. Palliser, who did not possess any engineering knowledge whatever (he could not even handle a theodolite), was placed in the office of an Executive Engineer for prosecuting engineering studies in 1867. In a few months, namely, in October 1867, he was at once appointed assistant engineer of the third grade, and was rapidly promoted, and on the 12th of November 1872 was appointed Executive Engineer of the fourth grade; whilst Mr. Lulloobhoy, who was until recently employed in the upper subordinate establishment as sub-engineer, second grade, on 300 rupees, and passed the examination for entering the engineering grade 13 years ago, has only recently been promoted to the post of third-grade assistant engineer. By this promotion he will lose 50 rupees a month. Although the rules of the Public Works Department authorise the promotion of upper subordinates to the engineering establishment of such grades as would not inflict any loss, Mr. Lulloobhoy was not promoted to a higher grade.

5247. Whom do you consider to be immediately responsible, then, for the neglect of these gentlemen's claims; is it the superintending engineers?—The executive engineers, the superintending engineers, and the head of the Public Works Department in the Secretariat, as the advisers of Government.

5248. Who is, at this present moment, the head of the Public Works Department as Secretary?—Colonel Kennedy is the head.

5249. Have representations been made to the Government on this subject by these gentlemen who feel themselves aggrieved?—Often and often.

5250. And what answer have they received?—Refusal to admit and promote them. I will place before the Committee the case of the native subordinates of the engineering department, which is one of great hardship.

5251. Do you mean the clerks on small salaries?—No, I mean the overseers and assistant overseers, and other subordinates of what is called the subordinate establishment of the Public Works Department, who supervise the actual work of construction. A native, who passes the examination for admission in the upper subordinate branch of the Public Works Department, is appointed overseer of the third grade, on a salary of 60 rupees per mensem. He is promoted to the second and first grades according to seniority, when vacancies occur. He gets into the second grade generally after three years' service, but under the existing arrangements it takes 15 years before he is promoted to the first grade. On the other hand, non-commissioned European officers are, on passing the same examination (which is reputed to be more easy for their benefit), at once admitted to the first grade, on 100 rupees. Thus Government have systematically withheld promotion from the natives, and Europeans have been rapidly promoted. The native employées of the upper subordinate branch of the Public Works Department presented a memorial to the Bombay Government, and sought redress of their grievances; but, although three years have elapsed, Government have not instituted any inquiry into the complaints that have been made, nor have they vouchsafed any reply to the memorialists. The Committee will be pleased to allow me to put in this important document, showing the injustice with which a most deserving class of public servants have been treated. (*Vide* Appendix.)

5252. You know, no doubt, something of the expense of European life in India; should you not say that a native officer on 60 rupees a month was financially in as good a position as a European on 100 rupees a month, looking at the difference of clothing, and so on?—Looking to the position and class of life of the natives as well as of the Europeans, I do not think that the difference is anything worth mentioning. But what I contend is this, that the salaries of the different grades have been fixed, and rules have been laid down for promotion, and promotion should not, I submit, in a public department like the Government engineering department, be given without stint to one class of subordinates, and withheld from another; they are all placed on the same footing and ought to be treated alike, which they have not been.

5253. In fact, your argument goes to this, that you would, without making any distinction, make native agency just as expensive as European agency?—What I say is this, that when the scale of salaries of different offices in any particular

cular department is fixed, which is done after careful consideration of the financial aspect of the question, whether natives or Europeans, whoever are qualified, and whoever desire to be admitted or have a claim to be promoted, ought to be admitted and promoted without any distinction of race.

5254. To take the case of a European overseer, who may perhaps be drawing 100 or 120 rupees a month; he is in some out district we will say, and is a married man with three or four children; what opportunity has he of bringing up his family, or educating his children, as compared with the native gentleman?—There are English schools in the Bombay Presidency, maintained at a very heavy cost by Government, to which he can easily send his children, and their education would not cost him anything worth mentioning; it is only a very small fee which is paid by the pupils attending the school.

5255. Mr. *Dickinson.*] Do you contend that European and native agency should be paid equally for the same work?—Yes. With regard to supporting a family, the natives not only support their families, but they support their relatives and dependants, and on that account, and on other accounts, they have a number of expenses to which they are subjected which are not entailed on Europeans.

5256. *Chairman.*] Your argument goes to this, that it is not more difficult for a European to maintain himself and his family in a country like India than it is for a native of that country?—It does. I have known Europeans on very small salaries live in the country and maintain and support themselves on salaries ranging from 100 rupees to 200 and 300 rupees a month.

5257. Family men?—Family men.

5258. Mr. *Fawcett.*] But there is also another contention which you wish to raise, which is this, that those appointments to which natives are freely admitted are paid at a very low rate; whereas, with regard to those appointments to which Europeans are admitted, and which are paid at a high rate, every obstacle is thrown in the way of natives getting those appointments?—Just so.

5259. And your contention is this, you would be prepared to say that there are a great many low-pay appointments which probably no European would ever take, but that if there is an appointment which is paid on a sufficiently high scale to attract a European, if a qualified native can be found for that appointment, he ought to be admitted, and to receive the same salary as is given to a European?—Just so; otherwise there is no incentive for natives to fill the lowest grades on very small salaries if, when they prove themselves capable, they are not promoted.

5260. *Chairman.*] This memorial which you have just handed in is not signed by anybody?—It was signed by all the employées of Government in the upper subordinate establishment of the Engineering Department; that is a copy of the original document. With regard to my contention that natives are capable of occupying and filling the highest posts in the engineering service, I will give two instances of the manner in which natives have served Government in the Public Works Department, and show what distinctions have been conferred on them. In 1840 the Court of Directors invited candidates, by public advertisement in this country, for the post of chief engineer and inspector of machinery of the East India Company's Steam Factory at Bombay. Out of more than 14 candidates, the majority being Europeans, they selected Mr. Ardaseer Cursitjee Wadia, a native, and appointed him to the post on a salary of 600 rupees. He served Government in that capacity for 16 years (altogether 35 years), and on his retirement in 1857, Government granted him a special pension of two-thirds of his salary, on account of his meritorious services. He had under him upwards of 100 European engineers and mechanics. All the steamers belonging to the Indian Navy were placed under his inspection. He holds the highest testimonials from Mr. E. Peter, of Her Majesty's Dockyard at Woolwich, Mr. Taplin, of Her Majesty's Dockyard at Portsmouth, Messrs. Seaward, Capel & Company, of Limehouse Factory, Messrs. Mawdslay & Field, of Lambeth, Mr. Robert Napier, of Glasgow, and Mr. James Walker, Chairman of the Civil Engineers Institution, certifying his competency as a first-class engineer.

5261. Had he ever studied in England?—Yes.

5262. In the early part of his career?—In the middle part of his career. The first steam engine and boiler, and gas-works, made in Bombay, were made by him, and by native workmen under his superintendence, in 1832 and 1834. For the construction of the gas-works, Lord Clare, the then Governor, presented him with a pair of shawls, as a honorary distinction. He introduced native apprentices in the steam factory in Bombay for the first time. On his retirement fom the public service, the Court of Directors conferred on him a special pension of two-thirds of his salary for his abilities, efficiency, and merit. The Government Naval Dockyard in Bombay has, for more than a century and a quarter, been under the exclusive superintendence and management of natives, who have built several noble ships for Government. Many years ago, the Lords Commissioners of the Admiralty presented a silver cup to the head builder, a native, "in testimony of their sense" (these are the words engraved on the cup) "of his diligence and skill in building for the service of his Britannic Majesty's navy, the 'Minden' of 74 guns." Successive superintendents of the Indian Navy, and other high functionaries of the Government, have repeatedly borne high testimony to the ability, skill, and zeal displayed by the head and assistant builders, all natives, employed in the Bombay dockyard, who have constructed several ships for the Royal Navy, equal, if not superior, to those that have been launched in the Government or private docks in England. In order to show the unfounded nature of the statement made before the Select Committee, that the course of studies in the Indian College is too short and inferior, I will put in the examination papers given to the various classes of the Civil Engineering College at Poona, and the papers given by the University examiners during the year 1871-72.

5263. Whose evidence are you referring to now?—To the evidence of Colonel Chesney. I attach great importance to this; these papers will, I am assured, show that the course of studies pursued in the Poona College is far superior to the test laid down by the Bombay Government in chapter 4 of the Public Works Code for admission

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mission into the upper grade of the engineering department, and that it is also higher than the test laid down for the Stanley engineers, who have been selected by competitive examination, and sent out to India from this country. As to the relative qualifications and character of the European and native subordinates of the Public Works Department, I wish to lay before the Committee the estimate formed by an eminent engineering officer in the Bombay Government, Colonel Wilkins, who, in the able minute which he has recorded in the proceedings of the Public Works Conference, in 1864, says, "The subordinate establishment of the Public Works Department", (and he is most intimately acquainted with the character and qualifications of both the Europeans and natives employed in the subordinate as well as in the higher departments of engineering), "is at present recruited from two sources; it consists of both Europeans and natives of the country; the corps of sappers and miners provides the former; and the latter have for the last few years been taken from the engineering school. The custom has hitherto prevailed of considering sappers and miners in the country as eligible for the Department of Public Works; in fact, they have been forced into the department, whether or not their inclinations led to that employment. It is true that in some cases these men have been examined, but the examinations have been of a very flimsy character, and curiously enough, civil engineering, excepting, perhaps, drawing a room, and estimating it in an absurd manner, has had no place in these examinations. Then, in support of the assertion that sappers have been forced into the department, within the last six months men rejected by a committee have been sent up again for examination after the lapse of a week or two. The result of this system of compulsory entrance of a certain class in the Deparment of Public Works has been most unfortunate. No doubt Government have been much straitened for want of subordinates, but the difficulty cannot be met by the method adopted. These Europeans, as a body, are a constant source of trouble and annoyance to executive officers, who continually state that they would rather be without them. They fail to be of use for the following reasons: 1st. They are unable to express themselves intelligibly in the native language, and are utterly unable to manage workmen. 2nd. They are totally ignorant of masonry work and building, as also of carpentry. When placed over a work, they know not whether the work people are executing their work well or ill. They cannot discriminate between different kinds of stone, and do not know whether lime be good or bad. For these reasons they are unfit for employment on works. They are unfitted as a body for office work, for preparing plans and estimates, and keeping accounts, for the reasons below: 1st. They cannot design even simple buildings, because they know nothing of construction. 2nd. They cannot make estimates of any value for want of familiarity with figures. 3rd. They cannot keep accounts, having no rudimentary knowledge of the subject. 4th. They cannot keep office hours, unless the office happens to be close to where they live. These are the disqualifications of the men who should be able to superintend works carefully, and make all working drawings for the same. On the other hand, their qualifications are that, when they do understand a little of building, and are temperate, they are far more practical than the native overseer. Why is it not considered necessary that Europeans should have the amount of training required from natives who enter the department? The native subordinates who have entered the department of late years have been required to pass a pretty stringent theoretical examination: 1st. They have a good knowledge of mathematics and mechanics. 2nd. They understand the principles of trigonometrical surveying, and have been practically engaged in producing such a survey. 3rd. They have a fair knowledge of civil engineering, as applied to the construction of simple buildings, road making, and proportions of the several parts of bridges, and drains." Then follows this paragraph: "Let us consider in what respect these men are below the standard required by executive officers. 1st. Their knowledge is purely theoretical. 2nd. The native mind is eminently unpractical; when in charge of works they allow the work-people to make the most absurd mistakes." (I want to put the whole case fairly, lest the Committee should think that I have mentioned only the excellencies and suppressed the defects). "Men capable of solving with ease difficult problems in geometry and mechanics, will see arch stones put in upside down, that is, thickest edge of the wedge lowermost, without the thought entering their heads that there was anything wrong in such an arrangement; and a question as to the object to be obtained in different situations by breaking bond, or placing stones or bricks in a wall or arch, so that one point shall not coincide with another, but too often elicits no response; they build works according to plan, without a thought as to the object of each portion of the building. These men, on the other hand, are good surveyors; many of them are very good draughtsmen, and their accuracy in estimating and calculating is surprising; they keep accounts well, and are soon capable of turning out a plan and estimate complete; they are well educated and most industrious. It is clear then that the native subordinate is by far the most useful of the two classes; what they require is practical knowledge, and this is half the battle." I will now give a remarkable instance of ability and skill displayed by a native who had received a good training and had qualified himself as an engineer, who had served Government for 15 years with great credit, and resigned the public service under the circumstances which I am going to mention. There being a great demand for trained men in the subordinate branch of the Public Works Department, Mr. Nusserwanjee Chandabhoy was employed by Government to form and instruct a class of natives several years ago; by his peculiar aptitude for teaching he successfully trained, in the course of only about three years and a half, three successive classes of more than 30 useful young men, who, with a very few exceptions, acquitted themselves very creditably at their final examination, and were admitted into the Public Works Department. As a teacher, Mr. Nusserwanjee's merits were, on several occasions, recognised by the Bombay Government, and also by the late Honourable Court of Directors. The former, on one occasion, considered that "they would be justified in bestowing some special token of approbation on the instructor of the class, in the case of each pupil brought by him to a comparatively high standard

standard of proficiency." The latter (the Honourable Court of Directors), in alluding to the examination of a class of 15 youths, who, with only one exception, had passed successfully for admission into the Public Works Department, said, in their Despatch No. 13, dated 28th October 1857: "The result of the examination of these young men was very creditable to their instructor, Assistant Engineer Nusserwanjee Chandabhoy." On the amalgamation of his school with the engineering school at Poona, which took place in the year 1858, he was transferred to Poona. It was about the same time that Mr. Nusserwanjee Chandabhoy, and two other natives, Messrs. Kahandass Muncharam and Juggonnath Sadasewjee, were promoted to the engineering establishment of the Public Works Department, as second-class assistant engineers. Mr. Nusserwanjee Chandabhoy remained as instructor in the Poona Engineering School for more than five years, that is, till November 1863. During this period he taught three successive classes of upwards of 30 native students, a class of eight European non-commissioned officers of the Sappers and Miners, and a class of eight European civil engineers, who came from England, and who perfected under him their studies in several branches, and were, on finishing their course, chiefly examined by him for employment in the Public Works Department. Mr. Nussurwanjee Chandabhoy had been a Government servant of nearly 14 years' standing and experience when the eight young European civil engineers were admitted into the service. It was not, however, long after their admission that two of them, namely, Messrs. W. S. Howard and E. Compton, having been appointed by Government to a higher grade, superseded their tutor, Mr. Nusserwanjee, in October 1862. Mr. Nusserwanjee applied to Government several times for promotion, to which his long career and meritorious services entitled him; but his application was refused. He and another deserving native, Mr. Juggonath Sudasew, therefore, resigned the service in disgust. The establishment of the Civil Engineering College at Cooper's Hill will have the effect of giving to Englishmen a monopoly of the appointments in the higher grade of the service, and excluding the natives of India; because it cannot fairly be expected that natives will undertake a long and expensive journey and residence in a country like England to enter the college at Cooper's Hill, and prosecute their studies there for three years. The governing authorities have established three close services in this country, from which natives must practically be excluded, namely, the Civil, Forest, and Engineering Services.

5264. Mr. *Fowler.*] May I ask by whom it was that that refusal was made; you state that the two gentlemen of whom you have been speaking applied for promotion; to whom did they apply, and who refused them?—Government.

5265. What Department of Government?—Through the Public Works Department.

5266. Was it the Government of Bombay, or the Governor General, who refused?—The Government of Bombay through the Public Works Department of Bombay.

5267. Is that in the time of Sir Seymour Fitzgerald?—No, it was some years before that; the 200,000,000 of Her Majesty's native subjects have just grounds of complaint against the exclusion of their fellow countrymen from all the higher grades of the public service. The Government of Bombay, who have admitted large numbers of Europeans every year in the engineering establishment of the higher grade, have in February last recorded a resolution, giving only one appointment in the Bombay Presidency to 11,000,000 of native subjects, and reserving all the other appointments for the governing race; I will put in that resolution of Government, which is dated "Bombay Castle, 1st of February 1863" (vide *Appendix*). I hope that I have established my position by producing before the Select Committee irrefragable evidence and facts, rebutting the damaging testimony that has been given by government officers of high rank against the natives; I have adduced proofs of the skill, ability, and competence of my countrymen for filling posts of the higher grade in the engineering department; I have given instances, not only of want of encouragement, but exclusion of qualified natives from the public service of their country, and of promotion being withheld from them. I now solicit the Committee to recommend the adoption of suitable measures for remedying the grievance, and giving to the natives a fair share of employment in the Public Works Department, I mean the upper grade, from which they have, in a great measure, been practically excluded, and also for placing the native subordinate establishments on a footing of equalty with the European subordinates.

5268. *Chairman.*] What is the next head of examination that you propose to take up?—I will now proceed to the subject of the nature and character of Public Works and the outlay incurred on them, whether it has been profitable or otherwise.

5269. Are you referring to civil works, or to military works?—Works civil as well as military, but chiefly civil. First of all, I will take an important work that has been undertaken and constructed in Bombay, about eight miles from the Island of Bombay, in the harbour of Bombay; I mean the Hydraulic-lift Dock. With regard to that work, it is the prevailing opinion and subject of complaint that this work was undertaken without there being any necessity for laying out the large sum of money that has been spent on it. It is erected in the harbour of Bombay exposed to the weather, on Hog Island, at a distance of seven miles from the Fort of Bombay. Her Majesty's dockyard authorities were kept in utter ignorance of the project. The design was conceived and matured, I believe, by the Secretary of State in this country, who gave a contract to Mr. Emerson for that work. It was planned and intended for docking and repairing long and flat-bottomed troop ships. Since the formation of the Transport Service the troop ships have been docked and repaired for four years, in a most satisfactory and economical manner, in Her Majesty's Dockyard at Bombay. At present an establishment consisting of one superintending officer, two engineers, and 18 men, is employed on the Lift at a cost of about 20,000 rupees a year. It is believed that this establishment will not suffice, and that it will be necessary to increase it. The Lift is believed to have cost about 36 lacs of rupees. The troop ships, for which the Lift was built, are now docked and repaired at Portsmouth by the Admiralty. The

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Lift is not adapted at present for mercantile vessels; it will be necessary to provide a new pontoon, at a cost of about two lacs, to accommodate merchant vessels, and a long time has elapsed since the Lift has been constructed and finished, and yet on a recent occasion when, to test the Lift, a ship was taken there in order to be docked, it was found impracticable to do so. Owing to the exposed situation in which the dock has been constructed, and the state of the tide, and weather, and winds, that first trial failed, and injury was done to the work, and the experiment could not be conducted; and some months previous to that a large iron vessel of war was proposed to be hauled up in the pontoon on this dock, but the representative of the contractor refused to undertake the responsibility with regard to the safety of the vessel, and therefore it was abandoned. And the second experiment which was tried also proved a failure, and it is considered extremely doubtful if it will be of any advantage either to the Government or to the public.

5270. Who was the engineer who set up that?—The contractor, Mr. Emerson; the contract for this work was, I am credibly informed, given to this gentleman without inviting any public tenders or competition. The original amount that was contemplated to be spent has been increased and enhanced, and the total outlay up to the present time cannot exactly be ascertained, but is believed to be not less than about 36 lacs of rupees; so that here is an important public work, undertaken without any requisition from the local authorities in Bombay; I mean the local department; there was no representation made by the Superintendent of the Indian Navy, or the Head Engineer of the Dockyard, that the Bombay Dockyard would not be able to dock and repair Her Majesty's troop ships; in fact, they had been successfully docked and repaired in the dockyard, and there was no want and no need for undertaking quite a new scheme, and trying a sort of experiment in Bombay at the expense of the taxpayers.

5271. And you cite this as an instance of the way in which the local government has been overridden by the Government at home?—Yes; and of the way in which works have been constructed without previous public discussion, or without the knowledge of the public, so as to bring public opinion to bear on the necessity or otherwise of the heavy outlay which was proposed to be incurred, and resulting, as I fear it will result, in a total failure, in the sinking of a large sum of money out of the revenues of India.

5272. What is the next instance?—Then, again, there is the Transport Service, a new service that has been organised and is maintained for the conveyance of troops from India to England, and from England to India; a number of large ships have been constructed at a very heavy cost, and the whole establishment is kept up at a very heavy expense, and if the Committee get the full figures and statistics from the India Office they will find that the cost of the maintenance of that service on the number of troops that are conveyed, comes up to a very large amount, about 500 rupees or more for each soldier, which I submit is a very large amount; troops used to be conveyed before this special service was organised, at a much lower rate, and there was no necessity for organising and keeping up this large and expensive service and establishment; and the conveyance of troops could be done by the private steamers (and there are many such available) at a much less cost.

5273. I do not think that it is necessary for you to pursue this particular head; we have already had evidence on that, and the whole question is involved in military considerations on which you are hardly competent to give an opinion?—It is only as bearing upon the finances that I wanted to allude to the subject. There is another instance which I wish to mention to the Committee; it does not involve a very large amount of expenditure; but, small as it is, it goes to confirm the position that outlay for public expenditure has been incurred from Imperial and provincial funds without there being an absolute necessity for it. I refer to a sum of about 15,000 rupees that was spent a few years ago in Bombay, for the widening of a private road which was already in existence, leading from the fort to the Government House, situated on Malabar Hill. There was a private road; it might have been a little narrow in some part or other, but it was a private road that had been constructed a good many years before for the private use of the Governor whenever he went to reside at the small Government House at Malabar Hill. There is another large public road, leading by another direction, to the same Government House, which is open and available to the public as well as to the Governor's establishment. Notwithstanding that, 15,000 rupees were spent out of the public revenues for the purpose of widening that private road; and that is an instance of the way in which public funds have been devoted, whilst many needed works which were urgently required were not attended to.

5274. Who was Governor at the time that that was done?—I think the late Governor, Sir Seymour Fitzgerald. The Committee will, no doubt, have before them all the papers relating to the failure of the barracks at Saugur, Allahabad, and other places, and the causes of it. That is a subject on which the Committee will take evidence from the military and other witnesses.

5275. Have there been any similar buildings in the Bombay Presidency which have been great failures?—Not in the shape of barracks, but I know that in Poona there were some temporary buildings erected for barrack accommodation at a very large expense, and they were sold off for a mere trifle in a short time, and the money was sunk without any advantage. There is another instance of money wasted and misspent for the construction of public works out of the public revenues, which I will quote from the Administrative Report of the Bombay Presidency for the year 1865-66. "A wooden building purchased in Bombay, of American design, and composed of American pine and deal wood, has been put up at Carwar; but the material is not well suited for a locality abounding in white ants; its original cost has been excessive, and before it is ready for occupation the expenditure will equal what would have been needed for a permanent bungalow." Then there was a large sum of money spent in Bombay for the purpose of reclaiming a site situated between the dockyard and the Apollo bunder, for the erection of the new Post Office and Telegraph Office. A large outlay was incurred for reclaiming the ground, and preparing

preparing it for the erection of these offices. There was a contract given for the reclamation of the ground for the purpose I have mentioned, and the contractor did not proceed satisfactorily with the work, and it has been recommended to Government that the contract should be broken; moreover a sum of over 1,28,250 rupees was spent in reclaiming this ground, and it was afterwards decided that the purpose for which this expenditure was incurred, namely, the erection of the new Post Office and Telegraph Office, should not be carried out on this site, but on another site; the idea was given up and another site was selected, and fresh outlay was incurred for that purpose. Then, again, the foundations for the proposed European General Hospital were put in 1864; the work which had cost nearly half a lac of rupees was abandoned in a few months; the preparation of the designs cost a large sum of money, but the site was given up and the idea of constructing it there was given up, showing a heavy loss incurred without full previous consideration and determination. And with regard to the works that have been constructed by, and under the management of, the Public Works Department, it is notorious in the Presidency from which I come that works constructed by that department cost at least 25 or 50 per cent. more than what the cost would be if built under proper and economical management. For instance, there are instances of public buildings like dispensaries and others, and bridges constructed by the Public Works Department, and similar buildings constructed by private agency, showing the difference that I have mentioned, as the excess of expenditure. In fact, the Public Works Department is conducted and kept up on such a scale, that it is necessary that some radical change should be made in its construction and organisation, so that the full benefit of anyo utlay that may be incurred for the construction of public works, may be secured to the public, and large sums be saved thereby. I will not detain the Committee by entering into any details; but whenever instances have been brought to the notice of the Government, and have been investigated, they have shown the culpable manner in which the public works have been estimated and constructed. First of all, the estimates are much smaller; and then it is said that through some mistake or oversight matters were overlooked, and then the expenditure is enhanced very greatly. There is a fresh instance of the nature that I have just described in the construction of the storage reservoir on the Mooktee Nullah, near Dhoolia, in the Bombay Presidency. I will give only a short quotation from the Government resolution which has been recently recorded by the Governor General: "The Governor General in Council cannot but regard the proceedings connected with this work from beginning to end as most unsatisfactory; and further considers, that not only has the conduct of the Executive Engineers been deserving of blame, but that the officers, under whose supervision the original estimates must have passed, did not exercise that careful scrutiny which the Government has a right to expect, and by the results of which the decision of this Government must in a great measure be guided."

5276. What is the date of that?—This resolution of the Government is published and promulgated on the 24th of January last.

5277. It was Lord Mayo's, probably?—Yes; the papers on which it is based are dated in 1870, and the last letter from the Government of Bombay referred to in this resolution is dated 23rd of October 1871; so that this resolution must have been at the end of 1871 or the beginning of 1872. With regard to the accommodation provided for European soldiers, and the accommodation provided for native soldiers, I wish to point out to the Committee the contrast. The cost of the accommodation for European soldiers amounts to between 3,000 and 5,000 rupees per man. The Committee would, perhaps, like to know what sort of accommodation the native soldiers get. The pendalls, or lines, occupied by the native soldiers (the barracks for the European soldiers are palatial and the Committee know their character) are low mud hovels, without any ventilation, with thatched or hay roofs and mud floor, with no furniture whatsoever, no lamp at night, and the places wet and damp in the rains. They have been built by the soldiers themselves, the materials, namely, sun-dried bricks and mud for the walls, being also prepared by them. The soldiers received a paltry remuneration for their labour at the rate of three annas (about 4 *d.*) a day. Several such lines are now being constructed at Kirkee, near Holkar's Bridge, by the native sappers, for the last two years. The native soldiers have no such conveniences and luxuries provided for them; nothing approaching to any that are provided for the European soldiers, such as schools, libraries, reading rooms, bowling alleys, racket courts, baths, gymnasia, canteens, and matters of that sort.

5278. Looking at what would be the condition of these same native soldiers if they were at home in their own villages, are you prepared to tell the Committee that they are worse off in the cantonments than they would be in their own native homes?—I think if they were not serving in the army, but living in their own villages they would be able to provide better accommodation than the sort of low wretched hovels in which they are accommodated at present.

5279. But it is a voluntary service; there is no forced conscription, but the army of India is manned by volunteers; if therefore the condition of the soldiers is disagreable to him, he would cease to recruit, would he not?—It is voluntary, no doubt; but then I want to show the marked difference of the treatment that is accorded in regard to lodgings to Europeans and natives.

5280. Mr. *R. Fowler.*] How does his present condition compare with that under the former rulers of India; were the Mahratta soldiery better housed?—I have not lived long enough to tell the Committee how they were housed under the former Government.

5281. *Chairman.*] But referring to the European soldiers, has not the sole aim and object of the Government been to preserve the health and the life of the soldier?—Yes.

5282. Any expense that has been incurred has not been with the intention or object of surrounding the soldier with luxuries, but simply with those things indispensable to the preservation of health and life?—I am afraid that they have been provided with every luxury, not merely necessaries; there is a great deal of luxury which would not have interfered with their health, and

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their healthy accommodation, but it is indulgence and luxury.

5283. But it is a matter of great importance, it has been found to be so by experience, to keep the mind of a soldier occupied when he is serving in a bad climate, a climate to which he has been very little accustomed, and with which he is not at all so well able to cope as the native of the country?—If the climate is bad for the soldiers, it is bad for all the civil servants, and all the European officers of Government, not more bad for the soldiers than for the others; but I think that the badness of the climate is exaggerated; many of the Europeans who have lived in India for a very long period, do not complain of the badness of the climate.

5284. But then those Europeans that you are alluding to have a great deal of mental occupation which the ordinary soldier has not, except when he is actually on duty; what is the next point that you wish to refer to?—The European non-commissioned and warrant officers and soldiers on the pension list receive grain compensation, ranging from 10 to 25 per cent.; whilst native non-commissioned officers and soldiers do not get such compensation allowance.

5285. Has that rule of the army then been abolished by which they receive money when the grain goes up beyond a certain figure?—The non-commissioned officers do not get any. Passing to another subject, in the Bombay Presidency there is a medical department, and that medical department consists of two distinct services or departments, namely, one for the British army, and the other for the native army. The latter has also the supervision and management of civil hospitals and dispensaries. The administrative or supervising officers of these services are the following: in the Indian army, one inspector general, with a salary of 2,500 rupees per month; one secretary, at 1,400 rupees; and four deputy inspectors, the salary of each being 1,800 rupees; for the British army, one inspector general, on a salary of 2,500 rupees; one secretary, on 1,000 rupees, and three deputy inspectors, each on 1,800 rupees. Thus there are two distinct services, one for the British army and one for the Indian army. Now the duties of deputy inspectors are generally of a very light nature. During three months in the year they proceed on tours of inspection in their respective circles, and during the rest of the year they locate themselves at the principal station, and serve as media for the transmission of official correspondence, documents, and returns, from the several hospitals under their charge to the inspector general, and the audit, or examining offices. They have also the sanctioning of the supply of medicines, the dietary of patients, and other hospital requisites drawn from the supply departments. Besides these, they have hardly any other onerous duties devolving on them. Previous to the year 1865, or 1866, the supervision of the hospitals of both the British and native army devolved on the deputy inspectors of the Indian army; there were no two distinct establishments. Whatever may have been the causes, it is certainly not on account of any overwork or ineffectual supervision that a separation was effected; and if the old arrangement of one general supervising department, instead of the present two, be reverted to, it would not only be economical, but would be beneficial in many respects. That a separate British medical service is hardly required would be apparent from the following facts. At present the four deputy inspectors of the Indian services have to visit 70 principal stations, and, perhaps, as many smaller stations, for the purpose of inspecting the hospitals and dispensaries located in those places; whereas, the three deputy inspectors of the British service have to visit only 27 stations. At most of these 27 stations, excepting, perhaps, two or three large ones, there are barely one or two companies of foot and a battery of artillery, each consisting of about 100 men. There being the native army also at most of these stations where the British army is stationed, the deputy inspectors of the Indian service likewise visit these stations; 18 out of 27 stations are thus visited by the deputy inspectors of the Indian service; the remaining 10 stations are principally sanitaria and rest houses, with very small detachments of troops; and most of these are situated within short distances of the principal stations inspected by the deputy inspectors of the Indian army. Therefore, two of the deputy inspectors of the British service have not more than eight or nine hospitals to superintend, and the third about a dozen only. They may almost be said to hold sinecure appointments in comparison with the work devolving on the officers of other departments; it will, therefore, be seen that the maintenance of a separate department for the superintendence of British army hospitals is anything but economical, and can be transferred to the Indian department without impairing in the least the efficiency of the inspection. If the separate and distinct British medical service be dispensed with there will be a saving to the Government in the salaries of four of the supervising officers alone of 106,800 rupees, besides travelling and office allowances of nearly half a lac more.

5286. Is what you are speaking of quite a new arrangement with regard to the medical service?—Yes, quite a new arrangement, adopted only recently, namely, in the year 1865 or 1866. Then, again, there is another expensive service that has been newly organised, which costs the State a large amount, and for which I submit there is no necessity, I mean the sanitary commission that has been recently instituted. This commission was formed under orders from the Government of India in March 1864; it consisted of one president, two members, and a secretary; the members not being full time men, an adequate office establishment was also allowed. It was reconstructed in 1869, a commissioner being substituted for the commission, assisted by a secretary, and adequate office establishment. Later on in 1871 the secretary's services were also dispensed with. Previously this work was done by the medical department, and there was no well-founded complaint that it was not well done. The old order of things, if reverted to, would be productive of economy and a saving of expense; then there is another appointment that has been recently instituted which has enhanced the public expenditure, I mean the Superintendent General of Vaccination; this appointment was created recently, in 1867; before that, all the superintendents of vaccination were under the direct control of the deputy inspectors general of hospitals of their respective circles; now they are all under the superintendent general.

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The cost of this new appointment has been as follows: pay of superintendent general, 1,050 rupees per mensem; office establishment, 154 rupees per mensem, and travelling allowances to the superintendent general at eight rupees per day, and to the clerks, &c., besides.

5287. Has there been a great extension of the system of vaccination in the Bombay Presidency since the appointment?—Yes, there has been a great extension of it.

5288. And is it considered by the people in that part of the country a benefit?—Yes, the benefits of vaccination are appreciated; then, again, the establishment in medical charge of European regiments, is excessive; there are three medical officers, namely, one surgeon and two assistant surgeons on salaries ranging from 450 rupees to 1,000 rupees per month for each, besides apothecaries and assistant apothecaries in charge of each European regiment, whilst there is only one officer, usually an assistant surgeon to a native regiment on 450 rupees, or 600 rupees per month.

5289. But the surgeon and his two assistants in the European regiments have charge of from 800 to 1,000 men, have they not?—Yes, about 800.

5290. And the assistant surgeon in the native regiment has the assistance of some native subordinates, has he not?—No, only an apothecary.

5291. Mr. *Fowler.*] But you have regularly educated native medical men, have you not?—Yes; and who, if extensively employed, would cost much less than the surgeons and assistant surgeons that are employed; they are regularly qualified, they undergo a training for five years in one of the best colleges established in India, the Grant Medical College, and are, in the estimation of competent persons, as well qualified as the assistant surgeons that are sent out from this country.

5292. At one time there was a difficulty, because some of the Brahmins objected to dissecting, did not they?—At first there was some little prejudice; that only lasted for a very short time, and then it disappeared, and now the natives have not the least prejudice; but they enter upon every dissecting operation as if they were Englishmen, and accustomed to the work.

5293. Do the adherents of none of the religions among the natives, object to dissecting?—None of the religionists object.

5294. There is no religious scruple on the part of any class of natives on that matter?—None whatever. I submit that the expense of the medical establishment can be further reduced by appointing sub-assistant surgeons to native regiments. There can be no objection to this, because native assistant surgeons and native sub-assistant surgeons are occasionally placed in charge of native regiments. There are four natives, namely, one surgeon and three assistant surgeons in the Bombay Medical Establishment, besides many sub-assistant surgeons. The latter are employed chiefly in charge of charitable dispensaries on salaries ranging from 200 rupees to 300 rupees.

5295. *Chairman.*] In the irregular regiments, what is the medical establishment allowed; a native sub-assistant surgeon?—Yes, I believe that is it; but they have only to extend the employment of regularly qualified sub-assistant surgeons in the regiments, and great economy will be the result; and it would also be effected by the reduction of these double establishments which I have pointed out, and which have been recently instituted for the British army, as well as in the native army. There was formerly one set of inspection, and it was quite sufficient.

5296. What is the next department that you propose to give evidence on?—Before I leave the Medical Department, I wish to invite the attention of the Committee to the treatment with regard to the sub-assistant surgeons. When the Grant Medical College was established by Government in Bombay, and provision was made for the admission of a certain number of qualified graduates into the medical establishment of the Bombay Presidency, as sub-assistant surgeons, Government laid down the following rule: "Sub-assistant surgeons are to be selected exclusively from the most meritorious and highly qualified graduates of the Grant Medical College." It was necessary to go through a course of studies extending over five years, and pass the prescribed examination to be admitted into the medical service. Government servants employed in the subordinate medical department were admitted into the college as student apprentices. After going through a course of studies for two or three years, and passing the departmental examination, they were promoted to higher ranks in the same service. All classes of the people, Europeans, Eurasians, and natives, were admitted as student apprentices; but since the transfer of the Government to the Crown, natives are not allowed to join the said class. The result is, that the higher grades of the medical subordinate service are entirely monopolised by Europeans and Eurasians, who, on distinguishing themselves, are further raised to the rank of honorary assistant surgeons with large salaries. Native sub-assistant surgeons are not raised to this rank under any circumstances. The lowest grade of the subordinate medical service, namely, hospital assistant, is recruited from the vernacular class, which has lately been instituted. By these arrangements natives are practically excluded from admission, not only into the upper grade of the subordinate medical establishment, but also from the grade of sub-assistant surgeons originally created expressly for them, whilst Europeans and Eurasians are considered eligible for admission into the covenanted medical service as honorary assistant surgeons without passing the competitive examination in England. One of the chief objects for which the Grant Medical College, was established, namely, that of qualifying natives for the Government medical service of the lower grade, is thus virtually frustrated. On vacancies occurring one or two natives are occasionally appointed sub-assistant surgeons; but as a rule, the service is recruited from the ranks of upper subordinates, consisting exclusively of Europeans and Eurasians.

5297. What subject do you propose to refer to now?—To the Registration Department; that department which has been recently instituted is maintained on a very large scale.

5298. Is this under a new Act of the Legislature?—Yes; it was passed, I believe, in 1866, and came into operation, and the department was organised about that time. The Inspector General and his clerks have cost the large sum of 41,083 rupees per annum, and the cost of the department last year amounted to 2,50,580 rupees, and the total income of the department was 2,73,236 rupees.

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5299. The cost of the registration department is not covered by the fees, as I understand you?—In some years it has been covered, and in other years it has not been. And the salary of the registrar general is fixed at a very high figure, 2,000 rupees a month, which goes far to swell the cost of the department. It is an uncovenanted appointment, and many uncovenanted officers could be had fully competent to serve at the head of the department at a much lower scale of salary than the salary which is allowed.

5300. Is there any reference to this department in the administration report?—Yes.

5301. Have you anything more to say on this particular subject?—This is a department which if economically conducted, and if the establishment were kept within proper bounds, and fixed on an economical scale, would not only pay its expenses but would leave a large surplus; but on account of giving a very high salary to the registrar, and very high travelling allowance, and maintaining a very large and highly paid establishment, the large sum that is raised by the fees of registration, as prescribed in the Act, is swamped almost entirely by the department, and very little surplus left.

Friday, 27th June 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Beckett Denison.
Sir George Balfour.	Mr. Dickinson.
Sir Thomas Bazley.	Mr. Grant Duff.
Mr. Birley.	Mr. Eastwick.
Mr. Bourke.	Sir James Elphinstone.
Mr. Campbell-Bannerman.	Mr. Fawcett.
Mr. Candlish.	Mr. Robert Fowler.
Mr. Stephen Cave.	Mr. Lyttelton.
Mr. Baillie Cochrane.	Mr. M'Clure.
Mr. Cross.	Sir David Wedderburn.
Mr. Charles Dalrymple.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

The Right Honourable JOHN LAIRD MAIR Lord LAWRENCE (attending by special permission of the House of Lords); further Examined.

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5302. *Chairman.*] I THINK you wish to add some further explanation on the question of the extension of the permanent settlement in India to other provinces than Bengal?—When I was examined regarding the advantages and disadvantages of the permanent settlement, the nature of the questions which were put led me to omit one important point; and that is, that while in Bengal proper the great majority of the landholders are not cultivators, on the other hand, in the North West Provinces, in the Punjaub, in Central India, in Madras, in Bombay, and, in fact, in nearly all other parts of India, the proprietor is the cultivator; he and his sons, or his brothers, hold the plough and manage their own lands, sometimes solely, but at any rate with no more than one or perhaps two labourers attached to them, where the farm is rather large. This seems to me an important matter, as connected with the permanent settlement, inasmuch as all the advantages of permanency would accrue to those cultivators, who may be numbered by tens of thousands and hundreds of thousands. In fact, as I said on a previous occasion, they consist of the flower of the population. From them all the native soldiers and the native officers come; and they are the men on whose conduct and loyalty, and general contentment with our rule, so much depends; and therefore, in my mind, to conciliate them by a permanent settlement would be a matter of the very highest importance.

5303. I should like to ask you whether you think that any policy could be introduced, and steadily pursued, of localising Europeans in the hills?—On a previous occasion I mentioned that, as regards localising them in the way of placing them on the land, and enabling them to cultivate little farms, and so forth, I think that an experiment of that kind would never answer. But there is another way in which you localise the Englishman in the hills, and that is in a military point of view. For many years, we have kept depôts of sick and convalescent English soldiers in the hills; and of late years we have not only done that, but we have placed whole regiments in the hills; and latterly we have increased the number of these regiments; at this time we have in the different mountains, six entire regiments of British infantry, and eight depôts of convalescents. Since I left India I have understood that they are increasing the number of regiments in the hills by one, or one and a half more; so that when those arrangements are completed, there will then be, in round numbers, about one-sixth of the English army, or say 10,000 men in the hills.

5304. And are they in permanent barracks with all the permanent arrangements?—Yes, they are in permanent barracks, not quite so large, not giving them quite so much space in the plains, but still they are buildings of an expensive character, and giving very considerable room to the soldiers.

5305. Have there been sufficient inquiries yet into the relative health and mortality of the troops for an opinion to be formed on that matter?—Yes; I think there are returns showing that there is a considerable saving of life by putting them in the hills. I should say, myself, that there was a greater saving of life in sending sickly men and weekly men to the hills than there is in sending entire regiments there, because, while some men's constitutions are very much better for being in the hills, on the other hand, there are many men to whom, especially, in their youth, the plains are as good as the hills.

5306. Do the men get as completely recovered and set up in health again in the hills as they would if they came to Europe?—I think not. I think that they get a great deal better; where they have not been very seriously ill, where the constitution is not a good deal broken, then I think

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think in all those cases they get very much better; but I should say that, on the whole, the hills saved men more from sickness than that they restored them, especially when they are far gone in sickness. A man, who has a tendency to liver complaint, and so forth, would benefit immensely by the hills, but when he got broken down by chronic disease, then I do not think that he would recover in the hills.

5307. Sir *J. Elphinstone.*] What height do you consider the best?—For soldiers, I think 5,000 or 6,000 feet high is the best. There is one point as regards the soldier, in the hills, which I should like to notice, and that is, the financial bearing of it. It is said that the expense of their rations, their beer, their rum, and their different supplies does not make the cost very much more than in the plains; but I incline to think that there must be a considerable extra expenditure in that way which, however, might perhaps be met, by having less expensive buildings. But, on the other hand, there is one serious point connected with soldiers in the hills, and I should like to mention my view on that, because their is a tendency, I think, more and more to put English troops in the hills, which I think ought to be resisted, and that is this; that while it is quite undeniable that they are better there as regards health, they are not strategically well placed in the event of an emergency. In case of trouble in the plains, and of a sudden necessity for the presence of the troops, you would have considerable difficulty and expense in getting them down to the plains. In the first place, the railroads do not run up close to the foot of the hills; and secondly, the localities in which the troops are placed are a considerable distance within the hills, so that in an emergency, you must either maintain carriage for the transport of these hill troops down to the head of the railways, or else you lose so much valuable time. When the mutiny broke out, we had three regiments in the hills about Simla; these regiments were from 10 to 15 or 16 miles from the foot of the hills; and more than 40 miles from the railway; they had to be sent down in the greatest hurry, and there was immense confusion and trouble about it; and they scattered very much in going down, so that if they had had anything to do when they got to Umbeyla, it would have been a very serious matter. We had to send out every elephant, bullock, and camel, and every animal that could be got hold of to bring up the men who had lagged behind; and I should say that hardly half of each regiment arrived at Umbeyla till a day or two days had elapsed, and the hindermost men did not come up perhaps till the third day; and this is a very serious matter, because you never know in India what a day may bring forth. But as long as we only keep a moderate number of troops in the hills, then we have the means to take proper precautions for holding the plains, and the whole country is fairly safe; but if we were led away by the cry that the troops might be more healthy in the hills, and that it would save life to put a large number in the hills, that might lose the plains, while they were in the hills, and then it would take a great many more men to recover that which, comparatively speaking, very few men will hold. I think that is a point that statesmen ought to bear in mind.

5308. *Chairman.*] You do not anticipate therefore any economy from the new arrangement, except so far as health is concerned?—No; you save life, and therefore you save the cost of recruiting; but I do not think that there is any economy by the system that you could calculate upon.

5309. Have you considered whether any arrangement might be made for regulating the employment of the native-born inhabitants of India in the Public Service upon a standard expressly adapted to them, without reference to the claims of Europeans?—Yes, I think that could be effected. I think that in laying down a standard which would be fairly applicable to the native, that standard ought to embrace the European gentleman who was not in the service.

5310. But when you speak of the European gentleman, do you mean a person who is accidentally in India, and wishes to be employed?—Yes, such as the son of a gentleman in the service, or a man who had raised himself in the service, and whose son had received a good education, and was a candidate for employment in the uncovenanted service.

5311. But if he became a candidate for such employment, ought the standard of remuneration to be raised to embrace him, or ought he to accept the standard of remuneration which is sufficient for the natives of India?—I think that he ought to accept the standard which is sufficient for the native, but I think that ought to be a fairly liberal standard. I would not advocate a standard which stinted either the one or the other. I think it should be a fairly reasonable standard; but it ought to be fixed mainly with reference to the native, and then the European, if he took service, ought to accept that standard.

5312. Do you not think that if that is steadily pursued, there is room for considerable economy in the establishments for the public service?—I certainly think there would be a certain economy if that could be effected; it would be a gradual one.

5313. Do not you think it is a primary duty of the Government in creating any appointments and fixing their standard of pay, to consider whether the appointments can, with advantage to the country, be held by natives?—I certainly think that we ought to do all that we fairly could to employ the natives.

5314. Take the case, for example, which we have had brought under our notice, of the Forest Establishment; do you think that there is anything so extraordinary in looking after trees in India that the natives could not very well be employed in that?—Well, I used to think so; I used to think that such work only required a certain amount of intelligence, and activity, and energy; but I do not know very much about the subject; I do not know it as a scientific profession; gentlemen, who have studied these subjects, like Dr. Brandis, and others, say that there is a great deal to be learned, so much so, that they have been very much disinclined in India to select either Englishmen in India, or natives, for an appointment in that department, and have desired to get them from Europe, and have insisted upon a previous training in forest science.

5315. But why should not that knowledge have been imparted to natives of India in India, and considering the enormous quantity of the forests in India, and the fact of those forests being tropical forests, why should not that experience have been acquired in India?—I suppose, in point of fact, that it could be acquired where there

there were a certain number of men at the head of the department who thoroughly understood the work; they might, to a considerable extent, train their men.

5316. But might not the same effort, applied to natives of India, that has been going on here, of training people, and in the same period of time, or something very like it, have produced a trained body of natives to be employed upon a scale of native remuneration in that department?—Well, these gentlemen who have scientific knowledge of the subject seemed to think that it was very difficult to get such men. I think, as regards natives for that kind of employment, *primâ facie*, the idea would be, that they would be eminently qualified for it; but though many of them would be well qualified for it under instruction, still you would have to make a very careful selection, because a great many intelligent, well-educated natives would not, from their habits, be fitted for that kind of work; it is hard work; it requires a good deal of exposure, and a good deal of knocking about; and I should say that many young men, particularly in Southern India and Bengal, who are well educated, would make bad foresters.

5317. What do you say to Rajpoots and other classes like them?—As far as courage and endurance, and bearing fatigue goes, they would be very good; but the Rajpoot is often a lazy fellow, unless he has something to stir him up and excite him. I think men of the North West Provinces, of the Punjaub, and Oude, and men of that kind, among the younger sons of the gentry, would be better suited to such work than the Rajpoots.

5318. Do you happen to know whether forestry has been very much cultivated and studied among the natives?—No, I think not; I think that they would usually waste their forests very much, or else utterly neglect the whole business. Many of the rajahs of the hills have very large forests, particularly in the Simla Hills; and the way in which they allowed them to be wasted and spoiled was very sad. I think if a few more years had passed after the time when the subject was taken up by us, the whole of their forests would have been denuded. If a man gave them a few thousand rupees, they would let him do what he liked.

5319. I meant to ask whether the natives of Oude have not very much cultivated the science of the growth of trees, and the grouping of them?—I do not think that the landed proprietors study that kind of subject.

5320. I mean not the proprietors, but people who are engaged in cultivation; whether the art does not flourish there to a degree not known in other parts of India?—No, I think not. I know that in the hills about Simla, if the cultivators were let alone, they would every year fire the dry grass in order to save themselves the trouble of cutting it down. In firing this grass, they destroy all the young trees, and they seemed to be quite unaware of the injury caused by this practice, and they thought it a great hardship when we stopped them.

5321. Have you observed any tendency on the part of scientific and highly-educated civilians in India, belonging to what may be called the Covenanted Service, or the English Service, to think that, whenever anything is to be done, and an establishment is to be organised, it ought always to be by Europeans employed and paid like themselves, rather than by setting to work at home to cultivate native service to supply the wants of the country?—I think that, as far as civilians go, and military men who have been trained in civil employment (whom I look upon as being much the same as civilians), they are not inclined to organise European establishments; but that, as a body, they prefer the natives. But I think, when you come to special departments then, there is a greater bias that way. For instance, in the Forest Department, I think they would very much prefer, as a whole, to have young Englishmen, or young Germans, or other young Europeans, who are trained in that science, than they would have natives, and in that way I think there is a bias more or less in different departments to prefer the European or the Englishman to the native; but I think those who have been connected with the administration, particularly the Revenue Administration, would rather prefer natives; I think that, on the the whole, the line officers would prefer natives; but there are some departments connected with the administration in which an uncovenanted Englishman of a good stamp is a very valuable man. Where there are treasuries, for instance, a well educated young Englishman is very valuable; he is very reliable; you can trust him well.

5322. As a rule, have not the natives shown considerable trustworthiness in the treasuries where they have been paid a fair native salary, or do you think that there has been an excess of defalcations on their part?—I think our system of managing the treasuries in my time when I was a collector was a very good one; and to a certain extent it prevails still, though there has been a considerable modification in the way of making over the local treasuries to the banks. In my day there was a native treasurer as well as an English officer connected with the treasury, and the native was generally a representative of one of the banking houses of the adjacent town, and of course he thoroughly understood all his part of the business, namely, the keeping of the cash and looking after it, and the banking part, and so forth, and he did it exceedingly well; but every now and then there was even under that system a little anxiety about the Treasury. I do not mean that the treasurer embezzled the money, but every now and then money was taken with a view of a speculation, and so forth; and thus where there was a carelessness on the part of the collector, and there was not time to replace what had been taken away, and you suddenly went and counted your money, there might be a defalcation. I knew two or three cases within my own cognisance of that kind.

5323. In those cases, was there generally found a certain slackness on the part of the collector?—It could not happen without slackness on the part of the collector. If he had done his duty in looking after the treasurer it could not have happened.

5324. In this regard, do you think it is practicable to draw a clear line as to the nature and class of employments that it is expedient for the Public Service that Englishmen as such should hold in India?—You are alluding now to the Covenanted Service, I presume.

5325. The English Service proper, both civil and military?—I think of course that you could lay down a very distinct and clear line. In

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former days there was such a line, but in course of time that arrangement was relaxed. There were various men in the Uncovenanted Service, and in some cases, natives also who, from the time they had been in the service and the way in which they had behaved, felt it a grievance that they were not promoted into higher positions; and little by little, in exceptional cases the rule was relaxed, and after the mutiny it was more considerably relaxed.

5326. But do you think that it is desirable that whilst very great care is taken with respect to the admission into the English service proper, persons, who perhaps could not get admission into that service by the recognised channels, should be allowed to go out to India, and then, by means of influence which they possess, get into the Uncovenanted Service, and then raise these questions as to their getting better employment?—I would not prevent that class of Englishmen and natives absolutely from rising into superior positions; at the same time I would make it exceptional. I think if you made a very decided line, in course of time it would be found inconvenient in particular cases, and that there would be a very considerable grievance on the subject, do what you would; and that, on the whole, that the public service gains by allowing in special cases, in well selected cases, men who have passed some years in the lower ranks, and have distinguished themselves; to rise into the higher. Now, I saw that particularly in the mutiny. There were various men in the Uncovenanted Service who had distinguished themselves, and there were no other means of rewarding these men except at a great and undue cost to the State; there was no valid reason for giving them pensions or free grants of land; whereas, by giving them a step above that, as I might call forbidden line, you amply rewarded them; you did all that they could have hoped for, and wished for, and you did the service a great deal of good, because they were good men, very picked men. Of course, that kind of system may be abused very much; but if you have a proper governor or chief commissioner, I do not think that he would abuse it; it would be only in very rare cases; and then, of course, the Central Government ought to look after that kind of thing, and check every such abuse. But I can recall five or six cases in which I should have been very greatly vexed if I could not have done something for men who had behaved extremely well during the mutiny; I am talking of my own Province.

5327. Do you think that difficulties have commenced, and have been rather on the increase as regards the English employed in the local service, in consequence of their entering it under the influence of patronage, and then being connected with the higher public servants in India in the Covenanted Service, and then feeling themselves aggrieved that they do not get more pay and better positions?—Doubtless there is something in that; I think the general feeling of every man is, that he has a right to rise to anything that he is fit for; and of course men estimate their own qualifications very often higher than perhaps others would.

5328. Has it not become necessary to interpose some check, considering the position of things, to the young men who go out there, and who do not get into the Public Service through the regular channel in this country, but go out there under the influence of patronage, and join the Public Service, and thus the relation of *protégé* and patron comes into play against what may be called the legitimate claims of the native inhabitants of the country to employments for which they are qualified?—I think, to some extent, that is the case; but in my own personal cognisance I do not know of many such cases.

5329. Of course it is extremely difficult to fix instances of that kind, although society may be very conscious that they are going on?—I think natives do complain of that; but, on the other hand, looking round about me in the days in which I was connected with the service, it did not seem to me that there were many cases of the kind.

5330. Is it not necessary to take some precaution in consequence of the civilians and higher officials being perpetually moved about the country, and having no personal relations with the Native Service, whilst they readily fall into personal relations by private letters of introduction with the English of the class that I have described, who belong to their own families?—I, myself, would greatly prefer natives who had been trained under me, and were connected with me, and would look much more after their interests than in the case of a man who brought me a letter of introduction; and I would suppose that most other men would do the same. I do not think that the officers connected with our administration, whether civilians or military men, neglect the natives in that way; I think they are very earnest to bring them forward and help them; within my own cognisance, I should say that they would very much desire to get a good native who had been under them for some years, rather than a young Englishman from outside; but of course there would be exceptions; I think it would be very difficult, when you came to practice, to lay down a distinct rule upon the subject.

5331. But if a distinct rule cannot be laid down, is it not desirable that some check should be interposed greater than now exists?—I think that it would be very desirable to look after the system carefully, and to see that it was not abused. I would take care, for instance, that under no circumstances more than a certain proportion of appointments of the higher class of uncovenanted appointments were held by Englishmen as compared with natives. In that way, I think, you would have a very considerable check.

5332. Have you any further observations to make?—Under the head of the Home Charges you pressed me a good deal on the subject of the Indo-European Telegraph Line. I said I thought it very hard that India was charged with the whole expenses; and I understood you to think that I had not altogether looked at the case with sufficient carefulness. Since that I have looked at the case. I had not seen the papers, but I had a general knowledge on the subject, and I knew that all the charges had been put against the revenues of India. On looking over the papers, I see that the Court of Directors in 1856, the year before the mutiny, promised that India should bear all the expenditure for that object, so that when the line came in 1861 to be made on that promise, it was arranged that India should bear the expenses. I was not aware of what had happened in 1856, and, of course, that makes the case a very much more difficult one; but still my own view is, that

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on broad principles of justice, when you come to arrange a matter of that kind between one great country and another great country, you ought always to bear in mind the interests, particularly of the weaker one, and the distant one, and not put upon the country, no matter who agreed to it, or how it came to pass, more than a fair charge. That is the general view that I take of the case. I would put it in this way: that supposing a contract had been made between England and India, as regards any expenditure which turned out in practice to be disadvantageous to England, I think there should be no scruple on the part of the English Treasury in asking for a reconsideration and re-adjustment of those charges; so I think on the same principle, India has a fair claim to ask for a re-adjustment of the Indo-European telegraph charges.

5333. Carrying out that principle, might we not ask who should pay the cost of those operations during the Crimean War in the Black Sea, the shore of which was supposed to be an outpost of India?—Yes, if you had given India notice, and asked her opinion whether she was willing to pay part of it; but if you had asked India whether you should have undertaken the Crimean War, you would have had a great deal of dissent. I am now putting myself in the position of an advocate for India. Having lived so long in the country, and owing so much to it, I feel it a kind of duty to put forward what I consider a fair claim on the part of India. I am also a taxpayer in England, and thus interested on the English side, still I feel, on the other side, for India.

5334. Mr. *Eastwick.*] If you will allow me, I will ask you with reference, first of all, to your answer to Question 4686. You said: "In respect to the native troops, all the rough work of the country is done by the native troops. The English troops in India, I would say, are like the Guards to the English army; the English troops are the reserve, and for various reasons you would never employ them where you could do the work with the native troops;" and then you said, "That being the case, we must have a considerable native army." I want to ask what is the sort of work that necessitates the employment of native troops now?—To begin, you only place your European troops at stratagetical points in the country. All the other places you occupy with native troops. Then everything connected with escorts, everything connected with sentry duties, and with the guards upon your magazines and your stores, is performed by the natives.

5335. But, I would ask, could not many of those duties be done away with; has not the duty of escorts been immensely reduced by the introduction of railways, and could not many of those duties be performed by the police?—We must have a certain number of native troops for service in time of war; and therefore there is no economy in having some other body of men to do duties of that kind in times of peace. In that way there would be a double expense. But assuming that you have not more troops than are ordinarily required for holding the country, in what I call a military point of view; that is to say, without guards, and so forth, then your best economy is to use those troops; but as far as guards go, they have been largely reduced since the mutiny. Our native army is something like 100,000 men less now than it was in those days; besides, there were a number of police corps that did also a great deal of that kind of duty. We not only reduced the army by 100,000 men, in round numbers, but we reduced the number of these police regiments; so that we had to economise largely, in the way of guards. Still with all that economy, and continually pressing the military chiefs to reduce guards, the necessities of the country require considerable guards of one kind or the other.

5336. Is it not the fact that we have now 180,000 police, and that in the old day we used to employ the native police, the village police, to do the things for which we have now regularly trained men, armed to a certain degree as soldiers. Why should we not resort to the old system of having the village police, and make use of these trained police for the duties of sentries, and so on, and then reduce our native army?—What you call the village police are not Government police; they are not Government *employés*; they are the village *employés*; they are the servants of the proprietors of the village, and they have, in their own villages, plenty to do, and more than they can fairly do. They are employed in all kinds of matters connected with the village constitution. If a thief, or a murderer, or a dacoit, or anyone of the kind is to be arrested, when the Government police come on the spot or pursue these men, the village police have to go in and help them. If thieves or delinquents are seized in the villages or small towns, these village police have to help to escort them to the central points. They have an enormous amount of work to do. Any man who has much knowledge of the state of things in India will see that the village police, so far from having any extra time whereby they could take the duties of the regular police, are really themselves overworked, and very ill-paid into the bargain. Therefore it is out of the question their doing the duty of what I call the Governmental police. Then, on the other hand, the Government police have a great deal to do, especially under the new system. They have to look after all the general arrangements of the country; they have to scour the roads, to patrol here and there, and a great deal to do in the way of escort; a great deal of the escort duty formerly done by the army is done by the police, and that was one of the means by which we were able to reduce the native army. I think, whether it is the village police, or the civil police, or the native army, they have abundance to do.

5337. But you said that you must have a large native army in case of a war breaking out, that you may have such an army to resist, I suppose, a foreign enemy?—Yes, or to resist insurrection, or a hundred things. Look at the subject in this kind of way: you have 230,000,000 of British subjects, and something like 30,000,000 more, the subjects of native chiefs, all in the interior of India; then you have got a frontier of several thousand miles; divide your police, and divide your native military troops over all that area and and over all those numbers, and you can judge whether, relatively to similar arrangements in Europe, you have a large number of men for the administration of India.

5338. Now in case of a foreign war, could we entirely rely upon our 130,000 native troops; is it not just possible that we might have a mutiny or a rebellion amongst them, and in that case, what would be our position; should we not be

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better without them?—If you ask me, could we entirely rely upon them, I do not know anybody in the world that you can entirely rely upon; can you entirely rely upon your own countrymen. I think you can entirely rely upon the native army if you keep it in good order, and manage it well, and give it enough work to do, but do not overwork it. I am quite certain of this, that you cannot hold India without a native army, and a considerable native army, but I am no advocate for having an excess. If you ask me whether the native army in India, bearing all things in mind, is too large, I think that it is not, with the exception of what I said about Madras. When you ask a man in my position to tell you all the duties of the native army, I should have to think over it for days before I could give you an adequate idea of what they have to do; but send to the military department for half a dozen returns of military cantonments and see the duties the troops have to perform, and you will be astonished at how much they have to perform. Now Calcutta is a place which is very distasteful to our native troops for many reasons. There used to be formerly there and at Barrackpore, something like seven or eight native regiments, and now they have three regiments for Calcutta and its suburbs, and I did everything I could to bring it down to two, and I could not. The military authorities convinced me that I could not. I give that as an instance.

5339. The general direction of my questions is, with reference to this subject, to find out whether you do not think that by disarming the country generally, and by directing the disbandment of the troops of the native chiefs, we might then be able to reduce this enormous expense of the army, relying upon the European soldiers for the defence of the country against any foreign enemy, and for putting down any insurrection, and relying upon the police for keeping down any native *émeute*?—Well, I do not think so, indeed, I have no doubt whatever that you could not do it; I think it would be quite out of the question. It seems to me, if I might say so without offence, astonishing, that you, who have been in India for years, and know India so well, could conceive that what you suggest, could be carried out. As regards the native army, I assure you that in Northern India if you wanted to collect 7,000 or 8,000 native troops for any particular object, you would have the greatest difficulty in doing it. You would have to make movements and changes for 1,000 miles, perhaps; I do not exaggerate when I say that; I will give you an instance, when that little *contretemps*, I will call it, occurred in the Peshawur Valley at Umbeyla, at the time that Lord Elgin died, and they wanted additional troops in the valley, they had to warn the troops down in the Bombay Presidency, they had to warn the troops in the confines of Scinde, the Scinde horse were warned, they had to remove troops from Benares, which is 1,000 miles away; just conceive the political commotion and the excitement that all that involved, not only amongst the natives, but also among the English; and all that re-echoes in England, and all over the Continent. It seems to me the greatest delusion to say that the native army is too large. Then there is another point. You talk of disarming the natives of India. They are disarmed; ever since the mutiny, with the exception of certain border districts, they have all been disarmed; but you cannot so disarm a people that under special circumstances they would not get a certain amount of arms, and be able to do a certain amount of mischief. Take that aboriginal race not more than 300 miles from Calcutta, the Sonthals; they are a poor kind of people, living in a semi-barbarous state of things, very inoffensive under ordinary circumstances; the native bankers plundered them, and in our courts ill-treated them and spoiled them, and it went to such a pitch that at last these men rose in insurrection; and they laid waste and plundered the country, and destroyed life, and there was a great alarm even in Calcutta, In no case, perhaps, is any one class, or race, or people, in themselves very dangerous, but when you come to put all the elements of danger together, and do not know where you may have mischief arise, and when you may at any time require 2,000 or 3,000 native soldiers to take the field, you must have certain means and appliances at hand to enable the authorities to do that. Then you said, "Why do we not disarm the native chiefs?" How can you disarm the native chiefs and their troops? You are under treaty with all these chiefs. Supposing that you said you would disarm Scindiah; on what principle would you disarm Scindiah? Under treaty he is allowed to keep up so many troops, and he not only keeps them up, but in a highly efficient state, batteries, infantry, and cavalry, a thoroughly organised army; I should say that they were very nearly as good as our own. How can you, under treaty, disarm those troops? and so on with other people. Why, you would excite a general discontent and general suspicion all over India that you were doing this for some ulterior object. I do not think that you could do it for one moment.

5340. If that could not be done, could we not, at all events, make some use of these troops; could we not confide the task of keeping order in that part of India to Scindiah and his troops, rather than keep up a great body of our own troops in order to overawe him?—But Scindiah and Holkar, and such chiefs, have troops for their own purposes, to maintain their own dignity, and to keep order among their own people; Scindiah and Holkar are, to a certain extent, foreigners in their own country; it is only two or three generations ago since they acquired that territory, and they think that they have many enemies in their country, and they like to have their own troops. We do not keep many troops of our own in their territory, but we keep a certain number of troops, because common-sense dictates it. I do not like to go very much into these things; but without suspecting Scindiah, or Holkar, or anybody, I say the statesman's duty is to be prepared for all circumstances, and, without overdoing the thing, to have a certain means of opposing anything like mischief that may arise in any part of the country.

5341. I suppose you would admit that the enormous expense of our army is the one thing which has to be dealt with?—Yes; I admit that the military expenditure is very seriously large.

5342. I am endeavouring to find some way from your Lordship by which we might reduce our enormous military expenses, and it certainly seems to me that the only two ways in which it can be done are, first of all, by reducing our native army, and secondly, by reducing the number and expenses of our officers?—I do not think that

that you can reduce the native army in numbers, with the exception that I gave before; and I almost think that when I said that 9,000 or 10,000 might be reduced in Madras, I went beyond the mark rather than below the mark; but I am certain that in the Bengal Presidency you could not fairly reduce that army by 1,000 men, and that it would be unwise to do it. But there are many ways in which you might gradually reduce expenditure if a man had full authority to do it; but you must bear in mind (and nobody knows that better than yourself) that no man or no one interest is predominant on these questions: it is a compromise between different interests, and different influences, and different opinions, all of which are very sincere, and honest, and genuine; and that being the case, supposing I was in such a position that I could set to work to do it, I must carry all the other influences with me, or else I should fail; and that is a practical difficulty which every administrator and every statesman must find in daily life. But I have no doubt that you could make some savings, in fact some considerable savings; I do not know, however, that they would be accepted. For instance, you have a double system of medical men for the army in India; you have one medical staff for the Royal army, and another medical staff for the native army. You could do very well with one staff, but you cannot get the authorities to think so, and to agree with you, and unless you do, you cannot carry out that view. Then the system that they have of "seconding" every officer, taken from regimental duty, seems to me a most ridiculous system; that is to say, you take an officer for a particular duty from his regiment or his battery, and you immediately put in another officer to do his work; I think that is carried to a very absurd extent. Take the artillery particularly; in the old days of the Court of Directors, there were a great many of the artillery officers away on different duties, and you did not supply their places; perhaps you went to the other extreme in those days; but here you "second" every one of these officers. Then, again, you want various officers for the staff of the infantry and cavalry, and in many cases, you "second" them also. I do not think all this is necessary; but that is a matter in which, unless you carry the military authorities with you in England, it is no use for you to move. I think those are the kind of ways in which you might save money, but not in cutting down the native army, and overworking the native army in India. I think it is a most valuable army, and that people in England greatly depreciate the importance of the native troops. If I were a general I would sooner take the field in India against an enemy with an army composed of half Englishmen and half of natives, than with an army of all Englishmen; I do not mean that the fighting force of the Englishmen would not be superior, but if you came to their general efficiency, to their general power of doing all that has to be done, which of course is a great deal more than mere fighting, I think that a mixed army would be far superior for every purpose but that of mere fighting, to an army solely English.

5343. We have, I think, on our north-west frontier 24,000 Pathans, as they call them; those regiments there are made up partly of Affghans, and partly of Sikhs?—I am talking now, of course, from memory; but I should not think that there were more than 8,000, perhaps 8,500, of those troops; nothing like 24,000. There were somewhat more before the mutiny than now; but there is not much difference. I know so much about that force, and everything connected with it, that I am able to speak within hundreds.

5344. With respect to those troops now, I am told that they are equally good with Europeans; that they are first-rate soldiers; but is it not the fact that they are recruited very much from the Affghans, and that when they leave our service they go back into Affghanistan, and there drill the Affghans; and is there not some danger in that?—I should think not; I think that is quite imagination. But now supposing that they did do that, and I dare say there are some of them that do, what harm would they do, more especially now that we are on friendly terms with the Affghans? Here we are with one hand giving the Affghans money, trying to consolidate their power, trying to help them to put down insurrection and sedition in their country, trying to get their chiefs to be reconciled to one ruler, and so forth. Then, on the other hand, supposing that the view which you indicate was carried out, we should be afraid of their having a few men to train their soldiers; surely this would be a great inconsistency! But supposing that they have got in their country 50 or 100, or 200 men who have been in our service, we might say, under the present policy, that that was a good, and not an evil. But I think you are under a mistake altogether about that frontier force. That force has a large mixture of Pathans, no doubt, in it; that is to say, men belonging to the tribes beyond the frontier, and to the tribes within the frontier, but the two combined, speaking in a rough way, would not exceed more than a third of the whole force; the rest of the force are Punjaub Mahomedans, men of quite a different lineage, men descended from reformed Hindoos, men whose ancestors, in Arungzebe's times, and those conquering times of the Mahomedans, for the sake of holding their possessions and retaining their lands, became Mahomedans; though Mahomedans, they have a great deal of the Hindoo feeling among them, and their feelings and views are generally different from those of the Pathans. Then, again, another third are Sikhs. Then there are a certain number of Hindoostanees among them. You could get from the India Office the actual composition of those regiments, and you would find that they are greatly mixed.

5345. What is the number of officers employed with each of those regiments; it is only seven, is it not?—All the infantry and cavalry regiments have seven officers now. Before the mutiny, they had three and four; that is to say, the infantry had four; and I think the cavalry had only three officers.

5346. I want to know if these regiments are so efficient with seven officers, why should we have other regiments with three times that number of officers; why should we not have our European regiments in India officered with the same number of officers?—That is going into a very great subject, and I presume that nobody would think that I am a competent judge on such a subject.

5347. But, as this affects the finances of India so very seriously, and has reference to a question which I think ought not to be quite overlooked

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in this inquiry, that is, whether we should not, for financial reasons, re-establish the local European troops. I should like an answer respecting that?—If you were to ask me, as an English gentleman, what I think on the subject, I, too, would say that they have too many officers in the English regiments; but then, I do not mean in saying that to indicate that I would bring them down to anything like the number of officers that I think are sufficient in a native regiment. That is quite a different thing. In a native regiment you must bear in mind that there are two sets of officers, a set of native officers and a set of English officers; and in the old regular system we had 25 English officers, plus a certain number of native officers; therefore, you had two complete sets of officers.

5348. *Chairman.*] Does not every native soldier, whether regular or irregular, take care of himself; whilst every English soldier does not take care of himself, but is treated like an infant?—No doubt that is so; but independently of that there was this great distinction, that there were in the native regiments two sets of officers. Under this system, under which we work the native army, now we give, or profess to give, and ought to give, the native officer that position which is commensurate with his responsibilities; under the other system you let him really do a great deal of the duty that pertained to the English officer; under the old system you did something of that kind; but in the English army you know there is no such separate body of officers as there is in the native army; that makes an immense difference.

5349. Mr. *Eastwick.*] I am not looking to the reduction in the number of officers in the Queen's troops, but I should like to ask whether it is not advisable, and in fact necessary, to have local European regiments, which would cost comparatively very little, because we might supply a small number of officers to them?—You know that under the old local system you did not do it; whatever was the standard of the Royal regiments was the standard of the local English regiments; you had every man, from the colonel down, in the local English regiments, exactly the same as in the Royal regiments.

5350. In the Prussian army the number of officers is very considerably less than in ours, and therefore, I think, that we need not consider the number of officers in the Queen's regiments now as a fixed standard to which we must always refer. I want to know whether, as economy is so absolutely necessary for us, we might not have some local troops, such as I have suggested; we must have the least number of officers that we can afford, and we cannot afford the present number? — Having mixed a great deal with officers in my day, and knowing their feelings and sentiments, I should say that the officers and men of an English regiment in India would look to have the same body of officers as were kept up in a Royal regiment; I think you would immediately have an agitation in these regiments to be put upon the same footing as the Royal regiments. In fact, it was the case before. I recollect that in my time whenever there was anything done in a Royal regiment at home, or in India, the same argument was applied to the local regiments, and you had to do the same thing for them. I think they would loose in public estimation if you had, say 10 regiments of English local infantry, and you had only 20 officers in them, while you had 30 officers in the Royal regiments; or if the local regiments had 30 officers when you had 40 in the Royal regiments. I think you would have to apply the standard of officers in the Royal regiments to the local regiments; and if you look back you will find that it was the case.

5351-2. Then you see no means of reducing expenses in that direction?—I have indicated to you what I think is the way in which they might be reduced. I think, in the course of time, a man bent upon economy, and with the power of carrying out his views, would make considerable savings of various kinds; but even then he would excite a great deal of dissatisfaction and discontent among the bodies on which he was operating, and he would have a good deal of influence from home against him; so that, unless the man were a dictator, he would be powerless to carry out such reforms.

5353-4. Do you really think that, because it would be resisted by the authorities at home, and because the feeling of the local regiments would be to have as many officers as the Royal regiments, therefore we are to incur this enormous expense, which is crippling the resources of India, and throwing it into difficulties every year?—I am clearly of opinion, that whatever is the standard of the Royal English regiments should be the standard of the local English regiments as regards officers. That is my position; whether the present number of officers in a Royal English regiment is too many or too few, I cannot give an opinion unless I had the number before me exactly and thought well over it; but I am quite certain that there might be considerable reductions made in the way that has been described. I know in the days when I was in the Council it was a continued fight upon that subject. We were always beaten on the ground that we must accept the English establishment. I think the feeling of the officers would be in favour of what I have said, and you must not ignore that fact.

5355. Then I would like to ask some questions with respect to the location of the European troops; you have stated that you think that there are about 10,000 troops now in the hills?—That there will be when the authorities have made up the number that they have arranged for.

5356. Now I wish to ask you, whether there are not certain places, such for instance as Campbellpore, not in the hills, and where of course the expenses of carrying provisions and other supplies to the hills would not be incurred where the European troops would be quite as healthy, perhaps even more so, than in the hills, and which are not yet used to the extent to which they might be used? — Looking at it in a general way, I would say that the troops were more healthy in the hills than in the plains; and that, with the exception of Poona in the Bombay Presidency, and Bangalore in the Madras Presidency, there were no stations, generally speaking, where the troops would be so healthy as in the hills.

5357. You do not think, then, that the climate of Campbellpore is equal to that of the hills?—As regards Campbellpore, I know Campbellpore quite well; I know every inch of the ground there; I do not think that it is in any way an exceptionally

exceptionally healthy place; I should say that Rawul Pindee, on the line of the railroad, is a far more healthy place. I recollect seeing a return saying that it was the most healthy place in Her Majesty's dominions; I think that was an exceptional state of things, perhaps; but the fact is, that we have had to give up Campbellpore; it was an old station, with temporary buildings which had fallen into decay, and it had to be decided whether it was to be maintained, and in that case build new barracks or transfer the troops elsewhere; and I was very strongly of opinion that we should give it up because another place would be a far better position, and was on the railway. The idea was simply to give up Campbellpore, and to come on the railway at about a similar distance from Attack. On all that left bank of the Indus, up towards Attack, there is no place there that is anything like as healthy as the hills.

5358. It has been stated by one of the gentlemen examined before the Committee, that the European soldiers do not like the stations in the hills, and that they object to them; is that your experience?—My impression always was that they preferred the plains to the hills, but that has been controverted by military men, and on the whole, I should think, with the exception that prices are dearer, and that, therefore, the pay of the soldiers would not go quite so far, and their wives would not be quite so well off, they would like the hills.

5359. It has been stated that they do not like the isolation of the hills, and that they do not like the difficulty of getting spirits?—As far as the spirits go, it would be a good thing, you know; but I think, on the whole, they would like the hills, for this reason, that they can ramble about, and enjoy themselves very much; whereas in the plains, though they do ramble about, they suffer very much from doing so in the hot months of the year. I will give you an instance, and this is one of the reasons that made me doubt my own original conclusions on that subject. The authorities put one or two regiments to make roads in the hills, and the practice became very popular with the men; they get a little extra pay for the work they do, and they live in huts, and rough it a good deal. But the men liked the employment and the general life they led, which of course is a strong argument in favour of the system.

5360. *Chairman.*] Do you recollect whether the question of making soldiers useful, and enabling them to earn money in India, has ever been considered, with a view to economy?—It has been constantly considered, and attempts have been made to utilise them in that way; but I do not think it would answer, myself. The only way is, employing them in making new roads in the hills. Of course, when those roads are wanted, it is a very good way of employing them; I do not think it is more expensive, at any rate not much more expensive, than doing the work with natives, and it keeps the troops in good health, and employs them on a duty for which in the hills it is often very difficult to get natives. The natives do not come to that work in the hills as readily as they do in the plains; it is obnoxious rather to the feelings of the natives in the hills.

5361. Mr. *Eastwick.*] You have seen regiments that were stationed in the hills brought down for campaigns in the plains; in the case of Delhi, for instance?—Yes.

5362. I want to know whether you think that regiments stationed in the hills for a considerable period, when brought down into the plains, might not suffer more than regiments stationed in the plains, and accustomed to move in that extreme heat?—I think what medical men say is the fact, that an Englishman never becomes really acclimatised in India. He becomes more careful of himself, and more able to suit himself to the circumstances in which he is placed, and he becomes wiser in avoiding exposure, and so forth; but really his constitution is decaying every year; and he is less able to bear the heat every year he remains in a hot climate. That is what the medical men say; there is no dissentient opinion, I think, among them on that point; and it seems to me that that opinion is a sound one; and that, therefore, there is an economy even in that view in keeping the troops up in the hills, that when they came down they would be stronger and more robust, and when they had great efforts to make you would have a more powerful machine in the regiment that had been in the hills, than in the one that had been in the plains.

5363. If that is so, why not carry out the location of the Europeans in the hills to a far greater extent?—For the reasons that I gave in answer to the Chairman. You must hold the plains. What use is it for you to have all your troops in the hills when your enemies and the influences that you have to provide against are in the plains? You might lose the plains while your soldiers were in the hills; and then you would have to reconquer the country. If we had had one wing of an English regiment at Delhi, perhaps if we had had two companies, we should not have lost Delhi. When the mutiny broke out, we very nearly lost India before we could bring our power to bear against our enemies. It taxed our utmost efforts to reconquer Delhi. It was the turning point of the whole thing. Then I will take another instance; Cawnpore, you may say, is the gate of Oude; formerly, they kept an English regiment at Cawnpore; after they annexed Oude they kept a wing there, and then took it away and left an English battery of artillery there, without any infantry; a wing of infantry would have kept Cawnpore safe in the mutiny, and then the chances were that Oude had not gone.

5364. Has not the face of things changed very much since the mutiny; at that time we had, of course, an immense Bengal army, and we had places where our arsenals were; for instance, Delhi, denuded of European troops; but now, is not the state of things different in this respect, that we have got our arsenals in hand, and all the artillery is European; would there be the same risk, therefore, now, if we were to withdraw European troops from such hot places?—As regards the places you mention there would not be much risk; but my position is, that India is such an enormous country that the elements of danger in it are very considerable, and you do not know where the mischief will burst out, but you must be prepared to meet all comers and all accidents; and you cannot do that if you put the great bulk of your English troops in the hills. With the people of India seeing is believing. If they see your English troops in proper position, ready to turn out at a moment's warning, nobody has any disposition to rise in

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insurrection. You may have a regiment or a brigade at a place and not fire a shot for 20 years, but it does not follow that they are not valuable there; take them away, and circumstances may show you that it is important to hold that post. You have not fired a shot in Gibraltar or Malta for many years. Would you argue, on that account, that you might take away the garrisons from those places on the chance that nothing might happen? Would you take the English troops from Ireland, and keep them all in England on the principle that you could pour them into Ireland when disturbance took place? I think you would not do that; at least I would not.

5365. Then the fact remains, does it not, that although we have reduced our native army 100,000 men, and made other reductions, yet notwithstanding the expense is even greater than it was some years ago?—It is as much, I think, or nearly as much; but when you make reductions, for two or three years after those reductions, the effect of them is not quite apparent; at any rate, you do not get the full value of your reductions in that period; but when you have got what I may call the value of all your reductions which have been lately made, say in Lord Mayo's time, I think the likelihood is, that it would be rather below than above what the old cost of the army was. And I think, if you went on carefully looking about, and pruning, and watching, and cutting off every unnecessary expense, at the same time doing the thing properly and thoroughly as regards the comfort and health of the troops, you would still save a little money.

5366. I should like to know whether you think that when the same office may be held by a European, or may be held by a native, we ought to give the same pay in both cases; if, for instance, a native is appointed assistant magistrate, must he, do you think, necessarily get the same pay as a European in that position?—Well, if you put him into the same position to discharge the same duties as the Englishman you have hitherto paid him in the same way, just as you pay a military man exactly the same as you pay a civilian when you put him to do the duties of the civilian. But I think the way to arrange the pay is to lay down a rule showing what appointments could be held by the natives, and what appointments were to be held by the covenanted service, and then to regulate the pay according to the posts that were to be filled, and the duties of those posts. I think that that is the way to do it; I do not think that it would do to say, "Here is the appointment of Assistant Magistrate of Cawnpore or Delhi;" if held by an Englishman, he shall receive 500 rupees a month, and if by a native he shall only have 200 rupees a month. I think that would create a great deal of discontent.

5367. I am speaking from my own experience; I was appointed to an appointment that had been held by a civilian on 800 rupees a month, and I received my pay as an ensign, which was 200 rupees a month; is there any reason why I, as a military man, should receive 200 rupees a month, and a civilian should receive 800 rupees?—But that has not been the case in India now for many years. The last case in which something like that occurred in India was in the Sang and Nerbuda territory, which is now part of the Central Provinces; the appointments there were nearly all held by military men, and the pay of the appointments there was lower than the pay of the relative appointments held by civilians in other parts of the Presidency; that system has been long done away with, in the Punjaub from the very day of the annexation, and in Oude, and in the present Central Provinces; whenever the two services come together the pay of the civilian and that of the military man in civil employment, are exactly the same, and if you come to political appointments, which are more of them held by military men than by civilians, the pay of those is relatively better in many cases than the pay of the civilians.

5368. Does not that close another door to economy, because if we are bound according to this new rule to pay the natives according to the Europeans, does not that preclude you from using native officers cheaply which we might otherwise do?—You might in the case of a native have a different salary, but I think there is a great difficulty in that if you are giving him the same kind of appointment; all the military men were discontented under that system which you have been describing; I never knew a military man under it that was not discontented, and I think there was reason in that discontent; I know that I used all my influence to have the military men and the civilians put upon the same footing.

5369. But are not the expenses of native gentlemen very much less than those of European gentlemen?—They are very much less no doubt.

5370. Would not that be a reason then for giving them less pay?—You could do it, but I think there would be a great deal of discontent caused by it; in talking to natives on the subject they would say, "we can live cheaper than the European gentlemen can live no doubt, but on the other hand look at our followers; everybody lives on us; all our poor kinsmen live on us; you have not these expenses."

5371. I see that in answer to Question 4672, you said, "The lieutenant governors have no councils, and the governorships have councils; the difference really is this in my mind; the governors are nearly always or very often men of, however considerable their ability, not much knowledge of India, and many of them of no knowledge," and so on?—Yes.

5372. Is not that an argument for not employing gentlemen who have no knowledge of India, because it leads to a great additional expense, does it not?—In my view, it is an argument in that direction, but then there are others who think that there are reasons for employing men who are not acquainted with India, but who have a certain reputation in Europe or in England, which they consider overbalance those disadvantages; I only stated what were my own views on the matter.

5373. But then supposing that you had as governors men of Indian experience, you think that councils would not be required?—Well, I should not like to do away with the councils on the broad ground that it would be considered a retrograde step, and that there are in the Presidency, and near about the Presidency towns, many natives trained up in the same views and ideas as Englishmen. I think that, on the whole, it would be an unpopular measure among the natives to do away with the councils in Madras and Bombay; it is one thing, you know, to make councils where you

you have not them; and it is another thing to do away with them where you have them; that makes a great deal of difference.

5374. Sir *G. Balfour.*] I will commence with the military expenditure; could you give the Committee any idea of what the amount of military expenditure ought to be, or how to regulate the expenditure of the army, so as not to allow it to press heavily upon the finances of India?—I could not lay down a cut-and-dried scheme, whereby the expenditure should be so much and no more. My view would be to always pitch it on as economical a scale as was consistent with holding the country well; I never would compromise our tenure of the country by unduly economising; that is my view.

5375. That is to say, you consider that it is for the good of India that the several governments should be able to carry on their administration under the general protection of the army, free from all anxiety?—Yes.

5376. Have you ever been able, from your great experience, to see how you could fix the numbers of that army with reference to that object?—From the circumstances connected with the mutiny we had, after that event, a larger native army than we required; and we have gone on paring down the numbers, until I think we have got it to pretty much what is sufficient, and not much more.

5377. Still, within your own experience as Governor General of India, it has been very difficult to prevent the military authorities from obtaining larger armies than what they have now obtained?—I would not say that of the military authorities, generally speaking in India. The present Lord Sandhurst, then Sir William Mansfield, helped me very much to put the case before the authorities at home with a view to reduction; he was by no means wasteful in that way; I think he took an economical line; we differed on certain points regarding reductions; but as a whole, he was economically disposed.

5378. He proposed various reductions, and assisted in a large degree in that?—Yes.

5379. Sill he hesitated even then to reduce the European force, did he not?—When I was Governor General, and he was Commander in Chief, with the exception that he wished to reduce the artillery in a different way from that in which I thought it might be reduced, I think on all the other points we were agreed; and, as a whole, I should say, that he helped me very much in advocating reduction.

5380. Still by degrees we have been reducing the army from a strength of 73,577 European troops, at which Lord Canning fixed it down to the present number of 60,000; and from 136,000 native troops, down to about 126,000, including the Hydrabad contingent?—From 1861 to 1872–73, the reduction has been from 136,369, to 100,646, according to this return which you have put into my hand; but the great reduction took place previously to 1861; if you take the native army, as it was in 1856, and compare it with what it is now, or was at the end of last year, I think you would find that it was very little short of a reduction of 100,000 in the native army.

5381. You will see by this return that the native army, on the 1st of April 1857, was 268,413?—Yes.

5382. And the force in 1861 was 136,000?—Yes. Now, assuming that this is correct, that would be 126,000 natives in 1872, we will say, against 268,000 in 1857. According to that, it would be very considerably more than 100,000 of reduction; it would be 138,000. When you consider that, it is a large reduction.

5383. Then in 1857 we had 42,139 European troops, against 73,577 in 1861, and against 60,900 in 1872-73?—Yes.

5384. With that great reduction, how can your Lordship account for the large increase of military expenditure; we have it in evidence that the expenditure in 1856–57 was 13¼ millions, against 15½ millions at the present time?—Every kind of thing has increased in price, and the establishments have increased; the expense of transport has increased; there are many things which have been done in India for the comfort and convenience of the soldier, which are by no means in excess, which have cost very large sums of money. Then, again, there are many things connected with the administration of the country which bore hard upon the people, and which now have been remedied. Now I recollect in my time, ever since I went to India, on the question of transport the owners' carriage was never properly paid for, the carriage with which they supplied the army. I know it myself, for I used, as a magistrate and collector at Delhi, to have to supply the army in times of emergency, and I know this, that the owners did not get paid within 40 or 50 per cent. of what they ought to have been paid. Now all that has been changed; they are paid properly for their carriage, and that adds very much to the expense of the army. Now look again to the commissariat, the various expenses of rationing the troops are very much larger than they used to be in former days. I have got a little printed book which I had drawn up connected with the changes which were made in the army when I was in India in the Military Department, showing the improvements, and reforms, and changes that were made all conducive to the public interest, and to the comfort of the troops, and none of them were unreasonable, and none of them were unnecessary, and all of these cost a great deal of money. But referring to that one question of transport, one of the first things that I tried to introduce was the proper payment for the use of carriage. It was a perfect curse in the country whenever an army moved in India in former days; every owner of a cart used to levant, and was not to be found; you had to bring all kinds of pressure upon the head men of villages to get carts. I have known men carry off their bullocks, and go away, and forfeit their carts, rather than stay, and perform that duty. I have known circumstances in which it required all the influence of the magistrate and collector to supply carriage, especially if there was any emergency. I recollect when the first Sikh War broke out, after the war had gone on some time, and we were not getting on quite as well as we ought to have done, the late Lord Hardinge, the Governor General, writing to me as magistrate and collector at Delhi, saying that the very existence of the army depended upon their getting up a sufficiency of ammunition; he said that I must somehow or other get this carriage. Delhi was a great entrepôt. If I had gone about it in the usual way I should not have succeeded; but I

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sent for all the leading men of villages with whom I had influence, from having made their settlements, and I said, "We must have the carriage, and the only question is really the question of payment. What is the rate which will satisfy your people?" They said, "Nobody likes taking their carts to the army; there are a great many inconveniences and hardships attending the service of the troops; but if you pay well, we have no doubt that you will get the carriage which is required." I said, "What do you say should be allowed?" They said, "Double the usual rates." I replied, "I want 5,000 waggons, and four bullocks in each waggon, and I want them within three days." They said, "We engage to have them for you, and you will look to the payment?" I said, "Yes." I went to the commissariat officer, and I said, "Now, are you satisfied that you will have these stores ready; you know what the Governor General has written?" He assented. I said, "I have promised to look after the interests of the owners of the carriage, which has been engaged; and you must take care that none of these people are wronged." He replied, "You may depend upon me and my department doing everything we can. I will do my part with my own department." The consequence was that we got 5,000 carts and sent them off in four days to the army, heavily laden. That was in December 1845. I only give this story as an illustration of the state of the carriage question in those days. What was that expense compared with the importance of the occasion? Supposing that the troops had had to fall back, or any great misfortune had happened, it would have been a question of our very rule in India. The condition of things in those days was that the owners of carriage were badly treated, and badly paid. We had to change all that, and it costs a great deal of money to do so.

5385. When you went back to India in 1863 you did not find any of that pressing system in existence then, did you?—It was in existence, but of course we were not moving troops at that moment to any extent, as there was no emergency, but whenever you moved troops in any numbers you had practically to get carriage by force, through the police, and to coerce the people.

5386. Still with the facts before us, the fact which I want your Lordship's opinion upon is that with 18,000 European troops more than we had in 1856–57, and nearly 136,000 native troops less, we are now 2¼ millions in military expenditure above what we were in 1856-57?—The whole matter is this, that the European troops cost very much more per man, or per regiment, than the native troops, and the consequence is that what with the original cost of the troops, and what with the extra expense consequent upon the different changes it represents, in spite of that large reduction of native troops, you find that the military expenses are greater, perhaps, than they were in those days.

5387. I have in my hand a minute written by Sir Henry Durant, the year after you left, wherein he suggests that the expense of the European soldier is four times greater than that ef the native soldier, and that therefore, having 18,000 European soldiers more, that is equal to 72,000 native troops, against 136,000 natives to be reduced?—That would not include, for instance, all those abnormal expenses connected with the officers, and it would not include, probably, all the extra expense of covering the troops, barracks and things of that kind. We had not in former days many of the expenses which have come upon India; now, for instance, this double medical staff, all these improvements connected with instructing men in rifle shooting, all these arrangements for giving them excellent baths and these kind of things, add very much to the expenditure. I recollect an order coming out when I was Governor General that the European troops should be instructed in gymnastic exercises, I think the head of the Public Works Department told me that that one order for troops would cost 200,000 *l.* more per annum.

5388. That is the point I want to show; taking the medical establishment which you have now referred to, you are quite right that it is more than doubled since 1856–57?—You added to the pay of the men 2 *d.* per diem; it is a small sum, but on all the English troops it comes to a considerable sum in the year. During my time the European troops used to drink a considerable proportion more of rum than they did of beer. The Commander in Chief represented that the medical men said that beer was very much better than rum, and we made a change, which was an extra cost.

5389. When I mentioned that the beer actually costs less now than it did in 1862–63, what do you say to that fact?—In those days they drank say three-fourths of rum in proportion to one-fourth of beer; now they drink perhaps three-fourths of beer to one-fourth of rum; I went into the subject with the Commissary General.

5389.* In 1862-63 the average consumption per man was one pint and an eighth, and the allowance is now one quart, but in spite of that increase, in 1862-63 the military expenditure was, I think, nearly 1,000,000 *l.* less than it is now, and the actual cost of beer is now considerably less than it was in 1862–63?—I am surprised at that.

5390. When your Lordship looks at the Commissariat charges on account of the rations for the soldier, they are certainly not increased, or rather they are below what they were ten years ago?—But that was not the case when I was in India; prices may have come down within the last four or five years, but when I was there rations were costing a good deal more, at least that was what the Commissariat reported, and I had no reason to doubt what they said; but there were a hundred things in which there had been an increased expenditure. Now I will tell you one item that has just come into my mind; the women and children of the English soldiers were so poorly maintained, that they were in a state of semi-starvation in the time of those high prices; we increased the pay of the women and children; it seemed to me a simple question of humanity whether we should do that or not; but it added very much to the expense.

5391. Could your Lordship give any idea of the amount of the expense added by that cause?—I could not, from memory.

5392. Your Lordship would, perhaps, be surprised to learn that in 1868 it was only a few thousand pounds; your Lordship will find that these additions to the military expenditure have not been greater?—That is quite contrary to my own impression.

5393. Your

5393. Your Lordship is under the impression that the 2 *d.* a day is a large increase?—About 200,000 *l.*

5394. Would your Lordship be surprised to find that in consequence of the change in the organisation, it is almost entirely nullified?—But if all these different things are, as you state, it is to me a very extraordinary thing, that the expenditure is so great.

5395. You are aware that there has been an enormous increase in the medical establishment of the British Army?—Yes, the great point in expenditure which has been complained of in India with reference to the medical establishment, was keeping up the double medical staff.

5396. But that has been largely increased during your Lordship's time; are you aware of that?—It was done in my time, but it was not done by me in the sense that I had freedom of action in the business; it was done because instructions came from home to do it.

5397. That is the point which I want the Committee to understand, that the British Medical Establishment was largely increased in spite of your Lordship's wishes?—I do not think that the medical establishment of the regiments was increased in spite of our wishes, because we went into that subject, and notwithstanding that it was increased, I think we agreed on the whole after hearing all that the medical men had to say that it was necessary. The point which I simply adverted to was, the keeping up of a separate medical staff; that seemed to me an expense which might be reduced.

5398. But when I mention to your Lordship that the deputy inspectors general of this medical establishment are now four times as numerous as they were in 1862-63; that is one point upon which the Committee would be glad to have your Lordship's opinion as to the necessity of such a large increase?—Unless I took up the subject and studied it, I would not like to give an opinion adverse to what has been done, because the impression on my mind was, that if it was absolutely necessary that we should keep up a separate establishment for a medical staff, then in detail it was not excessive; the supervising staff must be of that strength that would enable them to exercise an effective supervision.

5399. Still the causes of the increase in the military expenditure should be clearly brought out, and that is one of the points on which information is desirable, as to whether, taking the staff now as compared with the staff in 1862-63, or even 1856-57, it is justifiable to have such a very large increase in that portion of the expenditure?—I would not like to give an opinion on that subject, unless I had it in all its details before me, and I went into it very carefully, and with the help of medical advisers and men of judgment on the subject.

5400. Then there is another branch of the military expenditure to which I beg your Lordship's attention, and I will use the words that Sir Henry Durand used in a Minute, dated 7th of September 1869; speaking of the staff corps, he says, "I must reiterate that as the staff corps system was imposed upon the Government of India contrary to the late Lord Canning's views, the Government of India, which will have to contend against this source of military financial embarrassment, is in no degree responsible for its creation as an incubus calculated to be an effective counterpoise to military economy, it is a difficulty which, though it will weigh heavily upon, did certainly not originate with, the Government of India or its advisers, but was forced upon them by the Home authorities"?—In the way that Sir Henry Durand viewed it, he is probably correct; but I think that Sir Henry Durand was greatly against the new system of officering the army with few officers per regiment and, therefore, all that his intelligence and his experience suggested to him, he brought to bear upon the subject; but I do not think myself that he altogether made fair allowance for the peculiar circumstances which, as a temporary matter, inflated that expenditure.

5401. But I will read to you another portion of his Minute written six weeks afterwards, namely, on the 16th of October 1869: "The result is that the 3,312 officers at present actually cost 60,60,960 rupees, or 606,096 *l.* more than the same number would have cost in 1856"?—But that is not surprising; it seems to me but only natural if you are changing a system in which you have large numbers of officers to deal with, and part of that system is to pay the fewer officers better than you paid each officer under the system of many officers, the necessary effect of it would be, for the time, to increase your expenditure, and particularly when the change was carried out in the way in which it was done at home, that is to say, you gave very large promotion, you allowed every officer, irrespective of their numbers, to qualify for the higher ranks; and at the same time, in order to reduce the number of officers, you ceased for a time to employ young officers; the effect of this would be that the increased cost of the officers per head would become very much larger. Supposing, for instance, you had taken 500 young officers, and added them at once to the establishment, you would not have benefited yourself at all by the change, the aggregate cost would have been so much greater, but the expense per head of the officers would have been very much less; we must bear the expense of the change of circumstances, and of the rules which have been laid down for good or for evil, and when you come to the turning point, and the officers begin to fall off in numbers, the reduction of expense will then tell.

5402. If it be the case in the present time that there is a necessity of paying officers better, then it follows that whereas we were content with 176 lieutenant colonels in 1856-57, now we have 664 lieutenant colonels?—Because you made rules with the view of contenting the officers, whereas under the old system you had a certain number of officers in the higher ranks of the service, and no more.

5403. Your Lordship was at home here in Council at the time that that staff corps was formed?—I was.

5404. It went out from this country?—It did.

5405. And Sir Henry Durand says, writing that which was the notorious fact, "the staff corps system was imposed upon the Government of India, contrary to the late Lord Canning's views; the Government of India which will have to contend against this source of military financial embarrassment, is in no degree responsible for its creation"?—My position, with the greatest

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deference to the authority of Sir Henry Durand, is this, that this great expenditure was not necessarily entailed by the introduction of the staff corps system; and that if rules such as have been laid down, had been sanctioned, irrespective of the staff corps, you would have incurred a similar large expenditure.

5406. Mr. *Fawcett.*] Who laid down the rules to which you refer?—They were laid down some, by one Secretary of State, and some by another.

5407. They were laid down not by the Government of India, but by the Government at home?—The Government at home had undertaken to deal with this question of the amalgamation of the army, and the reduction of the officers, and so forth.

5408. Sir *G. Balfour.*] Did not the staff corps originate with Sir Charles Wood?—In one sense it did; that is to say, Sir Charles Wood elaborated the system, and put it forward; but the idea came from India. I think I mentioned on a former occasion, that, at the beginning of 1858, Lord Canning apparently employed Sir Henry Durand, who, at that time, apparently had no substantive appointment, but was attached to Lord Canning (I say this, partly from knowledge and partly from surmise) in drawing up a number of questions connected with the reorganisation of the native army, and the occupation of India generally, and these questions were sent round to various military men and civilians by the Government of India, and among others I was asked for my opinion. I did not think that I had knowledge enough and weight enough to deal with this question satisfactorily alone, and I formed a Committee, consisting of Sir Neville Chamberlain, who commanded the Punjaub frontier force, and Sir Herbert Edwardes, who was the Commissioner at Peshawur, and myself, and we went into these questions *seriatim*; and we drew up a very elaborate report, which was printed by Parliament subsequently, and we sent this as our reply. In those papers we embodied a scheme for a staff corps, which General John Jacob, who had commanded the Scinde frontier force, and was an officer of very great experience on the subject, had put forward; our scheme had some slight modifications of his, but in essentials, it was his scheme, and we put it forward in the way that approved itself to our judgment; and I think that report very likely had something to do with the scheme, that was eventually elaborated by Sir Charles Wood, and put before the Council. I am in favour of that scheme now. That scheme has been in various ways modified, more particularly by these changes which have been introduced with a view of contenting the officers of the army; but that scheme, as put forward by ourselves, and in essentials put forward eventually by Sir Charles Wood, is a scheme that approved itself to my judgment, and I see no reason to alter my view on any part of it.

5409. *Chairman.*] Was it a basis of your proposals that the offices and the duties for which they were established should regulate the salaries, and should regulate also the number of officers to be employed and their status, or that they were to be appointed, and to have salaries increasing with the length of service, and rising in magnitude without reference to their employment?—That was not part of our scheme.

5410. Did you adopt the other view, namely, that the officers and the employments should regulate the establishment?—Yes.

5411. You recollect that in the old native army, the employments in the army entirely regulated the establishment; that is to say, there were no more colonels or lieutenant colonels, and so forth, than there were regiments?—No, there were not. Independently of the different changes or modifications which you have made, in order to improve the status of the officer, there is one important difference; under the old irregular system, as I have said to-day, there were only four officers in a regiment of infantry, and three in a regiment of cavalry; now, they have put seven officers into each regiment, and that makes a very considerable change. It is not only the pay of the excess of officers, but their substantive pay plus their staff allowances; the two together make a very considerable difference in the general military expenditure, particularly when the number of officers in each regiment is increased. This was a compromise; there was a great deal of influence brought to bear to maintain the old system, to reorganise the regiments on that system, and the general military view was, that three and four officers per regiment were too few; and the consequence was that, as is often the case where there is a great deal of discussion and where influence is brought to bear, there was a compromise; and instead of having the old system of 25 officers for each regiment, a kind of mean was adopted. My general idea is, that six officers should be attached to a regiment where no especial reserve of the kind is available, and then one more was added, so as to supply a margin for sickness and home furlough, and so on; the idea was that six officers in time of service would be present with the regiment; but that change made a considerable difference in the general expenditure.

5412. Sir *G. Balfour.*] Your Lordship's plan only provided for three officers, if I remember rightly, for each irregular regiment?—Three or four.

5413. And the staff corps system gradually increased the number from five up to seven?—Yes; whilst you are on that subject I may mention that there was one argument which the advocates for a large number of officers brought to bear, in which there was considerable force, though at the same time it had not so much weight as to have made me make any considerable change; certainly it would not have induced me to advocate the old regular system. That argument was, that under the old system we had a certain number of regiments on the irregular footing, and a large number of regiments on the regular footing; and under those circumstances we were readily able to make up casualties in irregular regiments by taking officers from the regular regiments; but now that you have put all native regiments on the same footing there will not be the same supply of officers available in case of serious casualties. I think there is considerable force in that, and to the extent of adding a certain margin I do object; but it would not influence me so as to make me think that the old system was the best or the most economical system. We have a margin of officers in Royal regiments, and certainly we ought not to provide constantly for such a convulsion, as a general mutiny. Under ordinary circumstances, even

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in war, the whole Royal army in India would not be in the field, and we could always take one or two or three young officers from regiments in different parts not on actual service, and in that way provide for any reasonable number of casualties.

5414. Then your Lordship considers that the Royal regiments would be a reserve to fall back upon to supply the native regiments in the same way that the irregular regiments were formerly supplied from the regular regiments?—Yes.

5415. I will read to you an extract from a paper which I think your Lordship saw in Simla, written in 1865, with regard to Her Majesty's regiments forming a reserve for the native regiments (this was from General Adye); "Officers of Her Majesty's forces have no ties in the country; service in India is unpopular with them, and has always been so; and, therefore, they never will willingly embrace an Indian career." From this your Lordship will see the unwillingness of the officers of the British regiments to join the native service?—I think there is a certain degree of truth in that observation, but that the feeling alluded to is greatly over-estimated; for instance, a young officer who was well to do in the world would say, "I would sooner stay with my regiment, I am more comfortable, and it is a much pleasanter life than serving with native troops, of whom I have no knowledge, and with whom I have little sympathy," and so forth; that would be the view of the wealthy man, or the man with good prospects; but if he was a poor man, his views would be very much changed; his views would be something of this sort: "Here I am in my regiment, and it may be 10 or 15 years before I get my company; what prospects have I in such a service?" If he was a man of enterprise and ambition he would probably decide to do so; he would say to himself, "I will go into this service; it is not difficult to qualify for it; I see young officers who were at school with me, and in short, a similar class as myself, who are happy and contented in this service, and I find that after a time they adapt themselves to the circumstances, and I know that at once I shall get 20 per cent. better pay with these troops than in my own regiment;" in short, he accepts his improved position, and after a time he likes it very much.

5416. I would remind your Lordship that that was the theory from the first, that the British regiments would form an ample resource from whence we could draw officers; but that during your Lordship's administration, so far from that being realised, we were obliged to pay officers the price of their commission to induce them to come into this service?—Yes; and I mentioned that in my previous examination as somewhat of a grievance on the part of the Indian Financier; but as the Chairman said, all that is passed and gone. I have inquired since I gave that evidence, and I was told by authorities, of whose ability to give an opinion on the subject there could be no doubt, that there had been latterly a flow of officers for such employment, and that there is now no difficulty at all in getting them. General Piers showed me a paper a few days ago, from which it appeared that 240 officers within a certain number of years had gone from Royal regiments into the staff corps, and that there had been quite a success in that way, for the Government of India had obtained a good set of officers, and he was not aware of any failure in any one of them.

5417. Still that is the case, that we have been obliged to hold out additional inducement for officers to join the staff corps?—That is past and gone.

5418. *Chairman.*] Do you think that that inducement was offered in the first instance, before sufficient time had elapsed for the system to be understood?—I think there was a great deal in that.

5419. Do you think there could be any deficiency of supply of young officers if it were understood that any person of proper education who joined the British army, could, by his own merit, make a career for himself in this service?—I am sure you could have any number of them; but more than that, I have known young men come to me, and ask me about entering the Royal army with the view of subsequent transfer to staff corps, saying, that that was their intention and that of their friends; no doubt whatever, at first there was a kind of feeling against it in the Royal army.

5420. They had not then entered the Royal army with that view?—No, not then; but as those who refused in India to take such opportunities, found that those who did go into native regiments did get on well, and liked it, that kind of prejudice lessened.

5421. And at first no kind of guarantee was held out to them that they would have a career by their own merit?—Just so; and then they had got the idea that if they once committed any little trivial fault, they would be at once *chassed* back to their regiment; when they saw that it was not so, their feelings changed.

5422. Sir *G. Balfour.*] Then you think that that payment of money on account of their commission need not have been made?—At that time the Commander in Chief said, that it was a most serious impediment; otherwise I should have resisted consenting to the payment, so far as I could have done so.

5423. Under your proposed system of a staff corps, did you contemplate that officers should rise up to rank by rank of the service without limitation of the numbers in those ranks?—That was no part of my plan.

5424. Therefore the system now in operation was different from that which your Lordship considered was desirable?—I have not looked at the scheme, on which I assume that in some degree Sir Charles Wood based the arrangements of the staff corps, for the last 8 or 10 years, and therefore perhaps my memory may fail me in some points; but my impression is that the original scheme had nothing to do with the officers rising to rank irrespective of numbers.

5425. The first point that came before the Council of India must have been Colonel Norman's letter of the 2nd of February 1860, addressed to Sir Charles Wood, dated Weston-super-Mare, which contains the exact scheme of the staff corps as it now exists?—I must have received that letter, but I do not recollect it.

5426. Your Lordship does not re-call to recollection any other scheme besides this which provides for the officers rising to the rank of captain after 12 years, to the rank of major after 20, and to the rank of lieutenant colonel after 32 years?—No, I cannot call to mind any scheme

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which had those particular figures in it. But I must say this, that I do not think that that scheme in itself is an unreasonable one, namely, an officer getting his promotion to his company after 12 years, and so forth. If I recollect right, when that was discussed in the Council of India, it turned out that on the average, it was not very much more advantageous for officers than the system then in force. Under the old system there were the extremes of good, and ill luck; you saw lieutenants of 18 and 20 years' service, and you saw men also getting their companies in five or six years. I have an impression that when that part of the scheme was prepared the Secretary of State took a kind of mean, or perhaps a margin of a year or so in each rank, was made in favour of officers going into staff corps.

5427. The old system limited the number in the different ranks?—Yes; what I meant to convey was that if they had limited the number of officers in the staff corps to what was absolutely necessary, and had not given an indefinite amount of colonel's allowances, and so forth, the scheme then would have been carried out with much more economy than it was; but then it would not have met the discontent which existed in the army, and which the Secretary of State was desirous of removing.

5428. I thought that the staff corps was formed specially for the purpose of officering the regiments of infantry?—Not merely to do that; it was formed to supply all the officers who were wanted, both for the army and for all the different departments connected with the army; and indeed embraced officers in civil and political employment.

5429. Then how could your Lordship have limited the number of the staff corps; if the infantry of the army were to be officered by the staff corps, and all appointments filled by officers of that staff corps, they must necessarily be equal to the number required for that purpose; how could you have prevented the number rising to the number of 1,154?—You would still have had a great many officers for the reason which you gave; but you would not have had so many officers as you now have in it. For instance, under one of the modifications of the scheme, you allowed every officer of the old cadres of regiments, whether on staff employment of any kind, or not, to go into the staff corps, and that increased the staff corps very much.

5430. A large number, however, did not join the staff corps?—Those who thought that they would benefit by remaining, remained; and those that thought that they would benefit by going in, went in irrespective of the wants of the service at that time.

5431. When I mention that the old officers of the native infantry have been reduced from 311 field officers to 144, your Lordship will see that they have not increased the number of those officers that we are speaking of?—But a great many officers from those cadres went into the staff corps and there got promotion at once, whereas if they had remained in the cadres of their regiments they would not have got their promotion for many years afterwards.

5432. Did not that necessity of allowing officers to join the staff corps arise from the fact that officers in the staff corps who had been subalterns in their regiments, had become field officers senior to their own lieutenant colonels?—I do not think it followed as a matter of necessity that they should have promotion, but of course had promotion been refused, it would have increased the grievance, and in order to satisfy this feeling, the staff corps was opened time after time for them. I know officers who were captains in their regiments in those days who, if they had remained, would probably have passed 10 years before they had got their majority, and several years longer before they had got their lieutenant colonelships, who, in the course of three or four years, became lieutenant colonels.

5433. I will go back again to the opinion expressed by Sir Henry Durand. He says, "If the financial results had conferred on India an efficient native army, the State might have been regarded as compensated for the non-economic character of the system"; he adds, "The general conviction is, that the present organisation, though it may do in peace, cannot stand the strain of war"?—I say, with deference, that I do not agree with Sir Henry Durand's opinion. I think the experience of the frontier force in the Punjaub, and the experience of the Scinde regiments under General John Jacob and his successors, all leads one to conclude that Sir Henry Durand was in error in that opinion.

5434. These regiments of which you speak were officered by officers selected from the whole service of India?—Yes, they were selected from the whole service of India; but inasmuch as the irregular regiments predominated in the Bengal Presidency, they were mainly from the Bengal army; very few from Madras, and some from Bombay, but as a rule mainly from Bengal.

5435. Still your Lordship did select officers even from Madras?—No doubt, but still we did not get many from Madras.

5436. Your Lordship selected General Sir Thomas Wylde, I think?—My brother selected him.

5437. And these officers were selected from the mass of the native army of India?—Yes.

5438. And you were able to get your choice?—Though there was a considerable amount of *bonâ fide* selection, there were also a good many who got it from patronage, that is to say, from friends having influence.

5439. Still it is an important feature in the frontier force and the Scinde regiments where the officers distinguished themselves?—They distinguished themselves very much, but I attribute a great deal of that to the circumstances in which they were thrown; it arose from the very system of a few officers in a regiment; it put a man into a first rate school; whatever qualities he had in him to constitute a good soldier were thus elicited, whereas the regular system was in practice the very reverse.

5440. The irregular system was objected to, on the ground that it left the officers very uncertain as to remaining with their regiment?—That is one of the objections which ingenuity has devised; but I never heard any officer of an irregular regiment say that it was a grievance in itself, or that it militated against the efficiency of the system. When you want to get rid of any scheme, you set to work to devise reasons and arguments for doing so, and that is one of the arguments that have been brought forward; but it seems to me a perfectly imaginary one.

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5441. Does your Lordship consider that officers are now more permanent with the regiment than they were?—I could not say whether they are really more permanent or not, but I do not think myself that that is an element of importance. I mean by that, that if there are three, or four, or five officers in a regiment, and every now and then one or more of those officers are changed, I do not think that it is a matter of any importance to that regiment. Of course if you changed the whole four or five in a limited period, and take away the old officers before the men have got acquainted with the new ones, I think it would be bad; but that is not at all the condition of things. As a rule, every officer in a regiment under the present system is quite willing to stay with that regiment; the officers like the position they are in, and will not leave that position unless they can get something better; and when a man can get something better, such is human nature, that he prefers these advantages to remaining with a regiment.

5442. When I mention that 121 officers out of 522, on the 1st of July 1866, were acting in appointments with regiments, and that 169 out of 500 were acting on the 1st of July 1871, your Lordship will see that this uncertainty still exists?—Well, first of all, that arises from circumstances which, if they were not allowed, would create an enormous grievance; and secondly, I do not think that the fact of an officer acting, by comparison with an officer permanently appointed to a regiment, signifies much. Comparing the furlough system with what it was in former days, officers can get more easily to England than they used; and whether that is good or bad for India it is a feeling that you cannot get over, and if you attempted to stop officers coming home, I think you would fail in doing so; and in trying to make a change, you would create a great deal of discontent, which would act badly in other ways. Then as regards the officers, what does it signify to a regiment whether one or more may be acting or permanent? If a man is a good officer, he discharges his duties irrespective of such considerations; if he is not a good officer, I do not think that the permanent tenure of his appointment will conduce to his efficiency. I never saw any difference as regards myself whether I was in an acting appointment, or in a permanent appointment, and I did not see round about me in those days any difference in the zeal or public spirit of the acting officer, compared with the permanent officer. The young officer knows that if he does his duty, sooner or later he will rise. Should he lose an acting appointment, he will get another one before long. If the officer holding the substantive appointment comes back from leave, he reassumes his position in the regiment, to which he is attached; the acting officer reverts to his own appointment. But as men are generally going home and coming back in pretty much the same ratio, the vacancies created by those going, are filled up by the men returning, and *vice versa*.

5443. Considering that those officers are acting for officers who have been taken away from the regiment, it contravenes the principle on which the staff corps was made, that the old irregular system has been condemned by various high authorities as impairing the efficiency of a regiment; and that arose from the system of withdrawing officers for such employment whilst permanently remaining on the strength of their regiment?—If you go into that subject it will make it a very large one; but in a few words I would say that it did not really impair the qualifications of the officer putting him on staff employment; nor did it injure the regiment. I cannot conceive myself anything more unsatisfactory than the old system, and more deteriorating in its influence on the characters and minds of officers than being kept all the best part of their lives with their regiments, and in time of peace having little or nothing to do; I have heard officers over and over again say that under the old system they had not half an hour's work a day with their regiments; these officers went away into different employments, and more or less distinguished themselves; if there was a want of them in times of emergency they went back to their regiment. That system, no doubt, was unpopular with officers who could not get away from their regiments, but it did not do those who they succeeded any harm. As a rule I would have preferred for any duty the man who had been on staff employment, to him who had remained with his regiment, inasmuch as the probability would be that the former had been exercising his intellect and improving his experience and knowledge more than the other.

5444. I will also mention to you another feature in the system of officering the regiments, that there were 118 officers absent on the 1st of July 1866, and 110 on the 1st July 1871; now these features are very much the features of the old regular system of the Indian army, which was so much objected to, and for which the staff corps was formed as a remedy?—I do not think that the staff corps was formed to remedy that objection; at any rate there were very many other considerations, but I have just said that I do not believe myself that either the officers themselves or the regiments were injured by the system which prevailed. What I think was injurious in that system was a large number of officers practically doing nothing for the best years of their lives; that is what I think deteriorated the system, and not taking a certain number of them away for a time, however long.

5445. Then your system was for the purpose of forming the regiments with three or four officers, whereas you have now seven or eight?—Seven.

5446. Your Lordship added a number of officers to the regiments when they went to China, I think?—I did not do it, and if I had had a voice in it I would not have done it to the extent to which it was done; I might, however, have thought, "These regiments are going on a distant expedition, and the facilities for supplying officers in the event of casualties will not be so great as in India;" and I might have added, on that account, one or two officers, and then when the regiments came back I would gradually have absorbed them. But I would not have added 10, or 12, or 14, as was done in that case. I believe, however, that a great deal of that addition of officers was due to the natural enterprise and spirit of young officers, who all wanted to go on the expedition, and therefore it was a very popular thing in the authorities connected with the expedition to urge the addition of a number of officers as a temporary arrangement.

5447. Mr. *Fawcett.*] I understand you to say in

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in that answer that you would not have appointed these extra officers, that you objected to it, but that you were overruled?—No, I had no authority in the business; I had nothing to do with the expedition at that time.

5448. Were you not Governor General at that time?—No, it was long before I was Governor General. I would have added one or two officers to each regiment just to supply ordinary casualties.

5449. Mr. *R. Fowler.*] Was your Lordship on the Indian Council at the time?—I do not recollect exactly the year in which the last expedition to China took place; but my impression is that I was then Lieutenant General of the Punjaub, or had come home and was in the Council here. But what was done was done in Calcutta by Lord Canning, at the suggestion of the military authorities.

5450. Mr. *Fawcett.*] Do you mean of the military authorities at home?—No, out there. Sir Hope Grant, I think, commanded the army in the last expedition to China, and Sir Robert Napier was the second in command, and I daresay that they suggested that some additional officers should be attached to regiments forming part of the expedition; and I have no doubt that young officers were anxious to be allowed to join these regiments.

5451. Sir *G. Balfour.*] You sent a brigade from Bengal in the Abyssinian War?—Yes, and my impression is that we did not add more than one or two officers to each regiment.

5452. Still the necessity was felt of adding officers?—I did not feel the necessity; but when men make a great pressure, and you do not quite agree with them, you consent to a compromise, and so a few officers above the complement were allowed to go. But my point is this, that I would not have sent 18 or 20 officers with a native regiment to Abyssinia; and I say that the experience of 20 years on the frontier, where the troops were almost continually in front of the enemy, was that there was no necessity for it; I think in this question of officering the native army, officers of rank in the English army take all their ideas from their experience in that army. They know of course that a great deal depends upon the officers, and that being the case they consider that the more officers the better; but I think when you deal with native troops, and especially when you consider that you have got a body of native officers, and that that system makes the native officer a good officer, you will not see the necessity of having so many English officers in a native regiment in the same way as those do to whom I have just referred.

5453. Your Lordship is aware that regiments were about three times officered during the Delhi campaign?—Yes, and that they perhaps fought 30 battles.

5454. During the Umbeyle campaign they were obliged to send up officers to join them?—They sent up a few; you would be always able to do that. Would you for the sake of exceptional circumstances keep up hundreds of officers who would have nothing to do?

5455. I will now ask your Lordship's views as to the large increase on account of the colonels' allowances; have you formed any opinion on that subject?—I have only formed the opinion that it is an expensive arrangement, that it is a pity it was done; but, that having sanctioned it, you can do nothing but just allow it to work itself out. It only applies to the old officers of the Indian army; at least, I was talking to General Piers on the subject, and I understood that it only applies to the old officers of the three armies, and that with regard to all that went out after a certain date it does not apply to them. I think you will find on referring to the subject that Sir Charles Wood laid down a rule in 1862 or 1863, by which all the young officers who went out formed one list, and all who were in that list are subject to any modifications and changes which might be subsequently introduced; that they could not stand upon their rights under the Henley clause and similar conditions; and that in consequence of this, sometime ago the authorities have modified the system about colonels' allowances.

5456. But you are aware that all those officers who have joined the staff corps in 1861 and subsequently, are now entitled to colonels' allowances?—Yes, but a great many of these young officers have not been appointed to the staff corps, as I understand.

5457. The officers who joined the army in 1858 and subsequently, are under special rules?—Yes.

5458. That is to say, no special rules have yet been formed for them?—I understand from General Piers that some have been laid down.

5459. When your Lordship arrived in India in 1863, you found the transports of the army very efficient; you found a very large quantity of transport provided for the moveable columns of the army, did you not?—The moveable columns of the army were all supplied, but a portion of that was our own establishment, and a portion of it was maintained under contract.

5460. You are aware that the expense of the transport of the army has very largely increased since then?—I believe it has increased to some extent, I do not know to what extent; but a great deal had to be done in that way. I mentioned the other day that the number of elephants that used to be kept up, namely, about 1,000, had fallen down to 850, and that we had actually to form establishments and send them out to catch elephants because we could not buy them except at a fabulous price.

5461. But Lord Canning considered that transport, which he then formed, was sufficient for the exigencies of the military service of India?—I suppose it was tolerably efficient, but still my point is that the expenses connected with those establishments had risen, up to the time that I left India, very considerably.

5462. Mr. *Dickinson.*] I observe that you hesitated in declaring an opinion as to the propriety of continuing the Government of Bombay and Madras in their present form rather than assimilating them to the Governments of the other provinces; you declared yourself in favour of that, but with some hesitation, I think?—I am in favour of maintaining the present system as regards Madras and Bombay.

5463. And also as regards the separate command of the army in Madras and Bombay?—Yes.

5464. Do you see any reasan why it advisable to have the government of those provinces under gentlemen appointed from home, generally with little

little or no Indian experience, whereas all the other provinces are under an Indian officer with Indian experience?—I do not think that it would do to say that these appointments should be held only by gentlemen who had served in India. I think public opinion would go against this view; and there may be some advantages in having men from England; but, as far as my own experience goes, I would prefer men who had served in India, and understood India, and knew the natives of the country.

5465. But the appointments to all the governments, except those of Bombay and Madras, are made by the Governor General in Council, are they not?—Yes; they are subject to the approval of the Secretary of State.

5466. That is the form; it is through the Governor General in Council by the Secretary of State?—Yes, he nominates them.

5467. Is there any reason why a different rule should be applied to Bombay and Madras?—I do not see any special advantage in the different rule; but it has always been the case that the Madras and Bombay Governments were filled from home. Sometimes they have been filled by men who knew India. One of the best governors, perhaps the best we ever had in Madras, was Sir Thomas Munro, who rose as a military man in India.

5468. Sir John Malcolm and Mr. Elphinstone are other instances?—Yes, and Mr. Mountstewart Elphinstone was a remarkable instance. I myself would prefer a man trained in the country; but of course it may be thought that that is a prejudice on my part.

5469. It is not simply the training in the country, but the one is a system of a Governor, assisted by a Council, that Governor being appointed from England, irrespective of any Indian experience, and the other is a system of governing by an individual without a Council. Can you suggest any reason beyond the fact of its being so, and having the tradition of past years to go upon, why that system should be continued which now prevails in Madras and Bombay?—There are other reasons which I mentioned, namely, that there is a large English community in Madras and Bombay, and also that there are large numbers of natives, who have been educated in English schools and colleges, and acquired English knowledge and science; and I think their feelings would all more or less be in favour of a Governor with a Council, rather than a Governor without a Council; and that being the case, I would not like to go against their views.

5470. You think that they would be in favour of a Governor with a nominated Council (for that is the state of things, not a representative Council) rather than a Governor without a nominated Council?—I think so; and I think there is a great deal in that.

5471. Then on the question of expense, do not you think one is a cheaper form of Government than the other?—Of course you save all the allowances of the Council. It is not a very large sum, because although they are all paid, I think there are only two Councillors to each Governor, in addition to the Military Councillor who commands the troops.

5472. But the consequence of that state of things is to have a larger and more expensive staff, is it not?—The Council have no staff; there is one establishment connected with the Governor; there is a departmental staff, that is to say, for each department, the Revenue, and Customs, and other matters there is a staff; but the Governor would require a staff of that kind just as much whether he had a Council or not.

5473. But the expense of the secretariat is larger for instance in Bombay, is it not, than it is in the North Western Provinces and the Punjaub?—It is a great deal larger, but those Governments formed in recent days have been formed on a much more economical basis; the others have come down from old days. I think even giving both parties a sufficient secretariat, a more economical system than that which now prevails might be adopted in Bombay, and possibly, also, in Madras.

5474. You are aware that considerable objection has been made to the very large expenditure on the Governor's house at Poona?—Yes.

5475. Do you think that that would have been possible under a system like that of the North West Provinces; do you think that it would have been possible for the Governor of the North West Provinces to have done that for himself?—It is difficult to say; so much depends on the individual in these cases; but the traditions in the North West Provinces and the Punjaub are much more economical, if I may use such an expression, than they are in Bombay.

5476. But is not the effect of a Council like what we often see in this country to be the effect of a board, to cover profuse expenditure?—I think that the sense of responsibility in an individual is greater than the sense of responsibility in a board; but although I myself was glad that I had not a Council in my day in the Punjaub, nevertheless I cannot deny that there is a certain value in a Council.

5477. Is there not also a tendency in having a Council to increase enormously the amount of writing?—Unless there is something like a collision of opinion, there is not so much writing as you suppose; so far as the writing connected with administration goes, there is no reason why there should be a bit more owing to the Council.

5478. If every member is fond of minuting, there must be more writing, I suppose?—As a rule, they do not minute much; they have too much to do to minute; it is only on special cases where a great deal of feeling and a very strong difference of sentiment has arisen that they minute.

5479. Take another case, that of the expenditure involved in the Governor taking his tour during the hot weather; do you think that that occurs in those districts where there is a Lieutenant Governor, as it does occur in Bombay and Madras?—Yes; I know that the Lieutenant Governor of the Punjaub, or the Lieutenant Governor of the North West Provinces, goes up at certain times to the hills, if you mean that.

5480. But he does not take his staff with him, does he?—Yes, he does; he could not do without his staff; he would leave one secretary behind, and take one with him; and he would take two aides-de-camps, one of whom acts as his private secretary.

5481. Have you at all thought of the expenses connected with the administration of justice at the Presidencies; they are very large, are they not?—They are considerable.

5482. Do you not think that the effect of this arrangement

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arrangement in Madras and Bombay is to increase that scale of expenditure also, and to make it somewhat on the same scale as at Calcutta?—I do not know that they could do with fewer judges than they have in Madras. In Bombay they might perhaps save one judge; but although I am conversant with the matter, still I have not thought it out of late days by way of seeing whether the exact amount of work which they have now to perform is not commensurate with the number of judges. There was an idea I know that they could save a judge in Bombay when I was Governor General, but it was not so clearly made out that we could press it against the inclination of the local Government. I am talking of the High Court. I think that in Madras there are two barristers and one civilian; and I think in Bombay there are three barristers and one civilian judge.

5483. Take the Commanders in Chief of Bombay and Madras; is it your opinion that it would be better to abolish those separate commands, or to continue them?—I would continue them. I think that any saving that you could effect by the abolition would be equally well effected under the present system, by going into the matter and seeing the amount of work to be done, and reducing the staff in accordance with that.

5484. Can you explain what is the advantage of having a separate Commander in Chief in Bombay and in Madras?—I can explain it from my point of view. Under the present system the Madras Commander in Chief and the Bombay Commander in Chief are connected closely with the civil Governor; they are members of his council, and though they are colleagues in that council, they are in an inferior position to the Governor himself, and if anything occurred connected with the armies of those Presidencies, they would take their view from him, to a considerable extent. Of course the Governor would not interfere in matters of discipline and detail, unless something very serious occurred; but in every matter where the troops came in contact with the administration, and so forth, they would look to the Governor and to the Governor's views, and the Governor would influence them more or less; but if you did away with the position of the present officers as Commanders in Chief, and appointed, we will say, lieutenant generals at the head of *corps d'armée*, in that case they would look to the central authority, the Commander in Chief or Minister of War, or whatever you called the officer with the Governor General. If there was any disposition to resist the views of the Civil Governors of Madras and Bombay, naturally the lieutenant general would then shield himself under the circumstances that he was directly under the central authority; and there would be much more likely to be collision between them in Madras and Bombay under the one condition of things than under the other.

5485. Then I understand you to ascribe the advantage of the present state of things to the fact of the local Commander in Chief having a seat in the Council rather than to his being Commander in Chief?—Partly to that and partly to the knowledge that he is subordinate to the Governor. When men are meeting in every day life in council, and so forth, they are much more likely to get on together than if they were independent authorities running as it were in parallel lines.

5486. But why could not the same relations in respect to his having a seat in the Council exist between the Governor or Lieutenant Governor of Bombay and the chief military officer in the Presidency as exists between the Governor General in Council and the Commander in Chief in India?—There is less likelihood of collision and opposition where the military authority is under the civil authority, than where the military authority is independent of that authority; it seems to me to be only human nature.

5487. I do not understand from your statement why that change in Bombay and Madras should produce the result of making the chief military officer independent of the civil governor?—The change of system would not be limited merely to reducing the status of these military authorities in Madras and Bombay as regards those two provinces, but it would be also attended with these military men being brought more and more under the military authority at the seat of the central Government.

5488. Does any difficulty arise as regards the administration of affairs in the other provinces where the same system now exists as I have been suggesting?—I think difficulties have arisen, and they might have been very serious at times.

5489. In none of the other provinces is there any local commander immediately under the Governor?—There is not; but, first of all, the military men in those other provinces are in a very inferior position relatively; they are only major generals commanding divisions; whereas in Madras and Bombay they are commanding armies. Then there is also this circumstance, that they are nearer the governing authority, and there is more communication with the Governor General, and therefore the civil governor would feel himself stronger, in relation to the military authorities in the local Governments, than he would in Madras or Bombay, if there was a great change of that kind introduced. But I could quite readily understand, under special circumstances, serious differences arising between the civil Government and the military authority.

5490. Is the Commander in Chief of Madras or Bombay under the Commander in Chief in India?—As regards the Queen's troops they are entirely under him; but as regards the native troops they are independent. If the Commander in Chief in India has to interfere with them, as regards the native troops, he must do it through the Governor General in Council; he must come up and convince the Governor General in his Council that what is proposed is right; he could not write down direct to the local Commander in Chief.

5491. I think that the Governor General is himself Commander in Chief by his commission, is he not?—I think he is nominally.

5492. And I think the local Governors of Madras and Bombay are also Commanders in Chief?—I think, now you mention it, that they are, but they do not act as such. They have a commission, which enables them to overrule the military authority if it came to a collision; but the Governor General seldom, if ever, interferes in any details. When he sees that something is going to happen which bears upon the general administration, or even if it were a purely military matter, where he saw that something was going wrong, which was brought to his notice through discussions

discussions in the papers or some other way, in that case he would look into the matter; but otherwise he would not interfere with the discipline of the army.

5493. Mr. *Fowler.*] Has there been any change since you were Governor General in respect of the Governor General being also Commander in Chief?—No; but I had forgotten for the moment that in my commission there was a clause giving me powers as Commander in Chief; but I forget the precise authority it conferred.

5494. Mr. *Dickinson.*] With reference to our relations with native states, I imagine that our present relations with the native states are quite individual with each state?—Yes; under separate treaties with each state.

5495. And there is no general principle, is there, pervading our relations with them, and placing them upon anything like an intelligible footing?—I should say that there was, partly under treaties, and partly under practice. For instance, the general principle is that we do not interfere in the interior administration of any of the large states. That is one great principle. Where we would interfere with them would be where there was likely to be a collision between them and an adjacent state.

5496. But looking at India as a whole, there are of course matters of common interest to ourselves and the native states, such, for instance, as the military defence of the country, the police of the country, the coinage of the country, and the customs. Is there any principle underlying our relations with native states in any degree regulating those matters?—Well, there is no principle which regulates those relations, and, as a matter of practice, the Government of India seldom interferes with them, as long as the peace of the country is maintained; but in individual cases the Government do interfere, but it is done more by influence, than by direct instructions or rules. Now, for instance, in some cases we have interfered as regards the customs; we have induced native states to do away with customs, or to reduce them very much; in some cases native states have done it in order to please the Government; but in other cases, where they have been poor, the Government has made them an allowance for their supposed losses; and partly in one way, and partly in another, the greater part of the restriction on commerce in the native states have been given up, or very much reduced.

5497. Take one department, that of the Military Expenditure; looking at that as affecting the whole of India, is there any arrangement which enables us to ask the native states to bear their share of the general military defence of the country?—No, there is not; on the contrary, we have limited our demands, and we could not, without a breach of faith, ask them to take a share in the military expenditure. You see, in regard to many of these treaties which we have made with native chiefs, we have made them after wars in which we have taken great slices of their country; in some cases we have not taken any, but in many we have taken large slices of their country for various reasons. In many cases they were bound by treaty to keep up large contingents; in course of time we found that these contingents were not efficient, not in good discipline, and so forth, and by degrees we have introduced modifications in such arrangements. Sometimes we have put our officers to them; in other cases we have both put officers to these contingents and also taken further slices of their country from the rulers in order to pay the troops, they having paid them irregularly. For instance, in the case of the Nizam, partly from the circumstance that the regiments were greatly over-officered, and partly owing to the bad administration of his own territories (I am talking of many years ago), we modified the original system, which had been introduced, and reduced the expenditure of the contingent, and arranged to pay the troops from own treasuries. To meet these charges we took over the Berars; these Berars have so much improved under our administration, that they not only pay the Army, but give a large surplus; we pay over that surplus year by year to the Nizam. We could not go to him or another chief, and say, "Our expenses are very great, and you must share in them." We must always look to the treaty; for we should incur great odium if we did otherwise; in fact, we could not do anything of the kind suggested.

5498. Has it ever suggested itself to your mind whether, looking at the present condition of India, and the relations between ourselves and various native chiefs, it is desirable in any way to try and obtain something approaching to the German Diet, where they should all meet and discuss matters in common with ourselves?—I do not think that in the present state of things, it would be advisable. I think that we have not come to that condition of things that the natives would understand it. I think our course is simply to be guided by experience, and where anything turns out to be inconvenient, then to try and get it modified through your representative at that court.

5499. You think it is better to continue our individual relations with each chief, and have no idea of any general policy for the future?—As regards the present time, I think that things in India are more or less ticklish, and you should do nothing which creates a feeling of uncertainty in the minds of the native chiefs; but where there was anything special with regard to certain chiefs, you would instruct the British officers to look at the thing as a matter of public policy to see what modifications could be made, and the British officers of the different courts would consult each other and try and get the chiefs to agree to it; and I think that the chiefs themselves would like that kind of dealing with the Supreme Government rather than any modification of it.

5500. In the relations between our political officers and the various chiefs, occasions occur in which their interests clash with ours if the Government representative passes a decision prejudicial to the chief; at present there is no appeal from such a decision, except to the Governor General or to the Queen?—To the Secretary of State in Council.

5501. Do you think it is advisable, having regard to cases like that of the Nawab of Tonk, to have any different tribunals for investigating those cases than the political officers of the Government?—I am not in favour of referring cases of that kind to the Judicial Committee of the Privy Council; but I think myself that the appeal to the Secretary of State in Council is a very good one. Where anything has occurred which would lead to affecting the personal safety of a chief or his life, or anything of that kind, I think

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think then that an inquiry by commission, expressly constituted, would be the right course to adopt; but where it did not amount to affecting a man's own person, it seems to me that the political inquiry is a better one in its nature, and more suitable to the chiefs themselves, and our relations with them, than anything like a purely judicial inquiry.

5502. Again, taking a class of cases perhaps not so frequent as they were before, cases of succession by adoption, cases like the Mysore case and the Nawab of Surat, do you think that it is desirable to leave those simply under the control of the Governor General, subject to appeal to the Secretary of State, or to submit them to a different tribunal?—I think it is better to leave them at present under the new rules which have been introduced. They are so clearly defined, that it is a very rare case indeed, I could hardly conceive of any case where there would be necessity for any special inquiry. Under those rules, where a chief has any heirs, however distant, those heirs would succeed, and where he had not heirs of his body, he could adopt one; whether it is a Mahometan dynasty or a Hindoo, they are all provided for.

5503. But a question may arise, may it not, as to how far those rules have been carried out?—That may arise; but supposing it did, my own view is, that the Governor General in Council, subject, of course, to the control of the Secretary of State in Council would, in the long run, come to a better conclusion on the subject than a body of men simply judicially formed, and who had no special knowledge of the natives.

5504. Take the case of the Nawab of Surat, which was a case depending upon the construction of documents, to a great extent?—I would rather have the opinion of such a man as the Governor General with his Council, and the Secretary of State with his Council than the opinion of three or four learned men in the law.

5505. Take the Mysore case; is it your opinion that the ultimate settlement of that case was correct or not?—I think there was a great deal to be said on both sides of the case. I think the simple plan now is to accept what has been done; I think that opening questions of this kind, and eliciting the opinions of men, like myself, who have held high positions in India, is not a good thing; it unsettles men's minds, and may lead them to think that you are going to do what you have no intention of doing.

5506. If you think it undesirable to send these cases to such a tribunal, I suppose you would also consider that interference by Parliament is prejudicial?—Of course cases may occur in which the interference of Parliament may be valuable; but I think myself that in the long run it would not be valuable. There is one modification which I may make; I think the natives of India would not like it to be laid down that Parliament could not interfere, or would not interfere. I think, whether it is for good or for evil, they value that power which Parliament has of interfering.

5507. Sir *D. Wedderburn.*] Is it not the fact that in some of these cases where native princes are concerned, our Government may be called upon to decide, more or less judicially, in a case to which they themselves are really parties?—Of course there are cases which arise which, in some degree, Government are interested in; but I think under the present system, with the present rules which have been laid down, and which have been admitted on all sides to be right and expedient, there is very little chance of any undue bias on that account; and I think, even if there were, there are reasons on the other side which outweigh any inconvenience of that kind.

5508. You spoke just now of the great expense entailed upon India by the present system of recruiting the European force, and you also said that when the Government of India were anxious to reduce the European army, they invariably encountered great disinclination on the part of the Home authorities; do you attribute those results to the amalgamation of the Indian and the European armies?—No, I do not think that that had anything to do with it.

5509. You would not be in favour, supposing it to be possible, of the re-establishment of a local European force?—No, I would not. I was very much against its absorption, but now that it has taken place, I would maintain the existing condition of things.

5510. You consider it an irrevocable step, even though it may have been a mistaken one?—I would not say that it was absolutely irrevocable, but I would not advocate a change; I think all changes have more or less of evil in them, especially in India, and I do not see that there would be any good so clear and so distinct, as would induce me to advocate going back to the old system.

5511. As regards the recruiting of the Indian Staff Corps from the British army, I suppose that the abolition of purchase, so far as it may tend to introduce less wealthy officers into the army, would be favourable to the facility of recruiting the staff corps?—It would.

5512. The native officers in the native army are, I think, in this position, that the senior native officer is junior to the junior European officer?—I suppose if it came to that, if all the officers were killed over the junior officer of the regiment he would take the command; but, in fact, practically no difficulty really arises on that subject.

5513. I was only asking the question as a matter of fact; in that view the native officers are practically in the position of non-commissioned officers, are they not?—No, they are not in the position of non-commissioned officers; they are quite different; there is a separate set of them.

5514. What I mean is, that a native officer, however long he may have been in the service, cannot be placed in such a position that he would command a British ensign or sub-lieutenant?—No, he could not.

5515. Now in Algeria, in officering the native troops, the French employ native officers who take rank along with the European officers, up I think to the rank of field officer, and it is found I believe to work very well; how do you think such a system would work in India?—I do not think that it would work well.

5516. What would be the serious objection to it?—I think pride of race; the feeling of the English would revolt against it, and I do not think it would work at all. I doubt whether it really works well in Algeria. You often hear of things working well, but when you come to test the matter, you find that they do not. We used to hear of the excellence of the general system of the French army, and you see how it broke down under trial.

5517. Is

5517. Is it not desirable as far as possible, to offer a career to young men of spirit and promise among the natives, a career which they might be proud to embrace and where they might look for something like real promotion? — There is a great deal of force in that I admit, but I do not think myself that it would work well practically.

5518. But you are in favour of generally employing the natives as much as possible in the inferior grades of the civil service, in engineering and other departments?—I am, so far as it is consistent with our rule, but I do not think myself that a mixture of English officers and native officers rising by seniority of service such as the present system in the English army, would work well. I have had some experience, not of that kind of system, but of a state of things where native officers were in much higher positions than they are in our regiments, and on the whole it did not work well. In the Punjaub we had several regiments of what we called military police; these regiments stationed on the frontier were more military than police; practically, when there was anything to do they went out into the field just like the others; there was only one English officer to each of these, and sometimes there were two regiments in the interior of the country under one officer, and there were native commandants to these regiments; they were very well selected men, some of them had been tried officers under the Sikh Government, and others had risen in the service of our Government; but there was a great deal of complication now and then among them, and when the mutiny occurred, though they all behaved very well in the sense of loyalty, nevertheless, there was a great deal of difficulty about them.

5519. There are natives now in the Covenanted English Service, and English civilians may be called upon to hold offices under those natives; have any inconveniences resulted from that?—There are no natives in such high positions that they would control and command in the civil administration Englishmen of rank.

5520. But what is to check a native when he has once obtained access to the ranks of the Civil Service, from rising to the very highest position?—It has to be seen how it will work; none of them have been in the service sufficiently long yet for us to see how it will work; and it seems to me very doubtful whether it will work well; but I think, supposing difficulties arose, or rather were likely to arise, the Governors of provinces and the Governor General would so arrange as to keep these natives in appointments where they would not come into collision with Englishmen of rank. The only high positions in India that natives hold, such as you suggest, are in the High Court of Calcutta; in that court there is a native judge, but he is surrounded by English judges; it does not come home to suitors that this native judge is deciding a case; there are two or three judges sitting together, and the consequence is that the public do look on a particular decision as that especially of the native judge. But supposing that he were a magistrate and collector, or a commissioner of a large district in India, I think you would find great difficulties in working the administration with English civilians, and military men in civil employ, under that native. I think there would be great difficulty for him to hold his own.

5521. Have you ever considered the question of the great saving that would be effected to India if the Imperial guarantee were obtained for the Indian public debt?—I have no doubt that it would be an excellent thing, and I have often thought of it, and talked it over with Secretaries of State and other people, but the simple answer was that you would never get Parliament to agree to such an arrangment.

5522. Beyond that you see no objection to it?—I think it would be a very excellent thing myself, in its way; I do not think much of the argument against it, that it would induce habits of waste and extravagance; I do not think that it would do anything of the kind; but I think that the broad argument against it is that the people of England at present in Parliament would be very adverse to it.

5523. Mr. *Fowler.*] I think I gathered that your Lordship's opinion was in favour of the present military system; you do not see that there is to be any immediate reduction of the military expenditure in India?—I think that there is no royal way of doing it, but that by carefully looking to economy in the army you could lop off here and there excrescences, and in that kind of way save money.

5524. As regards the Madras army, are we not maintaining a very large native army in Madras in times of peace, and is it not the fact that during a long course of years we have had no war there?—I think it is unnecessarily large; we have reduced it considerably of late years, and the feeling which prevented our reducing it further was partly that, of course, it was a very unpopular thing, both with the men and with the officers, and partly that by a little arrangement it constituted a reserve for the other armies; so that if you wanted to send an expedition anywhere beyond the frontier, you would take the troops of the other Presidencies, who are of a more warlike character, as regards the men (not as regards the officers), and then push the troops of the Madras native army up in the place of the others, and hold the country in that way for the nonce.

5525. So that, in fact, they are rather a police than an army?—I would not give them the name of a police, it would hurt their feelings to do so; I do not say that you could not employ them on foreign war; the officers are an excellent body of men, as far as I have had any experience of them, or as far as I have heard officers of rank and long experience speak of them; but I think that those troops are naturally less warlike than the people of Northern India, that they have less physique, and during the last 50 or 60 years of peace they have lost a great deal of the warlike tendencies they had in former days; they are not the men of the times of Clive and Lawrence, and such men of 70 or 80 years ago.

5526. Have not some of the irregular corps been a great deal officered by natives; the Scinde Horse, for instance?—They have always had a body of native officers, but they have not been officered by natives distinct from English officers, except the corps of military police, and there all the work would devolve upon the native officers, but the English officer attached to such corps would be always with them in actual fight.

5527. What would be the proportion of English officers; not above two or three to a regiment, I suppose?—Under that system the Punjaub force of cavalry had probably three

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officers; the cavlary would have been about 500 men, and the infantry regiments about 800 men; and there were three or four officers with each regiment.

5528. What were the class of the native officers?—That is one of the things which people do not estimate fairly in the irregular system; the officers were generally cadets of old families, the gentry of the country; of course there were men who had risen from the ranks, but they were exceptional cases, men of great force of character and courage, and good conduct, and who, after a long training, had got their commissions as a man rising in the English ranks would; but the great bulk of the native officers were sons of gentlemen, men with high feelings of honour, men of quite a different character and tone from the ordinary men; these native officers got their positions very young, and if such an officer was killed, his son was often brought forward, and rapidly passed through the ranks of the non-commissioned officers. Sometimes the authorities would select a young native gentleman, and make him a commissioned officer without going through the ranks of the non-commissioned officers, and in that way he rose to command his company or troop when he was 28 or 30 years of age, we will say, or perhaps younger.

5529. Some of them were relatives of the minor princes of India, were they not?—Some, but very, very few; that is not a class which, as a rule, would make good native officers.

Tuesday, 1st July 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Beckett Denison.
Sir George Balfour.	Mr. Grant Duff.
Sir Thomas Bazley.	Mr. Eastwick.
Mr. Beach.	Mr. Fawcett.
Mr. Birley.	Lord Edmond Fitzmaurice.
Mr. Bourke.	Mr. Robert Fowler.
Mr. Candlish.	Mr. Lyttelton.
Mr. Stephen Cave.	Sir David Wedderburn.
Mr. Charles Dalrymple.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

The Right Honourable JOHN LAIRD MAIR LORD LAWRENCE (attending by special permission of the House of Lords), further Examined.

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5530. Mr. *Fowler.*] Is your Lordship satisfied as to the permanency of the opium revenue?—It is a very difficult question. I am inclined to think that there is some danger of our gradually losing a portion of the opium revenue. Still, on the other hand, it has been prophesied for the last twenty years that we should do so, and so far from any tendency that way being experienced, the revenue has largely increased. Still, in the nature of things, it strikes me that you are likely to lose a portion of it in the course of time, because I do not see any reason why the people should not grow more and more opium in China and in Persia, and on the coast of the Arabian Sea, and other countries, and that opium would of course come into competition with ours. It is said that our opium is so very much better prepared than any other kinds that all the upper classes, all those who can afford to pay for it, prefer it to the other opiums, which are inferior.

5531. Then you would look upon that as a source of revenue which would be likely to continue, but not to increase?—I should think it would hardly go much higher; the return is very great now, quite remarkable, I think.

5532. Your Lordship, I think, was Governor-General at the period of the failure of the Bank of Bombay?—Yes, I was.

5533. With reference to the relation of the Government to the Presidency banks, may I ask whether the Government ought not to exercise and does not exercise a very powerful influence in their affairs through carefully selected Government officers?—They exercise a very considerable influence, of course, inasmuch as they select a certain number of officers to represent them in the banks.

5534. That, I believe, has always been the case with the Bengal Bank?—Yes, with the three banks, the Bombay, the Bengal, and the Madras Banks.

5535. Does the history of the Bombay Bank render any change in the relations of the Government to the Presidency banks necessary or advisable, in your opinion?—In my opinion no change is advisable; but that is not the general view of the case. The general view is the other way, that it is expedient to interfere, and to make modifications. I think that as long as you select good men to represent the Government interest in the bank, and look fairly after them, nothing will happen, but that the banks will go on very well and flourish. But, of course, if you put careless or indifferent men into a bank, and do not look after them, anything may occur.

5536. Then it would follow that if the Bombay Government had exercised as much care with reference to the Bombay Bank through its Presidency Government Directors as the Government of Calcutta did with respect to the Bengal Bank, that bank might have passed as safely through exceptional times as the Banks of Bengal and Madras?—Well, I think, it would; but I think that just this may be said in defence of the Bombay Bank, that that was a very extraordinary time in Bombay; people all seemed to have gone mad in the way of speculation, and the circumstances were such that it did require very great caution no doubt, and the Bombay Government I think were very unfortunate in the men they had representing them in the bank at that particular time, when they wanted, above all other times, to have had exceptionally good men if possible.

5537. That, in fact, the Government Directors partook of the general financial mania which prevailed in Bombay at that time?—I fancy they did. I was not down there, and I had not personal knowledge of what was going on; but I could gather from what happened, and the discussions which ensued, and the correspondence which took place, that that was the case.

5538. If the Government of Bombay had furnished you with the information, which I believe your Lordship repeatedly called for after authorising the advance of a million and a half to support the bank, might not a large proportion of the capital have been saved?—I think that if at the time when the Government of India let it be known that they would support the Bombay Bank, arrangements had been made by the Government of Bombay to draw in and

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realise wherever they could; and, in fact, to be as cautious and as prudent as it was possible to be under the circumstances, then there was still time to have saved a great deal of money, perhaps to have saved the bank altogether; but at any rate to have saved a great deal of the assets of the bank. But sufficient care was not taken at that time, and the consequence was that the bank went from bad to worse, and at last the climax was that the Directors allowed a very large sum of money (I forget exactly how much it was; I think it was about a quarter of a million) to be advanced to Prenchund Richund upon security, which was to a great extent worthless. That was the last blow which broke the bank.

5539. Was not the Bombay Government's application to you to support the bank based upon political and financial considerations, in order to avert disasters from the Presidency?—It was based, no doubt, upon financial and political grounds; if the bank had gone, it would have pulled down a great many other banks and houses in Bombay; and, of course, there might have been a very large amount of disaster; but beyond the fact that every mischief that occurs to a large body of influential people to a certain extent, does injure the State indirectly, it would not have hurt the Government.

5540. If the Bombay Legislative Council had exercised ordinary care, is it not the fact that the power to lend on unguaranteed companies would not have been exercised?—Certainly, under the old bank law they could not advance money on that kind of security. When the new charter was brought out, that clause was omitted which prevented the bank from advancing money on unsatisfactory security.

5541. Mr. *Fawcett.*] Not sharing in the opinions which your Lordship has expressed in favour of extending the permanent settlement over India, I am anxious to know whether there are many persons influentially connected with the Government of India, who hold the same opinions on that subject as you do?—Well, I cannot say who hold that opinion, and who do not. At the time that Sir Charles Wood, now Lord Halifax, sent out instructions regarding the permanent settlement in 1862, there were a good many officials, both in India and in England, who held that view; but I do not know to what extent that view is now held.

5542. Was that Despatch which Sir Charles Wood sent out, in favour of a permanent settlement, approved of by a majority of his Council?—Yes, I think so.

5543. Then, as a great many of those who were on the Council are still on the Council, I presume it is fair to assume that a great many persons who are at present on the Council are in favour of carrying out his policy of extending the permanent settlement?—Well, I have never asked them since that time whether they have changed their views or not; but it is possible that some of them have changed their views.

5544. But, as far as you know, they have made no public declaration of a change?—No; not that I know of. The only one in the Council who was very strongly against the permanent settlement was Mr. Mangles; I do not remember anyone else at this moment who was very much against it.

5545. Therefore it would be quite possible, of course, without consulting Parliament, or even without obtaining the consent of the Governor General, for the Secretary of State, if he obtained the consent of his council, any day to send out a Despatch similar to that of Sir Charles Wood's, giving directions that, as far as possible and as rapidly as possible, your views in reference to the permanent settlement should be carried out in India?—Well, he could, with the concurrence of the Council, send out such a Despatch; but I hardly think that he would do so without consulting the Governor General in India in the first place.

5546. Supposing that after consulting the Governor General and all the authorities in India, the Secretary of State found that he disagreed with them; if the Secretary of State was a man of strong will, although he may have been suddenly put into office, never having given a day's consideration to India, he may carry out a policy such as this, vitally affecting the future fortunes of India, if he likes, against the remonstrances of all the highest officials in India?—He could do so, but I do not think he would.

5547. Did Sir Charles Wood consult the authorities in India?—His Despatch was based practically upon the Despatches which had come home from the Governor General in India; in fact, the Despatches upon which that policy was based went further than Sir Charles Wood and his Council went; they advocated a redemption of a considerable portion of the land tax, up to 10 per cent. in the first instance; and it was in substitution of that recommendation that Sir Charles Wood and the Council made the recommendation that was made by them; but even then, when it went out, it did not go out as an absolute instruction which must be carried out, but more as a suggestive measure.

5548. Has it ever occurred to you that the permanent settlement does not give the smallest security that the cultivators of the soil will be in the least degree in a more favourable position than those cultivators who cultivated under a different system. In fact, for instance, taking Bengal as an example, there is nothing whatever associated with the permanent settlement, is there, to prevent the zemindars who benefit by it extorting the most extravagant and ruinous rates from the cultivators of the soil?—No doubt that is the case in Bengal as regards the tenants at will; but even there, as regards the other tenants with beneficial interests, the power of the zemindar over them in the way of extracting rent is limited.

5549. But if you lease a great deal of the country on the condition of a fixed rent to a zemindar (and that is what it comes to), there is nothing whatever in the permanent settlement, is there, to prevent him from sooner or later making every cultivator of the soil a tenant at will, and placing constantly every cultivator of the soil in a position in which he might extract from him the utmost rent possible?—Well, in making your permanent settlement you might so regulate the details that he could not do it. Now, for instance, in the settlement that I contemplated, the permanent settlement in Upper India and other parts of India, he certainly could not do that, with the exception of the case of the tenants at will; he could unquestionably do it in their case, but he can equally rack-rent them now.

5550. But it is proposed to place no limitation on the letting of the land, as I understand?—Not as

as regards the tenants at will, but as regards all the other tenants, and they are very numerous.

5551. But, ultimately he may convert all the others into tenants at will, may he not?—No, I do not think he could. I think that one of the great defects of the settlement in Bengal and Behar was, that while there was a clause put in the law that the Government should have the right, if the great landholders abused their powers, of interfering and regulating the relations between the two, that was never done; but if it had been done, I think it is quite clear that, as regards all the tenants, except the tenants at will, we could have saved them from extortion.

5552. You would admit, I presume, that if there was a very great change in the value of money, such as took place, for instance, from the discovery of the gold and silver mines in South America, if, for instance, the value of money was reduced by 400 per cent., the revenue resulting from the permanent settlement must necessarily be reduced exactly in the same ratio?—If such a thing happened, no doubt it would.

5553. Then, considering that suddenly the aggregate yield of gold was increased in Australia and California by more than 400 per cent., and that the experience of the gold discoveries in South America, proves that the ultimate effect of a great increase in the yield of precious metals is not shown until after the lapse of a considerable number of years (it was not shown in that case for nearly a century), and, considering also that many competent authorities say that the yield of gold and the other precious metals is likely greatly to increase when these gold mines are properly worked, and considering further that all the best authorities now almost unanimously agree that a very considerable and marked depreciation in the value of the precious metals has been going on, many estimating this depreciation to amount altogether to as much as 25 or 30 per cent., do not you think that it would be hazardous so to arrange the future revenue of India as to let it rest on the basis of a fixed money payment?—I would hardly say that it was hazardous myself. It does not appear to me that there is any reasonable probability of what you have described occurring; but, assuming that it did, it seems to me that you would be able, in various ways, to raise revenue in India which would meet the losses which you have described. Assuming that it was deliberately decided that this was an extremely hazardous measure, I think that you might meet that by settling the permanent settlement on a condition that, in cycles of years, the money payment would be reconsidered with reference to the price of certain staples.

5554. You propose then that the permanent settlement should be based the same as the tithe commutations in this country, upon the price of agricultural produce?—Something like that; but I would not reconsider the prices in such short cycles as they do as regards tithes; I would say at the end of 20 or 30 years.

5555. Then would not that introduce just the same kind of uncertainty in the minds of the cultivators, as you now attribute to the 30 years' settlement; it would virtually lead every 30 years to a great struggle, and a great dispute, between the Government on the one hand and the cultivator on the other, as to whether there had been or had not been a depreciation in the value of money, would it not?—I think not; it would be a very simple matter, in the one case, to calculate whether the money assessment should be raised with reference to prices of the day of given staples; but in the other case, it would be to go into an elaborate scrutiny of the assets upon the land, a remeasurement of all the lands, and a reconsideration of the value of each field, and all that. The process that a village goes through now under the present settlement cannot be one of less than a couple of years; and then there is the period prior to the settlement, which has to be taken into consideration, when there is a tendency to throw the land more or less into poorer cultivation, and not to renew their wells, and so forth.

5556. Then I may assume that, in saying that you advocate the permanent settlement, you do not want a permanent settlement analogous to that which exists in Bengal; but that you would like one based upon the price of agricultural produce?—I would be still inclined to have a settlement based upon a money assessment; but rather than not see a permanent settlement, I would be content with the other arrangement.

5557. When I was pointing out to you just now the possible loss that might result if the whole land of India was permanently settled, supposing that there were a depreciation in the value of money, you said that the loss of revenue which might result from that source could be made up from other quarters. Will you describe to me, if you please, from what sources; for instance, if you suddenly found that from the depreciation of the value of money you virtually lost 5,000,000*l.* of revenue, what new taxes would you impose, or what existing taxes would you increase to make up the deficiency?—I think, under the system that I advocate, in course of time the yield of the land would become immensely larger; you would derive a very large revenue in course of time by the extension of irrigation; I think that it would yield a very large sum, because, with the permanent settlement, the people would go on with great heart and vigour to get as much as they possibly could out of their land, and you might raise then your water rent very considerably, without its bearing hard upon the people, because the yield from irrigation, compared with the yield on dry land, is very large; I think in that way you would get a very large revenue, and that the great mass of the people would become very much better off than at present.

5558. But you have expressed an opinion that you would not compel the people to take water unless they liked; you object strongly to the policy of imposing a compulsory irrigation rate; and you are probably aware that the Government of India are so extremely doubtful at the present time of many of their irrigation works paying (and some of them undoubtedly have not paid), that they actually inserted a clause in an irrigation Bill lately, so little was their confidence in their success, saying that if the scheme did not produce 7 per cent., the people should pay for the water whether they took it or not. If it is necessary to resort to such compulsory powers as that, is it certain that the people would take the water; and if they did not take it, would it prove a great financial success?—I have no doubt in my own mind that they would take the water; but what I do admit, which I have already said in a previous examination is, that it takes time for them to take the water as they ought to do,

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and as they would do when they appreciate it, when they see the great value of the water, they gradually learn to appreciate its value; they see that their crops are doubled, trebled, and perhaps quadrupled, and that instead of being only able to grow inferior crops, they can grow very valuable crops; in that way the advantages of irrigation become apparent to them, and then, in course of time, they take the water very extensively. I do not think that it was fair to argue that because the Government adopted an erroneous policy in the way that you have described, therefore, that is an evidence that irrigation would not pay; I am convinced in my own mind, not from theory, but from experience, that irrigation from canals would pay, and pay largely, where it is conducted in a proper economical way.

5559. I am not quoting this law or this proposition of imposing a compulsory rate, whether the people use the water or not, as a proof that the irrigation works would not pay, but I think that it affords evidence, that at any rate the Government thought they would not pay, because otherwise they would not gratuitously have ever inserted such a clause in the proposed Act?—Of course there is a great deal in what you say on this point, but I am inclined to think that Government came to that conclusion in something like this way; they felt that there was a strong party disinclined and adverse to the construction of these canals, and they thought it was so important for the good of the country that canals in many places should be constructed, that rather than run the risk of the system of extending canals through the country being put a stop to, they preferred enacting that law. They came to that conclusion, but I think it was an erroneous conclusion. It was suggested in my time to do the very same thing, and I fully considered it and talked it over with men of ability and experience in India, and who thoroughly understood the subject, and they agreed with me in thinking that it was not necessary.

5560. Without in the least degree wishing to depreciate the advantages of irrigation, and the pecuniary gain which would result to the Government and to the people if irrigation works were properly carried out, you will admit that many irrigation works, from their bad construction, have proved disastrous financial failures in India?—Well I do not think that any of the irrigational works that have been undertaken by the Government have turned out to be failures. At this moment, the only work of that kind is the one in Madras, which was undertaken by a company, and for some reason or other hitherto it seems to have been a failure. I do not understand exactly why or wherefore, but so apparently it is; but I should hope even that that work would hereafter be so improved that it would pay.

5561. The Orissa Irrigation Works have not paid, have they?—It is quite true that the Orissa Works, I believe, have not paid, but they were made under very peculiar circumstances. One of the great objects of the Orissa Works, as I understand, was, to regulate the waters from the great rivers in Orissa. At one time these rivers carried devastation all over the country, and at other times the failure of the water caused drought. But, in point of fact, the failure of the water was quite an exceptional case in that province. I am not aware that within the time that the English have had India, there had been a drought in Orissa at all; it was really and truly that there was a tremendous flooding of the country, and great damage was continually being done. It struck the engineers that by regulating the supply of water, they would avoid the losses incurred by the flooding of the country, while that water might be used for irrigational purposes. I would look upon that as a great political scheme, independent of a mere irrigational work.

5562. I suppose you have carefully examined the accounts of the Ganges Canal, excluding the Eastern and Western Jumna Canals, which were partly constructed not by the British Government, and reckoning the loss of the interest on the capital while the Ganges Canal was being constructed, which you ought to reckon, are you prepared to say whether the Ganges Canal pays at the present time 2 per cent.?—I do not know exactly what the Ganges Canal at present pays; but I should think that it paid a great deal more than that.

5563. I have looked into the accounts, and making allowance for the loss of interest on capital before the Canal was open, according to my calculation it pays less than 2 per cent.; I should be glad to know whether you could say that you have looked into them, and have arrived at a different conclusion?—I think that there is one element in the question, which apparently you have not taken into consideration, and that is the great saving of revenue which has been effected by the existence of that Canal. Without making an accurate calculation from year to year, which I do not think you could easily do, and which if you could do, it would not be of any particular value, I would say in a broad and general way, that the money which you saved in the year 1861-62 in the shape of land revenue, and in the shape of saving the property of the people, was far more, on the most moderate calculation, than all the accumulated interest which we lost until the Canal paid say 5 per cent. on its actual outlay.

5564. Considering the great weight which your authority will carry, I am only anxious to find out whether that opinion is based upon a general impression, or whether it is based upon a careful examination of the accounts, and from making a most accurate calculation you can as to the gain resulting from the source which you have just indicated?—The actual authority which I quoted as to the saving of land revenue, and the saving of property in the drought of 1861, was Colonel Baird Smith, an engineer officer of great ability and reputation, who is now dead, who was sent up by Lord Canning immediately after the famine, when the effects of the famine could be seen, and he got together all the data of the famines which had occurred in previous years; and I have been present in India, living in some of the districts where the famine in 1838 and the famine in 1834 occurred, and I have no doubt myself that the estimates made by Colonel Baird Smith were very likely correct, or at any rate were very near the truth. But taking his data, and assuming that one-fourth of it, or one-sixth of it, or one-eighth of it was a real saving, instead of what he put down, I would say that that value was more than equal to all the loss of interest during the time that the Ganges Canal was under construction.

5565. Yes; but then what I understand Colonel Baird Smith's calculation to rest upon is this: it

did

did not say, "If this canal had not been constructed so much land would not have been irrigated which is irrigated now;" but what he simply said was this, was it not, that if the whole of the land had been irrigated over which the famine took place, such and such results would have followed?—No, I think not. He says that in the Agra division, which is in a cluster of five or six districts, and in the Allahabad division, which comprehends five or six districts more, the actual loss of revenue in 1837-38 was a million in each division, putting aside the saving to the people. I think it was approximately true in that case. There is no doubt that on some of these lands some cultivation would have gone on under wells; but that is very scanty compared with what you get from canals; and where the land is distant from the water, the wells become dry very often, or fail to a very great extent, when you want the water most to complete the crops, to give them their last two or three waterings.

5566. But the point which I wish to find out is this, whether Colonel Baird Smith distinctly stated that the whole of the land in the Agra division, in which this loss of revenue to the extent of a million occurred in 1837, was irrigated by the Ganges Canal in 1861?—He does not put it exactly in those words, but very much in words to that effect; speaking from memory, I should say that what he intended to convey was, that in those lands on which in 1837 the crops more or less entirely failed, there was an abundant harvest in 1861, consequent upon the irrigation from the canal.

5567. It seems to me that it is impossible to make anything like an accurate calculation on the subject, in consequence of the vagueness with which this particular report to which you refer is written; you speak from memory, as I understand you?—I travelled through those districts in 1837; I saw the utter barrenness of the land; the whole country was waste; there was not a green leaf of any kind or description in many of the districts. I saw large tracts of land under canal irrigation in other districts in those very years of which we have been speaking, and there it was one sea of corn and barley.

5568. The loss of revenue which you think might result from the permanent settlement, you would expect to make up from the general improvement that you think would result in the condition of the country, and also from the extension of irrigation works?—Largely so.

5569. Now, with reference to the question of immediately increasing any of the existing taxes, or of imposing any new taxes, I want to ask you your opinion upon this point; supposing that some contingency should arise which would render it necessary suddenly to obtain an increased revenue, say next year, of five millions; we all know that an increase of revenue of five millions could be easily obtained in this country by increasing the existing taxes, or imposing many new ones which would suggest themselves to any mind; but do you think that it would be possible to increase any of the existing taxes in India, with the view of effecting an important increase of revenue, or are there any new taxes that you can suggest which you think might be imposed with that object?—My view is, and I have always said, that India, as a whole, is an exceedingly poor country at present, and one of the great objects which I have in view is, as it were, to relieve that poverty by a permanent settlement and in other ways, and, therefore, if you ask me what I would do now, I would say, as regards my policy, that if it were carried out, it strikes me that when you wanted a considerable revenue you would be more easily able to raise it under those circumstances than now. But if you come to this point, what should be done if such circumstances happened that we required five millions next year, I do not see where you could get it; you could get some of it, but not any large portion. I should be for putting on the income tax again; as an absolute necessity, I would have light export duties; I admit that it is better not to have them, but still I think that you might raise in that way two, or three, or four millions of money in a case of extreme necessity.

5570. But, going through briefly the important items of revenue (and it seems to me that this really raises the fundamental point which we have to consider), you have already expressed an opinion with regard to the salt duty, that that cannot be increased, and that you think it should rather, if possible, be reduced?—I have said that, and I think so.

5571. You have also expressed yourself as thinking it quite possible that the present rate of salt duy produces discontent, because over our frontier in some districts the people of India obtain salt nearly duty free?—On very light rates, compared to our rates.

5572. Are you aware that the salt duty was lately raised in Madras 18 per cent., and that although the duty was raised 18 per cent. the increase of revenue was only 12 per cent.?—I saw that statement, but I think you cannot, from a year, or two years, judge whether it would be a loss of revenue rather than an increase.

5573. But still, if, when the duty is increased, it does not produce a proportionate increase in revenue, it shows, does it not, conclusively, that the amount of duty diminishes the consumption?—No doubt, unless you take stringent measures to prevent smuggling, and so forth. I am not an advocate for raising the salt tax; I think that a light salt tax is a very important matter; but assuming that we insisted upon having a very heavy tax in the Bengal Presidency, it does not seem to me, if you want money, that it is unreasonable that you should try and raise the salt tax in Bombay or Madras.

5574. That is the first important item of revenue, and you think that that cannot be increased?—No; I think in course of time, when the people become very much richer, then, perhaps, they would be better able to bear the salt tax than now.

5575. But not at present?—Certainly not.

5576. Next, with reference to opium, of course we get the utmost that we can from opium?—Yes.

5577. You have already expressed the opinion that it is quite possible, from opium being more extensively cultivated in China and Persia, indeed, that the probability is, that our revenue from opium will rather decrease than increase?—The chances are that you will get no more from opium; at any rate, you cannot rely upon getting any more from it.

5578. Are you aware that the Government of China, in order to discourage the growth of opium, have placed various prohibitions upon its growth, and have imposed license duties and

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other prohibitions, which amounted to an excise duty of something like 100 per cent., and now that the Chinese have discovered that no power on earth will keep British opium out of China, and that we will rather go to war with China than not sell them opium, may it not be quite possible that they may arrive at the conclusion that this policy of theirs to check the growth of opium in China is altogether a mistake, and of no use, and that they might abolish that excise duty; and if they did so, would it not at once give a most powerful stimulus to the growth of opium in China?—No doubt it would.

5579. With reference to Customs, which I take as the next branch of revenue, I suppose if the Customs duties were increased, considering the great poverty of the Indian people to which you have referred, it is very likely that not more revenue would be raised from such an increase of duty?—Not under present circumstances; but if the people became richer then there would be.

5580. Then, again, with reference to export duties; if an attempt was made to increase the export duties, to put an export duty, for instance, upon cotton or upon jute, it would *pro tanto* place the trade of India in a, comparatively speaking, unfavourable position, and would bring to bear against the Government of India the very powerful pressure of the commercial classes in England, would it not?—That is quite true.

5581. Do you think, considering that India is scarcely represented at all in this House, that it is only indirectly represented in the House, and that the commercial classes of England are powerfully represented in it, that any Government would, for one moment, be likely to resist an opposition brought to bear upon them from people who have votes against putting on such an export duty?—I think not.

5582. Therefore, considering how India is governed, that India is governed by the House of Commons, and that India is governed by the Secretary of State, who, after all, is a member of a Cabinet whose existence depends upon the votes of the House of Commons, you cannot rely upon the imposition of an export duty as giving you an increase of revenue in India, can you?—I am afraid not.

5583. You, do not think, I suppose, that the stamp duties could be greatly increased?—Not under present circumstances.

5584. Therefore, so far as the present position of Indian finance is concerned, if you wish to obtain more revenue (bear in mind that all my questions are addressed to the present), you really have no other resource left open to you as an immediate resource, except an increase of the income tax, have you?—Perhaps not.

5585. You are aware that the income tax has been condemned by an extraordinary concensus of financial authorities in India?—Well, I would hardly say that myself. I think there are as many officials in favour of it as against it.

5586. You are aware that three successive finance ministers have condemned it in the strongest possible terms; Sir Charles Trevelyan, Mr. Laing, and Mr. Massey?—Yes, they did; I would say, however, that I do not go so much upon authority as I would go upon experience, and judgment, and knowledge of the country; and, from analysing their arguments, I do not place much weight on their arguments really. Of course I place this weight in them, that I know it is very unpopular with those that pay the tax; but then it simply comes to this, that the majority of those that pay the tax do not want to pay any tax, and it is really a question of their pockets. I am not talking now of the three ministers, but of the people who pay the tax; I think it is mainly a question with them of being exempted from what they do not like to pay.

5587. But has not Sir William Muir, who is the next Finance Minister in India, after collecting the opinions of all the officials in the north-west, and has not also the present Lieutenant Governor of Bengal, Mr. Campbell, and have not a host of other authorities who might be quoted, referred to this as the great disadvantage of the income tax: not the amount of the tax, but the abuses connected with its assessment and collection; is not that the disadvantage on which they particularly dwell?—I admit that Sir William Muir is a great authority on the subject, and his opinion would have great weight in my mind. I do not know that Mr. Campbell is very much against the tax; I saw a paper of his, in which he rather hinted that if they would give it to him for local purposes, he did not think it would be so objectionable.

5588. You have probably seen a blue-book which has lately been published, containing the opinions of a great number of officials as to the effect which the income tax produced in India; they were stated in letters, in reply to a circular which was issued, I think?—Yes, I did see it, and I looked through it.

5589. And you probably have noticed this, that even those who express an opinion favourable to the income tax, almost, I believe, without an exception, dwell upon the very great mischief and harm that is done by making the tax a varying tax; they speak of the extent to which the people are frightened and alarmed by having the tax one year 1 per cent., another year 3 per cent., then going back to 1 per cent., and then increasing it again?—I think that there is truth in that. However, I think that if they fixed the tax at a moderate rate, say at 2 per cent., and did not increase it, and kept it as a source of revenue, and took great care to see that it was not abused, and if such an arrangement were made whereby there was no excessive extortion, the tax would not be so unpopular even as it was.

5590. Then you agree in these opinions, that, considering the circumstances of India, if you have an income tax at all, it is of the utmost importance that it should not vary, but should be fixed?—I think, as a rule, it should be fixed. It would be a most extreme case where I would raise it, and then, of course, I would go back as soon as I could to the old standard.

5591. Therefore, this being the case, we unfortunately seem to arrive at this conclusion, that so far as the present financial position of India is concerned, if you wish at once suddenly to obtain more revenue, the only means that you have of doing it is to increase or vary a tax, as to which it is admitted, by universal consent, to be of the utmost consequence that it should not be varied?—No, I do not think that that exactly follows; I think that you might put on an income tax of a given amount, and maintain that amount, and trust to the general improvement of the country in other ways, and at the worst, not raise it except there was such a thing as a great war or a great convulsion, or something of that kind, when you might raise it to a moderate extent; as a rule,

rule, I would keep it at the rate that was fixed, and that rate should be a low rate.

5592. And you would almost rather resort to a loan than vary it, I suppose?—It would depend upon the political condition of India at the time. The circumstances might be such that I would rather resort to a loan; but under ordinary circumstances I would rather resort to the income tax. I have a great dislike to increasing the debt of India.

5593. With regard to local taxation, you probably are aware that in consequence of the policy described as the decentralisation policy, various Acts have been passed which give local authorities the power of taxing almost every article which is worn or consumed by the people of India, that this possible amount of taxation is constantly hanging over them?—I am not prepared to say that the local taxation extends to every article in the way that you describe; but no doubt the local taxation at one time was assuming very serious proportions. I think there is a good deal that may be said against some of the sources from which the local taxation was derived; but, at any rate, I am quite against making it in any degree excessive, and I think it was a very wise policy to limit it. But the people of the country, if you are to have revenue for certain improvements about towns and so forth, do prefer paying it in the way that those municipal taxes were raised, rather than pay it in a direct way.

5594. But are not a great many of the local taxes which have been imposed direct taxes, whereas, probably, if the wishes of the people had been consulted, they would rather not have had them direct; for instance, has not a house tax been in many cases imposed when probably the people would greatly prefer an octroi?—Not in any part of India that I personally know. I think in Madras a tax of that kind has been introduced since I came away.

5595. But this local taxation policy has assumed its great development since you left India, has it not?—Well, to some extent it has; but when the income tax was given up, or when the law under which the income tax was raised, expired by efflux of time (it expired, I think, in August 1865), within a very few months it appeared to Sir Charles Trevelyan himself, that he would not be able to get along without something in substitution, and one of the measures that he proposed, was to throw upon the local Governments a considerable proportion of the expenditure on police, particuarly of the towns. Well, they had no remedy; they could do nothing else but either absolutely refuse to respond to the call of the Government of India, or increase their octroi duties. As long as their octroi duties were very low the people did not care about them, for they were hardly appreciable; but when you came to raise the octroi duties in order to meet the increased expenditure on police and other matters, then they began to be felt, and as time passed, it became evident that if some modification was not made the trade of the country would begin to change; that, for instance, the merchants would make their depôts in the cantonments instead of in the towns; and so the matter was brought to our notice, and a modification was carried out, and a reduction of the octroi was made.

5596. But the great development of local taxation took place under the decentralisation policy?—It is quite true; but what I meant to say was, that there was a bias that way from the time that we dropped the income tax.

5597. With regard to the relations between the Secretary of State and his Council, I understood in your previous examination that you said, speaking, for instance, as a typical case in reference to the Indo-European Telegraph, that when it was proposed to throw the whole expense of that telegraph on India, instead of making England bear a part of it, there would be no use in the Council of the Secretary of State objecting, because they had no political influence, and they were unable to resist the pressure which was brought to bear upon the Secretary of State from outside?—I said that that was the practical result; I think that the Council did act in many cases as a very considerable buffer between the people, pressing on expenditure in India, and the Secretary of State, and in many ways helped the Secretary of State to resist that pressure; but when it came to be a very important matter, in which the interests and the feelings of merchants in England were enlisted, then I think that the Council could not resist it with any effect.

5598. But were they not appointed, and was not this great charge thrown upon the revenues of India, with no other object than that they should resist; that was the chief object with which they were appointed, was it not; if not, the duties which they perform might be performed as they are in other Government Departments, by the permanent officials, the under secretaries; why, therefore, should they not, if they thought that this expenditure was wrong, say, "We are receiving a salary from the revenues of India to represent the interests of India; we care nothing about the political pressure that may be brought to bear upon the Secretary of State; no power on earth shall induce us to sanction an expenditure of money which we think is wrong, so far as the interests of India are concerned"?—I think if you had no Council you would find that practically there would be a very great difference in that way. The Council may not be a perfect machinery, or a perfect buffer between those who want unduly to put expenditure on India and the Secretary of State; still they do a great deal in that way. I am sure from my experience of the five years that I was in Council, that had there not been a Council, a very great deal would have been put on India, which was not put on it in consequence of the remonstrances of the Council.

5599. But still, without now discussing whether the Council do any good whatever, or whether it would not be desirable completely to abolish them, I want to know why was it not their first duty to the interests of India to resist, and how can it be said that they were not disregarding an important trust if they did not resist, this political pressure that you refer to, and did not say that no power on earth should induce them to sanction an expenditure which they thought wrong towards the people of India; for what other purpose did they receive their salaries, except to do that?—That seems theoretically a very simple way of acting, but I think in practice it is extremely difficult; and I think, moreover, that if the Council had acted in that kind of way, they would not have succeeded; some movement would have been made in Parliament, or elsewhere, whereby they would have been

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been perhaps done away with, or their powers would have been so shackled, that in point of fact, they would have been less able to work than they hitherto did work.

5600. Then if a Secretary of State were to go to his Council and say, "I want you to sanction an expenditure out of the revenues of India," and the Council were to say, "We think that expenditure is wrong, and we will not sanction it," and the Secretary of State were then to say, "I shall overrule you in the Cabinet, and you must sanction it;" supposing that the Council then were to stand firm, and say, "We have the legal power to refuse, and refuse it we will;" do you think that any Secretary of State could possibly have the slightest chance in going to the House of Commons and proposing to abolish the Council because they, having been appointed to look after the revenues of India, had faithfully discharged their trust; and even if he could abolish them, would not the men have honourably done their duty, and obtained their proper reward, supposing that they suffered abolition, instead of doing that which they knew was unjust towards the revenues of India?—If the case was exactly as you put it, I think that the Council would resist it; and under such circumstances, if they did, probably Parliament would not put them aside. But then I think cases, as they arise in practice, are not exactly in that way. In all these propositions there is a great deal to be said on both sides of the question. Take that very case of the Indo-European line; it turned out that the Court of Directors in 1856 agreed that India should bear the expenses of that line; the consequence was that that was so great an argument, that it silenced the Council to a great extent on that occasion.

5601. But I take this typical case of the Indo-European Telegraph; you must remember that you said that they did not resist, not because they were doubtful as to the policy, or the justice, or the wisdom of this expenditure, but because of the political pressure which was brought to bear upon the Secretary of State; now there is but one conclusion, as it seems to me, from that answer, and that is this: that the Council thought the expenditure was wrong; they did not think it was either wise, just, or politic with regard to the revenues of India, but that they did not resist (quoting your own words) because of this political pressure being brought to bear upon the Secretary of State?—I have not my words before me, but what I meant to convey was this: that that political pressure would be a great element in the question, no doubt; but I also bore in mind that in a number of these cases there is a great deal to be said on both sides of the question, and that, although on the whole it would have been better to have resisted sanctioning the expenditure, nevertheless there was a great deal to be said on the other side, and that, under those circumstances, there was an increased difficulty in resisting.

5602. But so far as the Council is concerned, you admit that this political pressure must be a great element in their consideration; I venture to ask why it should be; have they not got simply to consider what is just to the people of India, and not what the political exigencies of the Secretary of State may be?—In an abstract point of view that is the case, but I do not know any class of men or any man myself, that I have come in contact with during not a very short life, whose minds are so well balanced and so thoroughly independent, that a strong pressure of any kind has not an influence on them.

5603. But was not that one of the ideas, and one of the great objects for which this Council was appointed, that they should constitute an independent body who would be able to resist the political pressure which it was foreseen would be brought to bear upon the Secretary of State?—And I submit that they do to a great extent do it; only I say that in these special cases, and what I would call extreme cases, that outside influence does affect them, and it is impossible, it seems to me, that it should be otherwise.

5604. Are there any instances in which the Council objected to some charge being thrown upon the revenues of India, and after having protested stood firm and refused to sanction this charge being thrown on the revenues of India?—I am sure that there were many cases in which the Council stood firm and refused it, and in consequence of their refusal, the Secretary of State gave up his intentions.

5605. Are those recorded?—No, the instances would never be recorded where the Secretary of State gave up his view, or accepted their view.

5606. Do not you think that it would be desirable, in order to enable the Council to be supported with a greater weight of public opinion, that their proceedings should be public?—Well, at one time I did think so, but I have rather changed my view. I am rather inclined now to think of latter years, that the publication would rather do harm than good.

5607. But would not this take place, that supposing there were very influential members of the Council objecting to some act on the part of the Secretary of State, if it was known that they objected, some action might be taken in Parliament to strengthen their opinions, which could not be taken unless it was known what their opinions were?—No doubt there is force in what you say; but it strikes me that there would be considerable difficulties in the matter, that it would complicate the relations between the Secretary of State and the Council very much.

5608. Of course there is no doubt about it, that as far as the Government of India is concerned, the Secretary of State is absolutely supreme over the Governor General in Council in all matters of finance?—The Secretary of State in Council is supreme over the Governor General in Council.

5609. With reference to finance, in regard to the relations between the Governor General and the local governments, I will take especially the Government of Bombay; witness after witness has described certain acts of extravagance done by the Government of Bombay, and this expression has been more than once used by official witnesses, that the Government of Bombay took the bit into their mouths, and no power on earth could get it out. Now, how comes it that the Government of Bombay has been allowed to do so many acts of extravagance, and that no Governor General or no Secretary of State could apparently stop it?—No doubt, in many cases, the Governors of Bombay were stopped regarding expenditure.

5610. But in a great many they were not?—No doubt they were not; but what I was going to say was this, that in many cases they were stopped, and in many cases their desire to expend money

money was limited, and that had such restraint as was put forward against those Governors not existed, there would have been a very much greater expenditure than was otherwise the case; but when it relates to particular cases where they spent money in a more lavish way than could be justified, it was owing to various circumstances; sometimes the Secretary of State, from imperfect information or from the force of the eloquence of the Governors of Bombay, did not take that view of the case that the Government of India took of it; and the fact of there being a constant communication between the Governors and the Secretary of State, enabled those Governors to put before the Secretary of State, in a semi-official way, their view of the matter, and to influence the Secretary of State, and in that way these things occurred. Then there is one other point connected with Bombay which, it seems to me, has not been altogether considered, and that is, that the Governor of Bombay, in my time, had got hold of what he thought a great resource, which would enable him to spend money in local improvements, to beautify Bombay, and to improve it in various ways, and they were all excellent schemes in their way, if you had plenty of money; but the Secretary of State believed that this fund would last much longer than it did last, and the consequence was, that he was led to approve of an expenditure in Bombay which probably otherwise he would not have approved of.

5611. I think your answer supplies the clue to what appears to be a mystery; you, as I understand, think that the Governor of Bombay, although in some respects a subordinate to the Viceroy, is in other respects independent of him, because he is allowed to communicate directly with the Secretary of State, and, therefore, it is an *imperium in imperio*?—Yes; I think there was a great deal in that.

5612. We will take, for instance, one typical case, in which it appears to me that the Governor of Bombay was remonstrated with again and again for what he was doing, but he never took the smallest notice of it; I refer to the spending of 175,000 *l.* upon the country house at Poona; I believe the Viceroy repeatedly remonstrated, and the more he remonstrated the more money was spent. Now, what was there to prevent the Governor General from saying that that was an extravagance which could not be tolerated; that such a sum of money as that should be spent upon a country house for a local Governor, where the mass of the people are so poor that, as you say, they can barely obtain subsistence, and that he would absolutely stop it. Did he try to stop it, and, if he did not try to do that, why did he not try to do it?—I speak from memory, because I have not seen the papers connected with those occurrences for five or six years now; but speaking from memory, it is not quite as you put it. The facts, as far as my memory goes, are these: The Governor of Bombay had a house near Poona, which had been from time immemorial the country house of the Governor of Bombay; the Governor, without any reference to the Governor General of India, sold that house, and sold it for a very large price (it was a time when everything was unduly inflated), and got a very good sum of money for it, 35,000 *l.*, or thereabouts; he then wrote to the Government of India, and said, "I have sold the Government House at Dalpooree for this sum of money; the house was very unsuitable, and it was in an unhealthy position; now, I ask you to let me spend this 35,000 *l.* in building a new Government House." I was Governor General, and therefore I mention the circumstances as far as my idea of the matter goes; I was annoyed that he had done this without reference to the Government of India.

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5613. Had he any right to do it?—Well, I think he ought certainly not to have done it; but, as the case was put, I considered that he got what appeared a very good sum of money for the house, and a sufficient sum to build the new one; and as we were at this time, so to speak, in collision with him on more important subjects, I said to the Council, "I think this is irregular, but we had better give our consent," and accordingly we did so; and the implied, if not the expressed understanding was, that he would build this house for 35,000 *l.*, the sum realised from the sale of the other one. We heard nothing more of it for a time, but we assumed that he was building the house. A year or eighteen months elapsed, and he wrote up and said, "I have spent 90,000 *l.*" (I say all this under reservation). Upon this we were very angry, and wrote him very severely about it, and thought so bad of it that we sent a report home with the papers, saying that we thought it was very improper, and the Secretary of State said that he agreed with us, and admonished the Governor of Bombay severely; but we could not do more than that. It was not only that he had spent this 90,000 *l.* on it, but it was not finished. Then we called upon him, as far as I recollect, to give an estimate of what was necessary to finish it. He did not do that for a long time, and by that time I had left India; it was either just as I left India, or shortly after I left India, that there came up a revised estimate, showing that a great deal more had been spent upon it; but I think that it was not solely and wholly the act, from beginning to end, of one Governor of Bombay; I think that a portion of the responsibility lies upon his successor.

5614. Your account of the transaction corroborates the conclusion which I have arrived at. What I understand is this: first he supposed that the house would cost 35,000 *l.*; he then spent 90,000 *l.*, whereupon he was severely reprimanded by yourself as Governor General, and the Secretary of State; you did not think the case sufficiently serious, although it was grave, to dismiss him; but you reprimanded him, and told him at once to forward an estimate of what expenditure would be required to complete the house. He took no notice of that, or delayed it for a very considerable time, and, in the meantime, went on spending the money?—Yes, that is about the case.

5615. Having, in the first place, sold the house irregularly?—Yes, there was a certain amount of irregularity in it; but I would not have thought much of that; more especially as he got its full value, and probably a great deal more than it cost the State.

5616. Then do not you think that it is a very legitimate conclusion that the local Governor, if he can carry on a series of transactions like that without being re-called, is, virtually, so far as spending money is concerned, independent?—If he carried on a series of transactions like that, no doubt that would be the conclusion; but I think it was a very extreme case, and I do not think,

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looking back at it, that it would have been possible for the Government of India to have done more than it did; public opinion, the Secretary of State himself, would not have justified, nobody would have justified, the Government of India had they recommended that a Governor of that character should be summarily dismissed because he had done an act of that kind.

5617. Now the Secretary of State for India, who is a member of the English Cabinet, and whose policy is of course partly that of the Cabinet, is not only absolute with regard to finance in India, but does not this take place since the amalgamation of the army, that the Commander in Chief of the British army, without consulting any authority whatever connected with India, may carry out a change in the English army which will exercise a most important influence upon the finances of India?—I could not speak authoritatively as to the absolute powers of the Commander in Chief in England, but I conceive that he would not do that, because he could do nothing in England without the assent, in the first instance, of the War Office, and subsequently, I presume, of the Treasury. Until the given measure which the Commander in Chief wanted to carry out had been introduced into the army in England, it could not apply to India, and he could not make a suggestion, still less could he send out any instructions to India whereby an expense was put upon India which was not in force in the British army as regards England; the mode in which the Commander in Chief in England would operate as regards India is, that he would make a suggestion which would be sent to the Secretary of State for India, and if he approved of it, it would only then go to India and be carried out; if the Secretary of State in Council did not approve of it, they would resist it in England; it is only when it would be backed by the Secretary of State in Council that any suggestion of the Commander in Chief in England, which would cause expenditure in India, could be carried out.

5618. But supposing that the pay of the British soldier was raised, that would affect India?—Of course it would; but then two things would have happened; first of all, it would not be that the pay of the soldier in India would be raised, but the pay of the soldier in the whole of the British Army would be raised.

5619. That is my point; if the Commander in Chief and the Secretary of State for War tomorrow agreed to raise the pay of the British soldier, that would affect the British soldier, whether he was in England or whether he was in India?—Of course.

5620. In that way the Commander in Chief and the Secretary of State for War, who are not directly connected with India, may introduce changes into the British Army which may immediately throw a very large additional charge upon the revenues of India?—It could be done; but I presume that the matter would be discussed in the Ministry as to its bearings on India, and if it was finally settled to introduce it into the British Army, they would take the question as to what effect it would have in India into consideration.

5621. But as to discussion in the British Cabinet, that does not place the financial position of India in a more favourable light, does it, because there are 15 people generally in the British Cabinet who are interested in English finance, and but one who is interested in Indian finance?—That is quite true; but, of course, everything depends upon the Cabinet.

5622. You have probably seen the correspondence between Lord Mayo and the Duke of Argyll, and members of Lord Mayo's Council, in reference to military expenditure, and you are probably aware that complaint after complaint is made in that correspondence of a great amount of military expenditure in India being unnecessary, but being simply caused by the policy of the Commander in Chief at the Horse Guards?—I do not know that I have seen it all; but I have certainly seen some of it. I was shown some of the correspondence, but I do not think that I have seen the greater part of it. I do not at this moment call to mind the particular items of expenditure to which Lord Mayo's Government took exception, but I daresay there were some items.

5623. But when it was proposed, in order to save the revenues of India, the highest military authorities having expressed the opinion that that reduction could be made without any disadvantage whatever to India, to reduce the cavalry regiments by four and the infantry regiments by seven, do you remember that the reply which the Government of India virtually received was this, that only two cavalry and two infantry regiments could be reduced, from considerations connected with British finance?—I do not remember the precise number, but I recollect that there was a correspondence of that kind. It was always difficult to induce the Government to reduce the British force in India, because it would come upon the Home Estimates, and because a portion of that force had been raised for India.

5624. I understood you last time to express the opinion that the Queen's regiments in India were somewhat over officered, because it was our policy to keep up a great number of officers with the Queen's regiments when they are at home; but does it not strike you that what would be a perfectly justifiable expenditure in an extremely wealthy country such as England, is an altogether unjustifiable kind of expenditure in an excessively poor country such as India is?—I think that such expenditure is of much more consequence to India than it is to England; but, at the same time, when you come to discuss these questions from different points of view, you find that very eminent men, men of high reputation, are adverse to propositions for reductions which are made from time to time, and, of course, that renders it extremely difficult to get those reductions allowed. Now, for instance, if the Government of India, with all its Council, were unanimous, the proposed reduction would come with very much greater force in that case than it would in the other; but, in point of fact, it is very often the case that some of the Council differ, and think that the proposition of the Governor General and the rest of the Council is unreasonable, and use their influence the other way, and then, of course, that weakens the reference which comes home.

5625. But, in these cases, the reductions to which I have alluded were recommended unanimously by the Governor General and the whole of his Council?—If that is the case it comes with very much force, and I would say that it ought to be listened to.

5626. But does not this general remark apply to

to all the questions bearing upon the army since the policy of amalgamation has been carried out, that here you have the same army for two countries; one of those countries is extremely rich and the other is extremely poor; consequently, that being the case, and considering that the rich country decides, virtually, the military expenditure, the natural result is, that a great additional charge is thrown upon the poor country?—I do not think that the system, as regards military expenditure, has changed since the Government of India came directly under the British Government.

5627. I mean ever since the amalgamation of the army?—Nor since the amalgamation of the army. I do not think that the general policy as regards the number of the British troops, and their officering, and so forth, has altered. Whatever was done for the British army before amalgamation, was done for the British troops in India, or for the local troops in India; but in point of fact, first, owing to the circumstance that many more English troops are kept in India now than there used to be, and secondly, that various things are done for the British soldier which were not done in former days, on the whole, the expense connected with the troops is greater relatively than it used to be; that is what I mean.

5628. With regard to your evidence as to our employing the natives, you, of course, know the words of the Queen's Proclamation, which produced a deep impression, I believe, in India, in which she declared that all her subjects, whether India or British, should be freely and impartially admitted to those offices for which they were fitted by ability and by education; and no reference was in this promise made to race?—That is quite true; I recollect it very well.

5629. Now, in your last examination, you said that you thought it was undesirable that natives should be admitted as commissioned officers in the army, not because they were unfitted by ability or by education (I quote the words of the Queen's Proclamation) for those positions, but because of the pride of race of the English officers. Now, when the Queen made that Proclamation to the people of India there certainly was no reservation as to pride of race?—I suppose there was not, but I am not responsible for what was said in that Proclamation. When I am asked a question as to whether this would be politic or the reverse, I give you the opinion (it may be right or it may be wrong, but it is founded on my experience), that it would not be a politic arrangement; and when I am pressed for a reason I give what you quoted as a reason. There are other reasons, but that is the main reason in my mind.

5630. But then, as this proclamation of the Queen's is properly looked upon by the people of India as containing really the principles on which they are to be governed in future, and as they properly look upon it as emanating from the highest possible source, do not you think that if our statesmen decide that it is not politic to carry out this statute literally and truly, it would be better at once to say so, and alter the proclamation?—That is a very difficult question to answer, it seems to me. It is a great political evil, of course, to retrace your steps, and, as it were, to modify your proclamation. On the other hand (and I say it after long reflection and a very great desire to come to an opposite conclusion), I think, that what I said before is the right answer, that it would not be wise to do it. I think you may do a great deal for the natives in various ways which would not militate against our power, and would not come in contact with the prejudice of our race; but that is one of the kind of things which, I think, would be extremely difficult to carry out.

5631. Do you think that the natives of India, again to quote the Queen's proclamation, are "freely and impartially admitted to the offices for which they are qualified by ability and education," when you say to all the natives of India, "If you wish to enter our civil service, or if you wish to become an engineer, you shall travel many thousands of miles in order to have an opportunity of testing your ability," whereas the people of England have the examination almost close to their own homes; do you think that we can say that they are treated with impartiality as long as that is the state of things?—I think that they are treated with as much impartiality as is consistent with our hold on India; at any rate, that we might treat them so, but without relaxing the present system to that extent, which you indicate in your question.

5632. But then the point that I want to get at is this; I think nothing is worse than making a promise and not carrying it out; and you cannot say, can you, that the promise, or that the spirit of the proclamation, is carried out under our present system?—I say that it is not; but then I think that the responsibility of that must be upon those who put forward that proclamation; I think it would never do for those who are in authority in the present day, and who see that there are serious objections to carrying out certain promises absolutely to shut their eyes, and say, "Well, it has been once laid down, and no matter what happens, it must be enforced." The wiser way (I say it in all humility), it seems to me, is not to carry out such promises; to do as much in that way as you can do safely and securely, and do it with a liberal and kind spirit; but still not to do what you think politically evil. I think our hold on India, and our position in India is a very peculiar one, and a very little, on one way or other, might do a great deal of harm.

5633. The only element of representative institutions which, so far as our Government is concerned, exists at the present time in India is, is it not, that one or two natives have been nominated upon the Councils of the Governor General, and the Governors of Madras and Bombay?—Yes, that is the case.

5634. And in that way the European population is, to a certain degree, represented by having some persons, merchants for instance, put on the Council, who are not officials?—Yes.

5635. Now with regard to this representative element, which must at all times be small, is it not reduced to a minimum by the new practice which has grown up during the last few years of the Government of India spending a great portion of the year at Simla, to which the merchants often cannot go, and the natives often do not go?—I do not think so. I think that the great bulk of the legislation is carried on in Calcutta. It is only in exceptional cases, and unimportant cases, or where it particularly applies to the up-country, that the legislation goes on at Simla. And moreover, there is no real difficulty in either the merchants or the natives coming up to Simla. If you take the up-country natives who have sat in

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the Council, I do not think that there is one of them who would not very much sooner have gone to Simla than to Calcutta; they far prefer going up there than going to Calcutta; and I have had chiefs who have come to me to Calcutta and told me that if I did not let them go away, they would die.

5636. Did the natives come up to Simla?—Some of them came up and some did not. If any chief did not want to come up, he wrote and said that certain circumstances had occurred, and that unless he was very much wanted he did not want to come up; and in that case we did not press him to come.

5637. How many months in the year is the Government absent from Calcutta, because I understand from your answers that they do not transact important business as a general rule, except at Calcutta? — Not in the way of legislation. When I was Governor General, the Government was about five months of the year on an average in Calcutta, and about one month going and coming, including visits to places off the line, and about seven months at Simla.

5638. It has been estimated, has it not, that this migration, which is a new practice, costs about 56,000 *l.* per annum? — I do not think it costs so much as that. I had a paper showing about what it cost in my time, and I should have said that it was about 30,000 *l.* or 40,000 *l.* A great part of that cost arose from expenditure in going and coming on the railway, which was hardly any expense at all, considering that we had to make up the 5 per cent. on the railway, and that the railway did not pay. But assuming that the railway did pay, the expense would have been, I should say, perhaps 40,000 *l.*; and I should say that three-fourths of that was probably due to the railway.

5639. In what way is this expense limited, because of course India being so poor a country, it is necessary to look after small sums of expenditure with a great deal more care even than they are looked after in England, and I do not think that that expenditure has been very carefully scrutinised; to what extent, for instance, are the members of the Government allowed their expenses when they go to Simla; is it simply confined to themselves, to all those practically engaged in the work of Government, or are they allowed the expenses of moving their domestic establishments?—They are allowed a certain expenditure; originally, whatever were their actual *bonâ fide* expenses, were allowed; but there was some discussion on this subject during my time, and it was understood that the expenses should be limited to what was absolutely necessary, but that did include their domestic servants; the amount covered everything; but I think it is only fair to say this, that on the average the expenses of the Governor Generals in moving about in India, previous to my time, were about as much as the expenses were in my time, including the cost of the visit to Simla.

5640. But this allowing of the expenses of the establishment did not refer to all the people who moved, did it; for instance, a member of the Council was allowed, was he not, the expenses of moving his wife and family, and their travelling expenses were paid, and those of his servants; but when you got lower down was the same privilege extended to the subordinate clerks?—Yes; to all of them there was a sum allowed which would cover all their expenses on an economical basis.

5641. With reference to sales of waste lands which you mentioned, have you ever looked into the question what has been done with the proceeds of these sales of waste lands?—Yes, they were carried to the side of income.

5642. But are you aware that that was in express contravention of an Act on the subject, and that they ought to have been appropriated to capital?—It would have come to the same thing, in my mind, because we were in those days borrowing for various reasons, and if we had carried these sums to the credit of capital, it would have been at the very same time that we were borrowing; and if we had carried a quarter of a million of money, for instance, to the credit of capital, we should only have had to borrow 250,000 *l.* more than otherwise we did borrow.

5643. But then it gave an erroneous idea of the revenue of India, because, if one year a sufficient amount of waste land was sold, and the capital was appropriated to income, it was brought out that there was a surplus, and everyone in this country, and I suppose most people in India, believed that it was so, and yet, when the accounts were examined into, it was found that there was no surplus at all, but that the surplus had been simply arrived at by appropriating such funds from the sale of waste lands, which, according to what was strictly enjoined, ought to have been appropriated to capital; therefore, should we not have obtained a more accurate idea of the finances of India if that had been stated?—I think there ought to have been a foot-note to each account, showing that so much money was of the character that you describe; and, in point of fact, I believe that almost invariably the Financial Member of the Council did, in his speech, state that there was a given sum, arising from sales of land, which had been carried to income, but which was really in the nature of capital.

5644. Did I rightly understand you, from an answer that you gave on the last occasion, that you are in favour of giving an Imperial guarantee to the debt of India?—I would be in favour of it, but I am afraid that nobody in England would listen to it; but it would be a very great relief to the finances of India.

5645. In the event of the English Government taking upon itself this great responsibility, it would be necessary, would it not, entirely to change the Government of India, and for the House of Commons, as representing the English nation, to exercise a much more immediate and direct control over the finances of India than it does at the present time?—I think, even at that cost, it would be advantageous to do it.

5646. Of course you think that, at the present time, if any misfortune should happen to India, and India should not be able, from her own revenues, to pay the interest of the debt, England is in no sense liable?—No, I do not think that England is liable, but I think that there would be an immense effort made to get England to recognise the debt in some way or other.

5647. From those people who are interested, you mean?—Of course; and I think that would be an argument, among others, in order to induce the English nation, if they could be induced, to take upon them, in that degree, the responsibility, so as to be able to reduce the interest which they pay for it.

5648. As you feel that this pressure, which would undoubtedly be brought to bear by the holders of Indian stock upon the Government, would be successful, you think that the thing had better be acknowledged at once, and that India should have the advantage of our being able to reduce the interest to 3½ per cent. ?—That is my view.

5649. And you would be prepared to give the House of Commons more direct control if that were done?—Certainly.

5650. Mr. *Denison.*] For the sake of the small difference which now exists between the price of English and Indian securities, do you think that it would be advisable to introduce so great a change into the finances of India?—It would save 1¼ per cent., taking the price of money now in India as 4½ per cent., and the fact that you get it at 3¼ in this country. That would make a very considerable difference when you come to millions of money. It would also affect our responsibilities in regard to railways; we might borrow money in that way, and pay off our liabilities when the time comes that we are at liberty to redeem the railways; and so save a great deal in that way.

5651. You are aware that the 4 per cent. securities are at par in India now?—Just now they are at par; but the great bulk of our debt is at 4½ per cent., and some of it at 5 per cent.; and the railway liabilities are at 5 per cent.

5652. Sir *C. Wingfield.*] Would you take away from the Governors of Madras and Bombay the power of direct correspondence with the Secretary of State?—I do not think that I would take it away from them; but I think that the Secretary of State might so manage that it did not do any harm.

5653. That he would limit it to unimportant matters?—Yes; or where it was an important matter, that he refrained from giving a decision, except through the Government of India.

5654. With reference to local taxation, you are of opinion, are you not, that after a settlement has been concluded in which the cesses have been reckoned and contracted for, to impose additional cesses, or to enhance the cesses by an Act of the Legislature, though it is as legal as any act of the Legislature is, is regarded by the people as a breach of the understanding come to?—I think it is.

5655. Then it is a measure that you would not approve of?—No, I never was for it, except in the case of the permanent settlement of Bengal, which I think was an exceptional case.

5656. You regard that as exceptional because all allusion to cesses at the time of the settlement was omitted?—Yes.

5657. And you consider that in such a case it becomes an open question?—Yes.

5658. But where they have been provided for we must abide by the terms?—I entirely agree with that.

5659. Now it has been said often by the advocates of local taxation, that the people will pay willingly to the Local Government for local purposes, new taxes or cesses which they would object to pay to the Supreme Government as part of the imperial taxation. Do you think that there is much force in that?—No, I do not. There is some slight force in it as regards influential people in the towns, that they would lend themselves to a policy of that kind where it was very limited and very moderate, even though in their hearts they were against it; but with that exception, everybody would look upon it in just the same light as if it were imperial taxation.

5660. In fact they would draw no distinction as to the source from which the taxation came; they object to novel taxation of any kind, from whatever quarter it may proceed?—Yes.

5661. I gather that in a case of very pressing necessity you would rather raise money in any other way than by adding to the demands on the agricultural population?—I would.

5662. You consider that the contentment of the agricultural population is the main security for the maintenance of our rule in India?—I do; I think nothing could happen in India if the agricultural population, as a whole, were on our side.

5663. As regards the income tax, do you not think that if the income tax had always been as it was last year, if it had never extended below incomes of a thousand rupees, and had been at a moderate rate, say 2 per cent., those abuses in regard to the collection which have been so much animadverted upon by the local officers, would never have existed, because then the number liable to income tax in the country districts would have been so limited, that the European officer would have been able to undertake the duty of assessing it, and would not have had to delegate it?—I think so. Not only would they have been so moderate in number that they could easily have been supervised, but those who had to pay it would be in that position of life, that they could easily have come forward and complained if there was an abuse of power.

5664. And the complaints of oppression have originated mainly from the tax going so low that the native collector could threaten almost the poorest man with it?—Yes; and I think that where the natives had been well selected to carry out the income tax arragements, they would have taken care that there was no real abuse. It would have been so seldom that any such case occurred, that it would have been very easily remedied.

5665. With regard to the permanent settlement, of course a permanent settlement in the Upper Provinces of India would benefit a vast number of the population, because the rights and interests of the actual proprietors of the soil, and those holding a beneficial interest under the actual proprietors of the soil, have all been so clearly defined; but the position of tenants at will would be the same precisely under a permanent or temporary settlement, would it not?—Yes.

5666. And the tenants at will, even in Upper India, I fancy, would constitute half the agricultural population?—Yes; perhaps more.

5667. You do not think that the permanent limitation of the Government demand on the proprietor of land, whether a great proprietor or a a small proprietor, would influence his demands on the tenant at will?—I think it would, to some slight extent: but of course I could not say that it would to a very large extent. I think that a man who is pretty well off himself is more likely to be reasonable and kindly in his dealings with his cultivators, than a man who has a very heavy burden on him.

5668. Now, have you ever observed that in villages exempted from the payment of revenue, the owners of those were more moderate in their demands from tenants at will, than in revenue paying villages?—I am rather inclined to think they were, but I would not say it very decisively. I certainly think that under native governments they were; I have often heard cultivators say that they were better off under the holders of rent

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free lands, than they were under the collectors of revenue of native governments.

5669. Do you think that if a permanent settlement were adopted in Upper India, the peasant proprietors would be thereby tempted to alienate their lands, to the richer classes; that the value in fact of the property would so rise, and such large sums would be offered that they would be tempted to part with it, and that so in fact the benefit of the permanent settlement would pass to other classes of the people than those peasant proprietors?—I think in exceptional instances it would be the case, but not as a rule, and for this reason; every man well acquainted with the agricultural communities, especially where they come down from ancient times, and are pretty much the same races, knows that there is in them a remarkable love of their land, and that they will undergo the greatest sacrifices rather than lose their land; and I think, bearing that feeling in mind, which I have often noticed, and have often heard expressed, they would stick to the land as long as ever they had a chance of living on it, with certain exceptions. It is not an uncommon expression among the yeomen and present cultivators of Upper India, "We would sooner sell sons and daughters than part with our land."

5670. But do not you think that the effect of the record of rights at the settlement in the North West Provinces, and the accurate definition and security of the position of the peasant proprietors, has been to lead to a great deal more alienation than would otherwise have taken place?—No; I think not.

5671. Has it not given their right a market value which while there was an insecurity about them did not exist?—Yes, of course.

5672. And thereby enabled them to part with them more easily than they could otherwise have done?—Of course they could part with them more easily; but I do not think that that facility has counterbalanced that extreme love of their holdings which they show.

5673. Have you not heard that in some of the districts in the North Western Provinces the peasant proprietors have largely parted with their land to the money lending classes?—No doubt, but that has arisen from various circumstances which I think would be lessened under the permanent settlement, rather than increased; I think that has arisen partly from poverty, partly from accident in some few cases, though they are exceedingly economical people in my mind, nevertheless, on certain occasions they are extravagant, that is, on their marriage occasions, and the village banker is a very cunning fellow, and continually gets those men, who cannot read or write, into his books, and allows the accounts to run on for a long time, and then brings in a heavy balance against them, and goes to the civil courts; and the man, partly from his ignorance and partly from his not being able to employ counsel to defend him, in these various ways has very little chance, and he loses his case, and his land is sold up; I think that a great deal of the land has been alienated in that way, and so much so, that that was one of the reasons, in my mind, why many of the people joined against us in the mutiny, who would otherwsse have been on our side; at Allahabad and Cawnpore, and in Bundeland, and many other places, it was said during the mutiny, that the great feeling was against the village bankers and the Government civil courts, and when I made inquiry about it, it came to what I have been telling you.

5674. In fact, in those cases, when the mutiny broke out they thought that they would repossess themselves of the land that had been sold to the bankers?—Yes, they said that their day had come, and that they would recover their ancestral lands.

5675. But the extent of the alienation which has taken place is regarded by the Government of India as so great a political danger, that they contemplate some measure to check it?—I had nothing to do with the policy, but at the same time I approve of it; I think it would be an excellent arrangement, if carried out judiciously. Now, in the Punjaub and in the Delhi territory, it was a constant axiom with our officers in the civil courts, that when they gave decrees against the people, they should always try to arrange that the money should be paid by instalments, so that the owner of the land was not forced to sell. Where the man belongs to an old ancestral community, these things break up the whole community, and are very mischievous.

5676. And often these dispossessed old proprietors form a most discontented class ready to join in any convulsion, do they not?—No doubt. Some of the most troublesome dacoits that we had, when I was Governor General, in Bundelcund and Allahabad, were rajpoots, whose lands had been sold up for decrees of court.

5677. I do not know whether you have heard that during the last three or four years a party has arisen in India who say that at the late settlement in Upper India, the Government demand had been fixed too low; they consider that to leave 50 per cent. of the rental is more than you need leave to the people, and that justice had not been done to the Government in the assessment. Do you agree with that view?—No, not at all. Of course I cannot judge of any individual settlement that has been made, and nobody could do so without going over the papers carefully; but taking it in a general way, I say that the case is quite the contrary.

5678. Assuming the calculation of assets to be correct, you think that the Government should be content with 50 per cent.?—I do. Moreover it comes to more than 50 per cent., because if you put on the different cesses and the different allowances to head men and village accountants, and so forth, it comes to at least 60 per cent.; and if the villagers get into the criminal court, or any trouble comes on them, they have to make, as you know, a cess to pay fines, and in that way villages are very heavily mulcted at times.

5679. So that probably the basis of taking 50 per cent. for the State, does not leave above 35 per cent. for the proprietor?—No.

5680. And you think that that is as little as we ought to leave him?—I think that, if in the course of events, it could come to be less, without the Government suffering, it would be so much the better in a political point of view; I think if you had a commotion in a district, with a light assessment, the bulk of the people would be with you, and if you had a heavy assessment, the bulk of the people would be against you.

5681. With regard to irrigation, I imagine that probably only a very small portion of the area over which the great famine extended is now accessible to the irrigation from the canals?—I do not know exactly what amount, but I should say probably a fourth or a third, or something of that

that kind; but then, as you know, in irrigation, if you have an average of a fourth or a third, that would secure the whole village practically in a famine year.

5682. You are aware perhaps, that it was contemplated to make canals from the Sarda river through Oude, and that the landholders objected to it, and petitioned against it, and the Governor General referred to the Chief Commissioner of Oude, and the Lieutenant Governor of the North West Provinces, and they both gave their opinion against the scheme, and it has been abandoned?—Yes.

5683. The objection urged by the people was that water throughout that country is so near the surface, and there are so many natural reservoirs, that they got as much water as they wanted and objected to paying for it?—Yes.

5684. That being the condition of those lands, you think that it was a wise determination on the part of the Government to abandon that scheme?—Certainly. I would never make a canal where it was not wanted. There are many parts of India where it is a question of life to the country to make canals, and I would concentrate my resources there.

5685. You would consider that on such a question, the people themselves were very good judges of what would be for their interest?—I should say that on the whole they were the best judges.

5686. You think that if water were a great necessity, the people would not object to the canal?—I think they would all hold up their hands for it.

5687. You think that when they come thoroughly to appreciate the advantages of water they will readily take it?—I think so, provided you fix the price at such a moderate rate as will give them a good margin.

5688. But is it not the case (I dare say you have heard it stated) that for the summer crop they will wait for a rainfall, and will not take the water till they despair of a timely rainfall?—They will in many parts, but in many other parts the rainfall is so uncertain and so small when it comes, that they find that it will not do to wait for it, that they will get nothing unless they take the irrigation water; in such cases they would take it; but whenever the water is near the surface, and whenever the rainfall is plentiful, of course they would act in the way which you describe; and in such parts of the country I would not make canals.

5689. Therefore you think it was injudicious to propose to expend 4,000,000 *l.* or 5,000,000 *l.*, in a part of the country where nobody could say that the country was suffering from want of canals, when there were many other parts of India where they would be highly beneficial?—I think so; I think it was want of thought, if it was determined to make the canal. If it was only a suggestion, subject to the reconsideration of the Government, when the local authorities had expressed their opinion, that would be a different matter; but if the Government of India said, "We are going to make a canal without any reference to the local authorities, or any reference to the wants of the country," it seems to me to have been a very unwise measure.

5690. With reference to the employment of natives, do not you think that they might be more freely employed in offices of trust and emolument, particularly in the judicial branch?—I think so. I think that they make very good judicial officers.

5691. And you perhaps would not wish to see them much more employed in executive posts, for instance, as deputy commissioners or collectors of districts?—I think that the chief authority in the district should be an Englishman.

5692. But you would not object to the chief judicial authority wherever it is separate from the executive, that is to say, the district judge being a native?—No; I would have a certain number of English judges in the province, but I think it would be a good plan also to have a good number of Native judges.

5693. At present there are a great many native judges, but they are subordinates; but as regards the persons who are called the Civil and Sessions Judges, you would not object to half of them being natives?—No, I would not; but I think they ought to be very carefully selected men; I should think that they ought not to be selected by anything like competition; I think they ought to be men who had in their youth proved not only their ability and their business habits, but their moral character.

5694. And your objection to employing natives as the chief officers of districts, is rather on the ground that they might not be fitted to exercise executive power in certain times?—I think it would, because more apparent in times of commotion, of course, than in ordinary times; still, I think that the chief administrator of a district ought to be, with rare exceptions, an Englishman, as the district officer is the centre of all executive authority; everybody looks to him, and refers to him, and troops marching, people moving, Europeans going about, every kind of person is under his control; and if he was not an Englishman, I think complications would every now and then arise of a very serious character, even in time of peace.

5695. It would be absolutely necessary for him in any case to speak English?—Yes; but I do not think that the Englishman, as a rule, would respect the authority of a native magistrate who had the charge of a district, as they would the authority of an Englishman.

5696. And in carrying on communications with the military officers, there might be complications, if he were a native?—That would be the most serious part of it all.

5697. You do not doubt the ability of the natives for the post?—No, I think that they are very clever, as clever as any Englishman.

5698. You must have known some deputy collectors whom you would consider in point of capacity fitted for almost any civil office?—Yes, very able men.

5699. You said, in part of your evidence, that the English officials look more to home now than formerly, and that they turn their thoughts rather to English life, and do not devote themselves so much as formerly to Indian interests?—I think that is the tendency; I have heard natives say so, and I have heard Englishmen say so themselves.

5700. Do you think that our English officials, our Civil servants now are less kindly disposed to the natives; that they are less disposed to friendly intercourse with them; have less liking for them, in fact, than was formerly the case?—Well, I am afraid that the gulf between the two races has very much increased since the mutiny.

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5701. And would you attribute that so much to embittered feelings arising out of the mutiny as to the growth of circumstances. The fact, for instance, of England being brought so much nearer to India, and the thoughts of the English officials being always fixed on getting home?—I think partly one, partly the other; I think the effect of the mutiny was greatly to increase the ill-feeling between the two races. Of course, the native did not express it, while the Englishman often did; but I think that there is an increased ill-feeling between the two since those days; the proximity of England, and the facilities of getting home, also tends to lessen the inducements for the cultivation of kindly feelings between the two races.

5702. Would you be inclined to think that the different mode of appointment to the civil service, I mean the fact of men now being appointed by competition, whereas formerly they had some hereditary connection with India, has had anything to do with diminishing those feelings of sympathy which the European officers formerly entertained for the natives?—I do not think that is the case, though I have heard it often said; I think that natives like to see a man who is the son of a distinguished man, who has been in India, and they take to him, but I think that after all a great deal depends upon the individual himself.

5703. Do not you think that one cause may be that the officials now have so much more work to do, that they are so much more confined to the office that they have less time to move about and hold friendly conversation with the natives than they formerly had?—I think that there is something in that; the tendency is for work to increase very much, and thus there is little time to give to other matters, however important.

5704. You would say that it is of immense importance in India, that European officials should command the confidence and attachment of the natives?—Yes, I should; I do not think that a man can do anything very well without having either the affection or the respect of the natives, or partly one and partly the other.

5705. I daresay you have seen officers in India of great intellectual power, who were by no means liked by the people?—I have.

5706. With regard to the army, I think you said with reference to locating the troops in the hills, that it is absolutely necessary that a large proportion of the European army should be kept in sight of the people?—I think so; I think out of sight is out of mind. Of course if you put the troops in good strategical positions, their influence pervades a certain area, and you utilise them in that way to the fullest extent; but there is a limit to that influence; and it is of the highest importance that that influence should exist.

5707. And you may have heard at the time of the Mutiny, in consequence of the denudation of almost the whole country between Calcutta and Meerut of European troops, that the natives had ceased to believe in the presence of any large body of European soldiers in India?—I have seen it in their intercepted letters. I recollect a letter in which the writer said that there was a clear space without an English soldier between Calcutta and Delhi.

5708. And the people in those parts of Upper India would not believe if they were told there were 20,000 or 10,000 Europeans in the Punjaub; never having gone into the Punjaub, they would not believe it?—No; that is quite true. I think it is of the highest importance that the plains should not be denuded of English troops.

5709. You approve generally, as I understand you, of the present system of officering the army. Have you not heard it complained of that the officers are so much removed now from one regiment to another, necessarily, in the way of promotion, that they have not time to become known to the men, or to secure the attachment of the men?—I have heard people say so; but I think that a great deal of that might be remedied by the commanders-in-chief themselves. I think there is a tendency to remove officers very often when they need not be removed; and that if it was carefully considered, any evil of that kind might be very much modified. And I think, secondly, that there is a tendency to over-value the importance of an officer being a long time with his regiment. I think if he is a good officer, and is a man that understands the natives, and sympathises with them, then he is liked, whether he is an old officer or has recently been attached to them; and if, on the contrary, he has not those qualities, I do not think that any length of time will make them like him. I think a good officer, going to a regiment, would in three or four months be as much appreciated as if he had been many years with it. Of course it would not do, just as you are going into the field on some serious expedition, that the bulk of the officers should be changed; but provided that three or four of them have been in the regiments two or three years, the rest might be men who had joined the day before. In fact, I have seen a regiment which went down in the Mutiny with a large proportion of the officers they had, quite new to them, which behaved in the most magnificent way.

5710. Without adding to the number of officers in a regiment, could not some plan be devised for making the promotion go regimentally, by linking three or four battalions together, and by that means keeping the officers more with the men?—It would destroy one of the very principles of the old irregular system, which made the regiments what they were, namely, that you had an officer with a regiment, and if any mischief arose, and he did not suit the regiment, you could easily change him to another, and I think that was a great thing; and then again, his promotion in the regiment to the different posts in it (his promotion in the roster went on on another principle) depended a good deal on his merits.

5711. Do not you think that formerly when a man was appointed adjutant, if he were a good officer, he rose to be commandant of that regiment, and they were not much transferred from one regiment to another?—No, they were not; neither is it necessary that they should now be changed. As a rule, where you want to change an officer, it is when he is promoted, so that the appointment which he held in his regiment was unsuited to him. But that would not be a frequent occurrence; the whole of the steps in his life, regimentally considered, are only four or five. Supposing that he became a captain in the general list, and held the adjutancy of a regiment, under the present system he could still remain as adjutant; he probably would if he liked the regiment stay with it, and would not be particular in getting what is called the charge of a wing in another regiment, and when a vacancy occurred in

in his own regiment, he would get that staff appointment; and in that way, if care were taken to consult the officers, I think changes would not be of that frequency that they would be of importance.

5712. Promotion in the staff corps or in the local list may necessitate an officer being removed from one regiment to another because he might be of a higher rank than the man above him in the regiment?—In that case the authorities would take an opportunity of a vacancy in another regiment to transfer him, but I do not think that that would often occur.

5713. I have always been given to understand that the great objection against the present system is the constant changes which it entails in the way that has been pointed out?—I do not think that there is the importance in that consideration which people think. When people want to enforce any change that they desire, of course they gather up every kind of argument which seems at all plausible in support of their view; but I do not think that it is a matter of much importance. What I think of the greatest importance is, that an officer should get his appointment in the regiment as a staff appointment, and not as his right, so that he should always be on a kind of probation, and could loose that position without actually destroying his position for life.

5714. But you think it also a point of importance, do you not, that an officer attached to a regiment should regard a regimental service as his career, and it was the evil in the former times, was it not, that every man with a regiment looked forward and hoped to get away from it?—It was a balance of evils. It was an utter stagnation of prospects for a man to remain in a native regiment, and therefore he used every influence that he possibly could to get out of that regiment, and if you kept him in the regiment, he became soured, and discontented.

5715. It was a benefit to the man who got away, I quite understand; but then it was an evil to those who were left behind, was it not?—Every man left behind hoped that his turn would come.

5716. Was it not the case that if the man did not get away young, his chances of being removed to some staff appointment was very small?—Seven or eight men got away from a regiment; at one time it was six, then it was made seven, and I think in exceptional cases they let an eighth go away; I think, putting oneself in that position, I would rather be in a regiment where there was a hope of getting away, than be condemned to live all my life in a native regular regiment.

5717. But I imagine you must have observed at different times that there were always many discontented, disappointed, and disgusted men left with their regiments, men with no interest, and hopeless of getting away?—There were a certain number of them, particularly in the case of old officers; but I think it was better to have that system, than to have the system of keeping them all waiting; it was a wretched prospect.

5718. Do you think that the pay of the men in the native army is adequate to the rise that has taken place in the price of commodities?—I think as prices rise you must raise their pay; I have heard officers in whom I have confidence, say that there is much greater difficulty than there used to be in getting recruits on that account; but we have done various things to improve the position of the sepoys of late years. When I was Governor General we gave increased good conduct money, so that a large proportion of the men, perhaps a third or a fourth of the men, had better pay than the others, all arising from good conduct. Then the native officers get very much better pay since my time than they used to get; all that has been a help, but still, if prices go on, you will have to raise the pay of the soldier.

5719. I believe the pay of a native private is still what it was 20 years ago?—With the exception of this good conduct money, which makes it considerably better.

5720. But for the first few years of his service it is the same as it was?—Yes, he gets something deducted from the 8 rupees a month for various necessaries, so that he only draws about 7 rupees a month.

5721. You may have seen constant references in the Indian newspapers, and letters complaining that the pay is not adequate, and that the men are not enlisting so readily, and that many are deserting?—I do not know about the deserting, but I have heard that we do not get the same number of candidates for regiments as used to be got.

5722. Now can you conceive of circumstances under which you would make a native commandant of a regiment?—I can conceive of that readily; I had commandants under me in the Punjaub.

5723. The Police corps you mean?—Yes, but they were some of them on a military footing, and they were really in their own eyes commandants of military corps.

5724. Was there no European officer attached to the corps at all, not one?—Yes, there was to the civil division in which the force was employed. For instance, there was generally a battalion of police on a military footing, and so many horse for each commissionership; there would be one English officer for the whole of them, and then a native commandant for the battalion. There were some regiments which we took over after the second Sikh war, in which in consequence of the good conduct of the native officers and men, we kept them up, and in two or three cases where the native commandants died, we put in others of our own selection. In the mutiny, all these men behaved very well, but still, when they came in contact with regiments under English officers, the system did not work so well, and then, in consequence of the great expenditure, reductions were made; and perhaps you may recollect all the military police were broken up, and these battalions were also broken up. It did not signify so much to most of the native officers and men who behaved well, for they were mostly draughted into the military regiments, the regular regiments, and the others were pensioned, but it did work for some years exceedingly well.

5725. Then you would not have any distrust?—I think there are many natives who, as a rule, would be loyal and behave very well; but there is a point to be considered even in that matter; it is not only whether a man is loyal, but whether your own people think him loyal, because if you do not think him loyal yourself, the action of your own officers might be to make him disloyal.

5726. Do you recollect a paper written by Sir Henry Lawrence in the "Calcutta Review," in which he advocated the appointment of one or two

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two distinguished native officers to the command of regiments?—Yes; what I have described was quite in accordance with his view; he was glad of the opportunity, when he came into the Punjaub, to carry out something of that sort himself.

5727. He referred to that case where the French had appointed an Arab General of Division, General Yus-oof, who afterwards served in the Crimea, and he thought that we might follow somewhat in that direction?—I think if we had many native commandants of regiments and anything serious occurred, of course their position would be a subject of anxiety, because if they went against us they would naturally have great influence with their regiments, and might carry them over to the enemy.

5728. In fact in the mutiny the incompetency of the native commissioned officers was a very important element on our side, was it not?—No doubt; no men rose up among them that were of real ability.

5729. That our seniority system in the regular army had bred a set of men from whom nobody was found fit to be a leader?—No; there was only one native officer, a subadar of artillery, who brought the Robilcund brigade to Delhi; if you recollect he was a Mahometan.

5730. There would be a danger, you think, in appointing natives to the command of regular regiments?—My answer had regard to extreme cases. No doubt it is a serious matter, but, on the whole, I think it would be better to have efficient officers and men who could do you good service, even though some of them might, under very peculiar circumstances, be tempted to leave you, rather than to have a very inferior set of men who were no value one way or the other. There were some of the native officers in the Punjaub regiments who were splendid fellows, and behaved magnificently.

5731. Mr. *Denison.*] Have not the new furlough rules and the greatly increased number of officiating appointments for short periods, much to do with the relaxed feeling of attachment of the natives to their officers?—I do not think so. I think the first effect of the new furlough rules was naturally that a good many officers went home. A great many officers under the old system could not get home, the sacrifice was so great, and therefore under the new rules there was a great rush to go home. That was interrupted by the orders of Government not allowing more than a given number to go at one time; but when the effect of this has worked itself off, I think there will be a steady flow of officers to and from home.

5732. But is it not the fact that there is a very much larger number of officiating appointments now than there were under the old rules?—No doubt, and for the reason which I described, namely, that there were a great many officers that had not had furlough; they could not sacrifice their position and come home. Now they can come home and retain their appointments. But I would much sooner have men contented and let them come home, than keep them there against their will under a very restricted rule; for if an officer is a discontented man, it leads to discontent among his men.

5733. Is not promotion also quicker now in all the junior ranks of the Service than it was?—No doubt it is far quicker.

5734. That also would tend to remove officers more quickly?—It is not so quick as that. A man under the staff corps rules only gets his company in 12 years. In the Royal Army a man often gets his company in six, or seven, or eight years.

3735. You said that you would see no objection to making the natives judges of districts, as also judges in the high courts?—Yes, I said that.

5736. In that opinion do you comprise both civil jurisdiction and criminal jurisdiction; would you make them an appellate authority from European officers in criminal proceedings?—In that there is a difficulty; but if, as you learned the character of the men, you trusted them, it would be a good plan. You must do something to assist the natives; and I think that is the best way of doing it.

5737. As a matter of fact, there are many natives now judges of the high courts, are there not?—There is only one in Calcutta, and I do not know about one in Madras.

5738. In the last few days I have seen the appointment of two judges in Bombay?—When I was there, there was none in that court.

3739. In the High Court, the native judge would have the assistance of his European colleagues, whereas a judge in a district by himself would not have that?—That is so.

5740. There would be considerable difficulty wherever the native judge came to have jurisdiction over British subjects in criminal matters, would there not?—There would. You must bear all that in mind, and arrange accordingly.

5741. With reference to the proposed legislation to prevent the alienation of ancestral lands through the process of the civil courts, will not such legislation materially decrease the selling value of the land?—No, I should think not; because wherever a man wished to sell his land, he could sell it.

5742. But if it is contemplated, as I understand it is, to prevent the alienation of land, in what way could it be done, except by giving a right of pre-emption to other relatives, for instance?—The object would be only to prevent the forcible sale of the land; that is to say, where a man got into debt, and there was a decree given against him in the civil court, then, instead of selling up his land when he could not pay, the judge would rule that the creditor was to receive the money by instalments. The only effect I see from it would be, that there would be a danger that where a man wanted money, he would have to pay higher for it than otherwise; but I do not think that it would lessen the selling value of the land.

5743. *Chairman.*] Are not most of these debts of landholders very much influenced by the fact that they must pay the revenue to Government at a regular date?—The payments of the revenue are very well arranged. They are arranged for such a time that they will fall due after the harvest is got in, and a certain time allowed for selling the produce.

5744. But they are very imperative, are they not?—Ordinarily speaking, they are very imperative, but in Upper India every good collector takes care, if there is any accident in his district whereby the crops are delayed, or anything like a calamity to delay realising the instalments, he either decides it on his own authority, or it goes up to the commissioner, and from the commissioner to the Government.

5745. If

5745. If the man has not money to pay the revenue, he goes to the bank and borrows it?—Yes but if his assessment is a reasonable one, his crops will pay it and leave him a margin, unless there has been some calamity, or he is an extravagant man, and has got into debt.

5746. Then the money having to be paid, is there not rather a difficulty in preventing him selling his estate if he cannot meet the debt?—In the Delhi territory I do not think that in the ten or twelve years that I was there, I recollect two estates being sold for revenue balances; the Government officers were against selling the land for arrears of revenue.

5747. In the North Western Provinces was not it the practice to sell the land if the rent was not paid within the ultimate fixed period?—Yes, and it was a great political evil in my mind. I would have done anything almost rather than sell a man's land, knowing what an evil it was, and how it made, not only himself, but all his friends and relations our enemies.

5748. Mr. *Denison.*] There is a distinction between the two processes, is there not? The Chairman has been alluding now to ultimate sale for default of Government revenue: I was alluding to forced sales under decrees of civil courts, in which the officers have no option whatever, have they?—No; but if they passed a law whereby ancestral lands were not to be sold except under very extreme circumstances, then the consequence would be this, that these village bankers would not be so ready to lend money and get the people into debt, and there would be a certain hedge round the alienation of the land, which would have a very excellent effect; I recollect very well in the Punjaub, that for many years when we were not under the exact law, but under what I may call the spirit of the law, we drew up codes and regulations; you must recollect the civil code which Mr. George Barnes was instrumental in drawing up; I recollect in that code it was laid down as a rule of the civil court that ancestral lands should not be sold for debt, except where the district officer and the Commissioner both agreed that they might be sold.

5749. Is it not a fact that, for a long course of years, all Governments have been exceedingly tender about selling land for arrears of revenue; every other process has been tried first?—I think they have been careful; still, in the Upper Provinces, there have been many cases. I have often heard officers say that there have been a great many sales in the districts to which I have alluded.

5750. In reference to that case of the Government of Bombay and the Government House at Poona, you told the Committee that one of the reasons why the Government of India did not press their objections in that particular case was, that there were other questions pending at the time of greater importance; I would ask you, were those financial questions?—General questions on which we were at issue with the Bombay Government. There [redacted] been several cases just about that time in [redacted] we had blamed the Government of Bom[redacted]d when this matter of selling the house [redacted]ooree came up, it seemed to me by com[redacted] to be a minor matter; I could not an[redacted]e that what did occur would occur.

[redacted] But I would ask how, in your view of [redacted]s, did the conduct of the Governor of [redacted] differ from that of the Governor of Madras, Sir Charles Trevelyan, who for an Act of contumacy was recalled from his post?—I do not desire to criticise Sir Charles Trevelyan's conduct; I was very sorry when the Secretary of State recalled him; it was a great blow to him, and he was a very meritorious and excellent officer, and had rendered great services; but his conduct in that particular case was very peculiar; at the very time when the Government were discussing whether they should put on an income tax or not, he published his minutes without any reference to the Government of India strongly denouncing it.

5752. In fact, the *gravamen* of his offence was the publication, rather than the passive resistance which he might have offered?—Quite so; whereas there was no contumacy on the part of the Bombay Governor of that kind. And then you must also bear in mind that the Governor of Bombay was a very distinguished officer, a man of great merit, who had done good service for a long series of years, and was highly esteemed; and when a man like that commits an error, however serious the error may be, you ought to deal with it differently from an ordinary case.

5753. But your Government was seriously in collision with the Bombay Government with regard to the Bombay Bank, was it not?—Yes, afterwards.

5754. Did it happen, that for a large portion of the time that you were in India, the Government of India were not in accord with the Government of Bombay?—Yes.

5755. And the result was that the Government of Bombay had its way?—To some extent, it had its way, but I have no doubt, if you heard their story, they would say that they had not their way, and, perhaps, that they were not very kindly treated.

5756. With regard to the objections made to the Home Government at certain periods to the reduction of regiments in India, were those objections of a permanent or a temporary kind; that is to say, did they have reference to the English Estimates for the passing year?—Partly one and partly the other. I recollect one case where they said that they could not allow the reduction at the time, but that they would in a subsequent year arrange to take such credit for a given sum in the Estimates; and in other cases there was an objection of a permanent character.

5757. The most serious objection was as to the artillery?—The strongest was to the reduction of artillery. They did not say that they would not reduce the force because they would have to take them over, but the argument put forward was that it was not wise to reduce them.

5758. With reference to the Home Council, do you think that there are any possible changes, or any desirable changes to be made in the constitution of that Council?—I think it is very difficult to know where there is anything to be done, when you bear in mind the system of Government in England.

5759. The suggestion is that from the fact of the Secretary of State being a Member of the Cabinet, in all grave cases the power of the Council must give way to the superior power of the Cabinet?—I will not say that it must give way, but I think it must in the nature of things be greatly influenced by it. You see, it is not only the Secretary of State, but it is the whole Cabinet, and then the Cabinet, of course, are backed by the majority in Parliament. It is the

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effect of a Parliamentary Government. So far from thinking that the Council in any way are to blame for what has occurred, it seems to me that in the very nature and essence of things, it must be so. And as for supposing (I am not saying this only for the sake of the Council, but for the sake of India) that you would improve the system by doing away with this Council, which, though it may not have done all its duty on particular occasions, has been an effective buffer between India and the influence of people in England, it seems to me that you would only greatly aggravate the evil by getting rid of them.

5760. I was not aware that anybody had suggested doing away with the Council?—I allude to the views expressed by Sir Charles Trevelyan on that point.

5761. I imagined that the general feeling was, that in certain grave circumstances the Council of India are not sufficiently powerful to resist that influence which has been alluded to?—I think it is not; but that is inseparable, I think, from the nature of Government in England.

5762. Is it your opinion that on the whole the Council has been of very great value?—I think it has been of very great value; of course, I cannot speak of it so much since I left it at the end of 1863; but judging from the five years that I was in the Council, I think the Council has been of immense value.

5763. And is it, or is it not, your general opinion that the Council has, on the whole, worked for the benefit of India, as well, if not better, than the old East India Board?—I think it has.

5764. Is the system of correspondence kept up by the Indian Council quite as strict in its details as it was under that old system; or to put the question in another way, under the old system the Government of India had to send duplicates of all correspondence, as also a history of everything of importance that went on; is that system still maintained?—There are some modifications of it now, but I think that for all practical purposes the accounts and the correspondence comes home very regularly.

5765. When you were Governor General, besides your own confidential reports to the Secretary of State, was there also a formal Government record sent home?—Yes, double; one printed and the other in manuscript.

5766. Can you tell the Committee what is the course of proceedings adopted by the Council at home on the receipt of detailed reports of the proceedings of the various Governments?—They are examined by the secretaries of those departments, and then they come, case by case, before the committees of the Council as the answers are prepared.

5767. Mr. *Cave.*] What do you consider the best way of getting evidence from native witnesses from India?—I told the Chairman that I thought the best way was to do it through the Governor General.

5768. What would be the best way, in your judgment, of the Governor General getting that evidence; what class of people would you get evidence from?—He would consult various persons about him; he would consult the Governors of provinces and Lieutenant Governors, and hear whom they would suggest, and then out of the general list that would be made, he would, after consulting some of his Council, pick out the names of men who he would recommend should go home, having ascertained that they were willing to go.

5769. Would that list, do you think, be satisfactory generally to the natives; would they consider that their opinions would be expressed in that way satisfactorily?—I think they would, because he would be very careful in making his selections, and would consult very likely some of them too.

5770. I suppose that there are two classes of native opinion; one that goes with the European and one rather in the contrary direction; would you get the class that is non-European represented in that way?—I think that you could not say that any of the natives were influenced much by European opinion; I think they have their own opinion, and their own views.

5771. You think it would give satisfaction to the great body of the natives?—If the Governor General selected them carefully, I think that he is more likely to do it in a satisfactory way than by any other mode which could be adopted.

5772. If you were simply to advertise broadcast for witnesses, I suppose you would run the risk of getting adventurers of all kinds?—Thousands and thousands of people would apply to have their expenses paid to come to England.

5773. Do you think that the native evidence obtained in the way which you mentioned would be satisfactory as to the opinions entertained in general in India?—I think such witnesses would give you a very distinct and clear opinion of their own, and of those who thought with them; but of course as to the value of that evidence, it would depend in each case in my mind on the estimate that is formed of it.

5774. Is there such a thing as public opinion in India as compared with what we call public opinion in this country?—It is not so general or so wide, but there is a public opinion among every circle of natives. As a rule, the public opinion in the Presidency towns is different to a considerable extent from that of the natives in the up-country. The one has been very much influenced by English education and contact with Englishmen, whereas in the interior of the country it is much more pure and unadulterated native opinion.

5775. You think that public opinion is more local in fact in India than in this country?—Yes, there would be one kind of public opinion in the Punjaub, another in Oude, and so on; but I think that the men who have been educated in our English schools and colleges would have an opinion very much of the same kind, generally speaking.

5776. And would you take the last as the best opinion which we could obtain to guide us in deliberating on the questions submitted to us?—I would rather prefer the native opinion in the interior, if you wish really to have native evidence, but I would listen to both, and pay attention to both.

5777. The last would be more general, I suppose, and less local of course than the former?—Yes, I think you would find that there would a certain similarity in it, but at the sam there would be a considerable difference is for those who hear of it to judge, an it, and see what it is worth.

5778. *Chairman.*] Do you consider tha very much in India an opinion of caste an —I do not think on finance questions t distinctions would signify. The upper

through India are the most intelligent classes. I am not talking of the chiefs and rulers, but what you call the nobility and gentry, the upper classes, the landholders, bankers, and merchants, they are the most intelligent classes, and they have their own opinions, and can give good reasons for their opinions.

5779. Sir *G. Balfour.*] I think on the Council you protested very strongly against the abolition of the local European force in India?—I was one of the Council who objected to that; all the Council objected to it.

5780. You have given strong evidence, quoting the words used by a native, that during the Mutiny there was a clear space between Calcutta and Delhi, clear from European soldiers?—Yes.

5781. Will you recal to recollection the cause of the force being reduced; was it not the withdrawal of the European forces for the Russian war?—There were only two English regiments away from the Bengal Presidency, but it is quite obvious why it was. The English force in India was a very limited force, and bit by bit several regiments of that force were placed in the hills, and then came the Persian war, which took away two regiments. Then all these circumstances put together caused that state of things.

5782. Were there not two regiments of cavalry of the same force taken for the Russian war?—I do not think there were from our side of India, there may have been from Bombay.

5783. And from Madras also?—I do not recollect any English cavalry going from the Bengal Presidency.

5784. If we had had two regiments at Cawnpore and Lucknow we would have held those stations at the time of the Mutiny, would we not?—If we had had half a regiment at Cawnpore, with the English artillery we had there, we would have held it.

5785. We were short of our complement by fully 5,000 troops, were we not?—I forget how much, but I know that the regiments were short of their complement.

5786. And if we had sent out the European force which we had surplus to our English establishment on the 1st of January 1863, we should probably have been enabled to make head against the Mutiny more quickly?—If we had re-inforced the British troops in India up to the usual complement, I do not think that it would have sufficed. I think the English force in India in those days was too small a force for anything like a convulsion such as the Mutiny.

5787. *Chairman.*] Was there not a profound conviction at that time, that India was never in such a state of tranquility and universal security, and such content with the British rule, as at the time when the Mutiny broke out?—In point of fact the country was in a quiet state, but, as I said before in answer to questions put to me, when you come to so great a country, such a vast area, you cannot tell, unless you are a prophet, what may take place, and you ought to hold the country in such a way that, humanly speaking, you can meet all comers, and I do not think that you had at that time in India such an English force as was sufficient to have met the circumstances of the Mutiny. No doubt, if we had had a few more English troops than were in India, we should not have had the Mutiny. One of the things which caused the Mutiny was the native troops seeing that there were fewer men to oppose the mutineers at the time, than they were previously accustomed to see.

5788. But at the time, from the Governor General downwards, everybody wrote from India that they were in a state of satisfaction that had not been known before?—I would not say so much as that. I recollect very well writing to Lord Canning in the October before the Mutiny, urging him to reduce the native army, and to increase the English force.

5789. Sir *G. Balfour.*] Did not Lord Dalhousie report, "Peace within, and peace without"?—No doubt he did, in a general way, and if I had been writing home I would have said that there was peace within and peace without; but if you ask me if there was a sufficient force of British troops in India, I say not; 5,000 more, at least, were wanted.

5790. When I mentioned that we were deficient by 5,000 European troops of our establishment, your Lordship will see that that fact alone was the cause of much danger to India?—I have no doubt that it was the cause of great danger; 5,000 men will prevent a great deal which perhaps 20,000 cannot remedy.

5791. Seeing that to be the case, I would ask whether you attach any importance to the fact of India having an European force of its own?—Well you know, of course, there are great advantages on the one side, and there are disadvantages on the other. I think that sound policy dictates that we should accept the circumstances which we are now in; I think continued changes here, and changes there, have a very bad effect; they are most wasteful, and cause much unnecessary outlay.

5792. But, merely having reference to the changes that have taken place, your Lordship would not have advised those changes if your Lordship had had the power of preventing them?—I was one of the men who were very much against the change; but afterwards, when the change have taken place, and you have a new phase of things, I could not go back to an European local army.

5793. Your advice would be simply to try and improve the present system as much as possible?—Yes, and economise as much as you can without affecting the efficiency of the troops.

5794. Your Lordship also, when in Council at home here, minuted very strongly in 1861 about the establishments of the European regiments; would you still adhere to the view that you then expressed, that the establishments of the European regiments should be made subordinate in some degree to the wants of India, and not kept up to suit English ideas?—I would, if I had influence enough, put them simply on such a footing that they would suffice to supply India.

5795. And then you would endeavour by every means in your power to reduce the expense of maintaining those troops in the pay of the country?—Yes, every reduction consistent with reasonable efficiency.

5796. Your Lordship mentioned that the frontier force is one of the most efficient bodies of men that we have in India, and also that if you were to withdraw that frontier force and station them in the Lower Provinces, you would have great difficulty in recruiting them?—Yes, I think so.

5797. And that the efficiency of the force would be endangered if it were so employed?—Yes.

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5798. Then does not all that tend to localising the native troops much more?—I was, to a great extent, in favour of localising the native troops, and still am, to a certain extent; but in Lord Canning's time, while this consideration was borne in view, on the other hand the general idea was not to carry that localisation to the extent that perhaps I and others would have advocated. The native army has now been formed on a modified basis as regards localisation. My reply is similar to that which I gave about the local European army; I would not make changes; when I have got a system at work, I would not be very ready to change it; but I would bear in mind the means whereby I could make the native troops more local than they are, without making a sweeping change; I would be inclined that way.

5799. You have expressed strong opinions with regard to the Madras Army; do you think that any portion of the native army of India has covered such an extensive territory and such varied provinces as the Madras Army has done?—I should say that the Bengal Army has covered a much larger extent of territory than the Madras Army.

5800. When I mention that the Madras Army has covered nearly 400,000 square miles of territory, do you not think that in proportion to its strength it has covered more than the Bengal Army?—If you ask me in proportion to its strength, that is another matter; I thought you meant that as a matter of fact it had covered a greater area than any other army; and I mentioned that the Bengal Army had actually covered a larger extent; but if you look at the map you will see at once that what I have said is so. The Madras Army was a great army, and had a great influence a hundred years ago, and did a great deal, no doubt, in its way, in helping the European troops. But for the last fifty years, except when they were sent to China, they have never had anything to do.

5801. Is it not the fact that the Government of India, especially, excluded the Madras Army from every operation going on in India?—I do not know whether they did or not, but it is a fact that they have not been employed in the way that the others have.

5802. Is it not the fact that the Bengal Government sent the Bengal regiments to Burmah in 1852, and especially excluded the Madras regiments?—I do not recollect.

5803. I have been looking over your Lordship's Committee connected with the organisation and the officering of the regular regiments; I do not see in that how you propose to give promotion to the officers?—Without going over it, and carefully considering it, I could not go into the details of it now. If you say that that point was not considered, of course it was not; but I have no doubt whatever that it would very easily dovetail with that system.

5804. Your Lordship also mentioned the dissatisfaction of the officers with the old system under which the regular regiments were formerly officered, that they were dissatisfied with being so long with their regiments?—In the sense that they wanted to get away.

5805. Would it not have changed their condition very much if they had had the same large proportion of superior ranks then that they have now that they are so much more numerous, especially in the field officers?—Of course, the greater the relative proportion of the higher ranks of the officers compared with the lower, the better it is for the officers of the army; but, in point of fact, in spite of all this promotion that you have given in India, the officers, judging from the papers, are more discontented than ever; but I think that only arises from the fact that they want more and more.

5806. *Chairman.*] And from the fact that the more they claim the more they get?—I think it is something of that kind. I never heard an individual officer talking with me privately, who did not admit that they had immensely benefited of late years.

5807. Sir *G. Balfour.*] Your Lordship allows that the system has not given satisfaction or contentment to the officers?—I do not admit that it has not; but as far as one can judge from outside it has not; but if you ask any reasonable man among them quietly, he will tell you that he is satisfied, and that most of his friends are, only that there are certain classes who want something more.

5808. *Chairman.*] Did you ever know, as a general proposition, that the officers were contented with their lot?—I think that if you are to go on improving their condition until they are contented, they would all require to be made generals, and then they would say that there were too many generals.

5809. Sir *G. Balfour.*] Your Lordship has been asked several questions connected with the Bank of Bombay; do you recollect an application being made to the Government of India to request that you would send down some one to inquire and investigate into the state of the Bank of Bombay?—Yes, I do recollect something of that kind.

5810. Would you enlighten the Committee upon what objections you had to complying with their wish?—In a general way, my view was, that with regard to anybody whom we could send down from Bengal, anything that he did could not have been satisfactory to the people in Bombay, and they would have said that he knew nothing whatever about it; and we would have found only increased opposition in consequence. We thought it better to let them alone, and let them manage their own affairs, subject to such instructions as we could give them in a general way.

5811. Was it not the fact that the Government of Bombay expressed themselves in great difficulty in finding some one to whom they could confide the examination?—I recollect that there was an application of that kind, and we consulted in the Council together about it, and we came to the general conclusion that it was not expedient for us to do it; that it was much better that they should be left to themselves.

5812. But still, your Lordship gave permission to the Bombay Government to give that assistance to the Bank which has been referred to?—Yes; because we nearly all of us thought that it was expedient, as a matter of policy, to do so, and I recollect now, that the very next day after we had sent a telegram to Bombay, saying that we would support the Bombay Bank, we got a telegram from the Secretary of State, telling us to do so. I think we could not have done anything else; and we were in great hopes that that support would have enabled them to tide over the danger; and I think that if they had gone to work in a judicious way, it would have done a great

5813. If, in return for the support g

certain commercial parties, they had taken proper securities, you think that the Bank might have tided over its difficulties?—I think they might have done it, but it is very difficult when men become demoralised, and have got into one course, if I may so call it, for them to retrace their steps. Very few men will allow that they are in the wrong; they generally adhere to the course that they have adopted until it is too late.

5814. *Chairman.*] That view of the Government of India was all based upon the representation of the state of the Bank, which turned out afterwards to be erroneous?—No doubt; but as far as we saw, we thought that we might save it.

5815. Sir *G. Balfour.*] That state of the Bank was due, however, to the advances which they had improvidently made to those bubble companies?—No doubt a great deal of it was.

5816. And these advances were forbidden by the old charter, were they not?—Yes.

5817. Do you remember the circumstances under which the old charter of the Bank was altered?—Without going into details, there was one thing that was notorious to everybody which led to the alteration of the charter, and that is this, that the capital of the Bank was a limited capital, I think half a million of money; the shareholders doubled that capital; then, within a few months afterwards, they doubled it again; so that, practically, the capital was quadrupled; that being the case, they had the greatest difficulty, under the old charter, in employing the money profitably; and I think that led to the alteration of the charter, but I would not like to give any more precise view on the matter.

5818. *Chairman.*] Or it may have been the old story, that those who wanted to get the money led those who owned the money to give it to them upon easy terms?—I recollect people used to say that there was great difficulty in the Bombay Bank in employing the large capital.

5819. Sir *G. Balfour.*] But your Lordship has no reason to suppose that the Governor of Bombay was cognisant of that alteration of the charter, have you?—Of course he was cognisant of it; it came up through him; not in my time, but in Lord Elgin's time. It turned out that this had been done in Bombay, and I suppose for their own purposes.

5820. Your Lordship has urged that we should not force irrigation upon the parts of the country where the people will not take the water willingly?—Yes.

5821. Taking the Madras Presidency, where the irrigated land brings in from six to seven rupees per acre, and the unirrigated land from rupees, would it not, therefore, be desirable to extend irrigation in the Madras Presidency?—Wherever water can be profitably ed, of course it would be desirable to extend The very fact of there being such a difference between irrigated lands and unirrigated ds, would show conclusively that there was at value to be derived from irrigation, in dras.

822. Your Lordship has borne testimony to great value of the irrigation works in the avery district?—Those constructed under supervision of Sir Arthur Cotton.

23. Is it the fact that the revenue has nearly d in consequence of those works?—I dare

With reference to communications, also, our Lordship encouraged the opening up of the Godavery works?—No, I had nothing to do with that beyond being, unfortunately, one of the Council who assented to it. I was in the Council when it was agreed on, but I must say that I would rather not have had it undertaken.

5825. But if we could have communication opened up for 400 miles for 2,000*l.* a mile, your Lordship would consider it a great benefit to India?—If you did not open it further till you got right up into the cotton district, it would be very little use opening out that distance.

5826. The 400 miles would bring it to Ginghaat, where the best cotton is produced?—I am not quite so well at home on that subject as to be able to go into that detail, but I have considered it, and I thought that it would have been better if we had not gone into that scheme. The original idea was to spend 200,000*l.*, and I believe, up to this time, we have spent 800,000*l.*, and we have not got beyond the second barrier, if up to it.

5827. But does your Lordship object to this large expenditure on railways of 20,000*l.* per mile?—I would not spend 20,000*l.* nor 10,000*l.* a mile on them. I think that we have been spending too much; the best thing may cost too much.

5828. *Chairman.*] Do you recollect whether the proposition that was finally approved of was not somewhat in this form, that the Godavery would be navigable where nobody wanted to navigate it, and that where everybody wanted to navigate it, it would not be navigable at all?—I was going to say something of the same sort; in point of fact, it seemed that, for a large portion of the year, it would not be a navigable river. It is a curious fact that nearly all the rivers in India, even the finest rivers, are bad for navigation; and when you come to a river like that, which nearly empties itself after a certain time, it seems a serious matter to spend so much money on it.

5829. Just as the crops are ripe for export, the water in the river has flowed away, has begun to sink down into a little rivulet almost in depth?—Yes.

5830. Sir *G. Balfour.*] Your Lordship has never seen the Godavery?—No.

5831. When I mention that there is a noble line of communication to a considerable distance, by means of an anacut across that great river, do not you think it possible that other parts might be made navigable in the same way?—An anacut suffices with the limited amount of water that comes down to irrigate the country; but when you want to navigate the rivers, you want a large volume of water.

5832. But when I mention that I myself have been there in considerable sized steamers, your Lordship will see that it is quite possible to make that stream navigable?—I would speak with deference on the subject, but I cannot conceive how an anacut across the river would hold up the water for navigation beyond a certain distance.

5833. *Chairman.*] The effect of an anacut at the Delta would be no criterion of the condition of the river in the uplands?—Just so.

5834. Mr. *Denison.*] Judging from past events, and speaking from a purely political point of view, do you think that the Indian Mutiny, and the extent to which it went, was to be regretted?—I think enormously.

5835. Do you not think that a large propor-

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tion of the reforms in the administration of India which have taken place during the last 15 years have issued directly from the political state of things arising out of the Mutiny?—I do not. I do not know any reform at this moment which could be suggested which was not going on in one province or the other in India and would not have spread, though perhaps not at the same ratio, before the Mutiny, as subsequent to the Mutiny. The great improvements in the North Western Provinces, for instance, date back in my mind to the settlement of the North Western Provinces; and the same in the Punjaub.

5836. Do you not think that it is a great advantage for us to have been shown where our weak places were?—But we have paid for it at a very dear cost.

5837. Mr. *Fawcett.*] You are opposed to what is known as the amalgamation of the Queen's Army?—Yes.

5838. At that time you were on the Council of India, were you not?—Yes.

5839. What proportion of the Council agreed with you or objected to that amalgamation?—They were unanimous in objecting to it.

5840. Then could the Secretary of State, considering that question as one vitally affecting the finances of India, overrule the whole of his Council?—He took it to the Cabinet.

5841. There was a case in regard to the finances, in which, if they had stood firm, they could have prevented the step, could they not?—They stood as firm as anyone could stand; everyone in the Council objected to it, and 14 out of the 15 signed a protest against it; what more could they have done?

5842. *Chairman.*] Parliament in reality sanctioned it; the Cabinet or the Secretary of State, in his capacity of the Queen's Minister, submitted a proposition to Parliament adverse to the views of the Council, and Parliament sanctioned the views of the Secretary of State, and by the authority of Parliament the change was made?—Yes.

5843. Mr. *Fawcett.*] But at the time when the question was raised in Parliament, were the objections of yourself and the other members of the Council who objected to it on the Table of the House?—Yes, they were; all our Minutes objecting were on the Table of the House, and Parliament did not seem to care for that.

5844. Did the authorities in India, did the Governor General object?—Yes. The Governor General sent home his objection very late. It was said that if his objection had come home earlier it would have had an influence; but I think that the Government were committed to it. I am not at all certain that it would have made any real difference.

Friday, 4th July 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Eastwick.
Sir George Balfour.	Mr. Fawcett.
Sir Thomas Bazley.	Lord Edmond Fitzmaurice.
Mr. Beach.	Mr. Robert Fowler.
Mr. Birley.	Mr. Hermon.
Mr. Bourke.	Mr. Lyttelton.
Mr. Candlish.	Mr. M'Clure.
Mr. Baillie Cochrane.	Sir Stafford Northcote.
Mr. Cross.	Sir David Wedderburn.
Mr. Dickinson.	Sir Charles Wingfield.
Mr. Grant Duff.	

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. NOWROZJEE FURDOONJEE re-called; and further Examined.

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5845. *Chairman.*] Do you wish to make any statement as to the views of the natives of India with reference to the expense of the judicial system in India?—Yes, I have taken a great deal of pains to gather information on the subject, and have made myself acquainted with the wants of the people and their complaints, and I will lay them before the Committee. The cost of the administration of law and justice in the Bombay Presidency amounted in 1864-5 to 36,81,978 rupees, since which time it has increased considerably every year. In 1865-6 it was 43,72,820 rupees; in 1868-9 it was 46,05,855 rupees; in 1869-70 it was 50,13,165 rupees; and in 1870-71 it was 52,14,340 rupees. These figures are taken from the Bombay Administration Report, and they show an increase of 15,32,000 rupees, or 40 per cent. in four years. This enormous increase in such a short time appears to me to be utterly unjustifiable. Notwithstanding this excessive increase the number of courts has been reduced in the Bombay Presidency, and the provision of justice is inadequate; this I will endeavour to show to the Committee. In 1869 there were the following courts in the Surat district, namely, the Court of the District Judge, the Court of the Senior Assistant Judge, located at Broach, the Court of the Assistant Judge, the Court of the Principal Sudar Ameen, or first class subordinate judge, the Court of Sudder Ameen, or second class subordinate judge, and nine courts of Moonsiffs or third class judges, of different grades. In 1869 the Senior Assistant Judge's Court was abolished, and the 10 courts of the second and rd class subordinate judges have been reduced even, three of these courts have also been ished. The Court of the Second Class Sub- ate Judge of the District of Olpad, contain- bout 170 villages, and a population of about 00 or 700,000 persons, was removed in June ar to Surat, for the purpose of relieving ts of that city, the judicial work eatly accumulated at Surat, in con- of the reduction of the subordinate courts. The first class subordinate judge of Surat, who is overburdened with work connected with the city of Surat, and the surrounding district, called Chowrasee, had not been able to dispose of more than 10 or 15 contested cases out of about 500 made over to him from Olpad; 37 of these cases were transferred to the assistant judge, Mr. Druit, who, owing to his inexperience and ignorance of the vernacular language, had not been able to decide more than one case up to January last. The removal of the Court from Olpad to Surat has resulted not only in a denial of justice to the people of the district, but also in heavy loss to Government revenue, estimated at from 6,000 rupees to 8,000 rupees in six months, the institution of new suits having declined from 1,000 to about 500 cases during six months of last year, and business is at a deadlock, to the detriment of the interests of the people. Two petitions were addressed to Government on the 18th of April and 2nd of December 1872, but without effect. Suitors and witnesses are compelled to leave their homes, and travel over a large extent of country without made roads and bridges, which is very difficult in the rainy season, to sue and recover their dues. It is difficult to issue writs of execution. Attached property must be conveyed to Surat, a long distance, and kept in the custody of the Nazir there. In June 1869 the Subordinate Judge's Court was removed from the city of Broach to an out-of-the-way and obscure place called Wagra. The result is, that cases are heavily in arrears, and cannot be disposed of for a year and upwards, and suitors are put to much inconvenience, trouble, and expense. Last year, Mr. Newnham, the district judge, recommended its removal back to Broach, but without effect.

5846. Why was it removed?—I am not aware of the cause why it was removed, but it was in a very good place, a large city, and a central position. In 1869 Government made a revision of the judicial establishments in the district of Surat and Broach; the object was to increase the

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salaries of the native judges and subordinate officers, who were paid at a very low rate. The first object was carried out, but the latter object has not been carried out. All the courts of the lower grade in the Bombay Presidency are not only self-supporting, but moreover leave a large surplus to Government, after deducting the costs of their maintenance out of the fees which are received from suitors. In the Bombay Small Cause Court the receipts amounted to 2,18,819 rupees, and the expenditure to 1,70,849 rupees in 1871, leaving a surplus of 47,970 rupees. In the Mofussil Small Cause Courts the receipts were 1,81,305 rupees, and the expenditure 95,843 rupees, leaving a surplus of 85,462 rupees. In all the subordinate courts of the Presidency the receipts were 16,01,417 rupees, and the expenditure 7,00,212 rupees, leaving a surplus of 9 lacs of rupees, or a total surplus of 10¼ lacs of rupees, including the Small Cause Courts. The per-centage of costs on the value of original suits in different districts ranged from 10 to 20 per cent. In suits for smaller amounts the per-centage is larger, and amounts to about 25 to 30 per cent. Owing to the salaries of the judges of the High Court and of the district courts being very high, and the amount of work done by them being small, compared with the work done by the subordinate courts, the financial result is as follows: High Court receipts, 2,81,548 rupees; expenditure, 4,35,740 rupees; deficit, 1,54,192 rupees.

5847. Does that include the whole expense as a court of appeal, as well as the expense of the local jurisdiction?—Yes. Then for 21 district courts, receipts, 153,506 rupees; expenditure, 5,38,065 rupees; deficit, 3,84,559 rupees.

5848. Are they courts of appeal also?—They are courts that in certain cases exercise original jurisdiction, but for the most part the business done by them is appellate jurisdiction.

5849. Is the fee on the appeal the same as the fee on the first commencement of the suit, or less?—I believe that the costs in the Appellate Court amount to nearly the same as in the original courts; the total receipts of the high and district courts are 4,35,054 rupees, the expenditure 9,73,805 rupees, deficit 5,38,751 rupees.

5850. In the last set of courts are they entirely courts of appeal?—The district courts have also original jurisdiction in a certain class of cases, but for the most part they are courts of appeal. Taking all the receipts and expenditure of all the courts in the Bombay Presidency, there is a surplus of five lacs of rupees a year. These results show that if a considerable reduction be made in the fees and stamps, the courts will yield income sufficient for the costs of their maintenance.

5851. How would you propose to reduce the expense of the courts?—The expense of the courts may be reduced by readjusting the judicial establishments, and by reducing such salaries as may be found to be very high and could safely be reduced. I am confident that a reduction could be made. But the Committee will observe that, owing to the heaviness of the stamp and court fees, there is a very large surplus notwithstanding the present strength of the establishment and the present high expenditure and salaries; and therefore Government may safely give relief to suitors by reducing the stamp and court fees so as to bring the income derivable from these sources within the expenditure, without leaving any large surplus, as at present. With regard to the other object which the Government had in view, namely, that of raising the salaries of the establishment, that task was entrusted, I am informed, to the Honourable Mr. Tucker, so far back as the year 1864, but nothing has been done in that matter.

5852. Do you mean that their salaries have not been raised?—No.

5853. Do you think it is necessary to raise them?—I will show that it is. The establishment is so crippled and so short that it has not been found adequate for the purposes of the courts, as I will show. Although the Small Cause Court of Poona last year yielded a surplus of 45,000 rupees, yet its establishment is so small and inadequate, that it is unable to give timely redress to suitors, and it is difficult to get warrants and execution in time. The Nazir, or Sheriff, of the district court of the Small Cause Court, and the first-class subordinate judge of Poona, has officially reported his inability to execute decrees, owing to the want of sufficient establishment. The subordinate clerks in the lower courts receive pittances of 10 and 15 rupees a month-pay, which is lower than that of menials and domesties. The financial result of the revision of the judicial establishment in Surat and Broach was, notwithstanding the raising of the salaries of the judges, a saving of 24,000 rupees per year, the monthly amount of the establishment before revision being 10,000 rupees, and the revised establishment being 8,000 rupees per month. This result was, in a great measure, brought about by the abolition of the three smaller courts which I have already mentioned, as having been productive of injury to the public interests. The provision for deciding small causes in Broach is also inadequate. The judge of the Surat Small Cause Court proceeds to Broach only two days in a month for deciding cases under 500 rupees. Owing to the absence of the judge from Broach, suitors are unable to obtain attachment and arrest in cases where the defendant removes his property, or leaves Broach suddenly. Owing to there being no judicial officer at Broach possessing authority to grant probate, letters of administration, and certificates of heirship and guardianship, people are obliged to proceed to Surat with their witnesses for these purposes. Parties are compelled to appear personally before the district or assistant judge at Surat to make affidavits in support of their applications, and again to appear with their witnesses on the day of hearing, which is fixed to take place after the lapse of six or 12 months. In the meantime the estate cannot be administered. Contested certificate and administration cases cannot be decided in less than a year or two. In such cases evidence is taken by the Assistant Judge, who transmits the record, with his opinion, to the District Judge. If the latter has doubts, he declines to grant a certificate, and compels the applicant to file a suit. In Surat, Wagra, and Jumbooser, civil cases have accumulated so much that contested cases cannot be decided until after the lapse of a year and upwards. Then there is another subject of complaint which I wish to bring to the notice of the Committee, and that is the way in which the salaries of the criminal officers and of the collectors are adjusted in the accounts.

5854. Do you think that there is any objection to the mode in which the salaries of officers engaged in the administration of justice are blended with the expense

revenue in the collector's office?—Yes; the offices of Collector and Magistrate, and Assistant Collector and Magistrate, are combined in one person, and half the amount of the establishment is charged to the Revenue Department, and the other half to the Judicial, on the assumption that half the value is given to each of these departments. I will show to the Committee that that is not done, and that the result of this combination of the two offices is detrimental to the public interests. It is not desirable that a gentleman like the Collector or the Assistant Collector, who is an executive officer, should also be invested with judicial functions; moreover, these gentlemen devote the greater part of their time and attention to the discharge of their revenue duties, and the magisterial duties are very often neglected. Not only that, but during eight months of the year they travel through the districts, and persons who are obliged to go up before those officers in their capacity as magistrates in connection with their cases, are obliged to go with the camp of the Collector and of the Assistant Collector, from one place to another, and are detained there and put to very great expense; and a great delay and expense is the result of the union of both these functions of the Collector and Magistrate in one and the same individual.

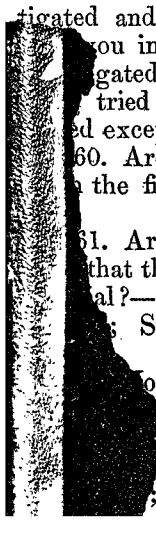
5855. Is it not a question of economy as to whether you should have one or two persons for the different duties?—I submit that there will be no increase whatever; if the executive officers are separated from the judicial officers, and a proper adjustment is made, the public will gain, and a great deal of inconvenience and expense, to which people are subjected, will be obviated.

5856. Would there not be two establishments instead of one?—There would be, but then the number of officers would be smaller.

5857. But would they not have to go over the same ground?—They could be located at particular places, instead of moving about; and the districts would be made smaller, and there would be no occasion to shift from one place to another for the greater part of the year; then I should like to show the quantity of criminal work that is done by the class of officers that I have mentioned. Out of 41,000 criminal cases which arose in the Bombay Presidency in the year 1871, the district magistrates tried 263 cases only.

5858. Then do they not examine and send for trial a great many other cases?—These are all the cases that they tried and committed.

5859. You mean all the cases that they investigated and committed; they do try cases, but



ou included in this number all that they gated and committed for the purpose of tried?—Yes, I believe they are all in- d except appeals.

60. Are you quite sure about that?—I have the figures from the Administration Re-

61. Are you sure that you are speaking of that they do try, or cases that they commit al?—Here is the statement: "Criminal ; Statement of Trials before Magis-

ow, is there a column here of com- The headings are: "Number of nber of Persons Convicted; Number Acquitted; Total Number of Per- ; Average Number of Persons Con-victed and Tried." Now I wish to lay before the Committee the amount of work done by all the civil courts in the Bombay Presidency in 1871. It was as follows: 21 district courts, including joint judge, senior assistant judge, assistant judge, and extra assistant judge, presided over by civilians, decided 399 original suits, and 3,926 appeals; total, 4,325 cases. There are 86 subordinate courts, presided over chiefly by natives, and they decided 132,736 cases; in the small cause courts 53,450 cases were decided, and the total number of cases decided was 186,186. The cost of the 21 district courts was 5,33,065 rupees, and of the High Court 4,35,740 rupees. The cost of the 86 subordinate courts was seven lacs of rupees, and of the Small Cause Courts 2,66,692 rupees; say, total, 9½ lacs of rupees. Such is a comparative statement of the costs of the higher and lower grades of judicial tribunals. With the exception of one or two natives who, under a special law are allowed to occupy a seat on the bench of the High Court, no natives can be promoted to the post of even an assistant judge or district judge. In the cities of Bombay and Calcutta, although there is a large European population, a native can hold the post of magistrate, with summary jurisdiction, over British born Europeans and all other classes of the people, with power to sentence offenders to six months imprisonment and fine to the extent of 500 rupees, without appeal; yet no native is by the present state of the law eligible to the post of magistrate or assistant magistrate in the Mofussil. It is time to remedy such an anomaly, and to remove the barrier that has been interposed to the promotion of natives to the higher posts in the judicial service and the other services.

5863. Do you propose, when they are promoted, to pay them salaries proportionate to their position as natives serving in their own country, and to effect an economy in that way?—They should be paid such salaries as may be fixed for the posts, and there should be no distinction with regard to natives or Europeans. It would not be fair or just to employ a European as a judge or assistant judge, and to pay him one salary; and when a native is found qualified for promotion, after serving in the lower and underpaid ranks of the service for years and years, to pay him less than the salary which he ought to receive as a reward, and as an incentive to honesty and integrity and faithful services performed in the lower grades of the judicial service; he should, when found qualified, be promoted to the higher grades, and receive the salaries that are fixed and allowed for such grades.

5864. You do not see a difference between employing a native in his own country to perform a duty, and employing an Englishman who goes from this country to India?—I do not see that any difference or distinction should be made.

5865. On what principle do you think that the public servants are to be paid their salaries?—Paid according to the nature and quality of the work, and the responsibility of the work which they are called upon to perform.

5866. Without reference to the scale of remuneration that persons in the same position in life in the same country receive?—Without reference to colour or creed.

5867. But are they to be paid without reference to the earnings of the people of the country, and the remuneration that they obtain when they are not in the Government service?—Without

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reference to any other consideration; the only consideration should be the post, and the responsibility of the post.

5868. You see that does not give any standard at all to start from; a standard would seem to render it necessary to consider what remuneration persons in the country earn for themselves, independent of the Government employment in any way; taking the standard, the remuneration is then ascertained by comparison?—There are some natives that are on large salaries, according to the positions in which they are placed, and they rise from small to large salaries; and they range high and low, according to circumstances and positions.

5869. Do you think that the general standard of wages throughout the country is some beginning upon which you may build to find the remuneration of persons employed in various ways?—I would follow out one principle, that one which I have already mentioned, and that is, that whether natives or Europeans, they should be paid for the work that they do, according to the position which they are called upon to occupy, and the office which they are called upon to hold.

5870. That is an abstract principle without any means of practical application, unless we have some basis to start from of practical remuneration. What is your notion of the basis; are you to find the basis by inquiring what the natives of the country usually receive as remuneration quite independent of the Government, or what do you take as your basis?—I would take the basis that may be fixed as to what may be considered to be fair for the particular posts. So much should be the salary that ought to be allowed to a deputy collector and magistrate, so much for an assistant judge, so much for a judge; and then, after filling the lower and subordinate offices, they should, when found qualified, be promoted and receive such salaries. The Committee will bear in mind that all the bulk of the work and the drudgery of the work falls upon the natives when they enter the service of Government, and on very low salaries, and then they should rise by degrees, as they are found qualified.

5871. Are those salaries low with reference to the remuneration that natives pay to each other in India for similar services?—I have given one instance, that the clerks employed in several subordinate courts receive 10 and 15 rupees a month; whereas cooks and butlers and menial servants receive larger salaries than that.

5872. Do you mean that the cooks that are employed by the natives receive larger salaries?—Yes; I pay my cook a larger salary than the clerk of one of the courts of justice in India gets in the subordinate courts.

5873. What do the natives pay the clerks employed by them?—They pay them a much larger salary than 10 and 15 rupees.

5874. Do they pay larger salaries for similar services at the same age and length of service?—Yes.

5875. How then do you account for the natives being so eager to get these employments; is it not a fact that they are eager to do so?—Yes, because they expect promotion.

5876. And are not the persons who are eager to get the persons who are constantly applying for employment, competent to fill the offices, qualified persons and fit to be employed?—I believe that they are; I wanted to bring to the notice of the Committee the fact that the competency of the natives for filling high posts in the judicial and other services has been acknowledged by the highest authorities.

5877. As it does not affect the finances, it is not a matter that we, this Committee, have anything to do with?—It will affect the finances in this way, that you incur a very large expenditure on account of the judicial administration of the country, and that administration is conducted in such a manner as to give all the higher appointments to Europeans and to exclude natives, notwithstanding their fitness and qualifications.

5878. But as you do not propose to alter the scale of remuneration, it is not a matter that concerns us; we are not engaged in investigating the administration of the Government, but the finances; do you wish to give any further evidence respecting the administration of justice which affects expenditure?—I will now give evidence with regard to the administration of justice by the High Court of Bombay.

5879. Do you consider the charge for the High Court to be more than is necessary?—All the evidence that I shall give will have a direct bearing on the financial aspect. I will now invite the attention of the Committee to several grave defects which impair the efficiency of the High Court, and injuriously affect the interests of the people, and lead to a denial of justice in cases of an important class. The natives repose great confidence in the integrity, independence, and impartiality of the High Court; they regard this tribunal as the protection of their rights and interests. It is therefore, necessary, to remedy the growing defects which have of late produced considerable dissatisfaction amongst the people. The bench of the High Court is now composed of eight judges, namely, one chief justice on 5,000 rupees per month, and seven puisne judges each on 3,750 rupees. In 1856–57 there were two judges on the original side, and three on the appellate side, the latter on 3,500 rupees per month. The existing arrangements for the conduct of business cause delay and enhance the costs. Three or four division courts sit daily, except on Wednesdays, on the original side. A very expensive double machinery of attorneys and barristers is employed to conduct the suits on the original side; on the appellate side this double agency is not required. All the barristers are allowed to practise indiscriminately in all the division courts. Counsels' fees are heavy, ranging from 8 to 20 gold mohurs in each case, besides refreshers, consultation fees, &c. It is compulsory on suitors to employ two barristers on the original side in every case, even in simple contested cases. This is done more for the co[illegible] ence of counsel, one of whom is gener[illegible] gaged in another court, and, therefore, [illegible] leaves the conduct of the case to his junio[illegible] sometimes to the senior.

5880. How does all this bear on the fin[illegible] of India?—It bears on the finances in this [illegible] that the people have to pay heavy costs, [illegible] are enhanced by the mode of procedure w[illegible] have just described, and therefore they f[illegible] grieved; and by adopting a better mode[illegible] cedure, the costs which the suitors hav[illegible] would be lessened, and the burden wo[illegible] Therefore, I submit, that it has a d[illegible] on the finances.

5881. The costs that they pay t[illegible] legal agents would be less, perhaps[illegible]

costs do not come out of the revenues of India?—But they are a burden on the people, and the less the burden is made the more contented the people will be, and there will be a justification for the expense of the court.

5882. We are not appointed for the purpose of inquiring into these matters, and therefore I am afraid that it is no use your giving evidence upon the subject?—But the only justification for heavy expenditure to be incurred on the judicial establishment will be if the burdens of the people are not great, but moderate. I submit that under the system that is adopted they are very great, and that therefore it does not afford a justification for keeping up a very highly paid judicial establishment.

5883. Mr. *Bourke.*] Government have no control over the fees to counsel, have they?—They have control, and they have exercised control. The scale of fees in certain courts is fixed.

5884. Counsels' fees?—Yes, counsels' fees.

5885. *Chairman.*] In the High Courts?—In other courts; if they are fixed in other courts, I see no reason why they should not be fixed in this court, and why people should be compelled to employ two barristers when they could do with one. Then there is a large staff of ministerial and other officers attached to the High Court on salaries ranging from 400 rupees to 2,500 rupees per month, and amounting to nearly a lac of rupees a year. With the exception of an act- of the lowest grade recently , all these posts are filled by e many competent natives, ys, and others, who do not hese offices. In the same nent law officers, costing per year, are Europeans, t Government pleader on the court, on a salary of , a post which a European e is a master and registrar issioner for taking accounts ions, on the large salary of year. Cases referred by the cer are generally protracted to nd not unfrequently to one or entail heavy expense and delay.

rman.] Do you think that the salary luced?—I think that the post should altogether; public interests require pensive and dilatory office should be and the work should be entrusted to e judges. In Calcutta such cases are by a judge. In order to maintain and the *prestige* of the court, it is desirable dges for the original side of the High hould be selected as hitherto, and sent this country. The salaries paid to the and Remembrancer of Legal Affairs, 00 rupees a year, and to the Prothono- Ecclesiastical and Admiralty Registrar, pees, are very high and admit of reduc- e salary of the Remembrancer for Legal been recently doubled, and raised to 1,000 rupees a month. With ge salary given to the Prothosiastical and Admiralty Regispees, it admits of considerable inasmuch as there is very little and admiralty business that is re- be done by the High Court. The ees levied by the sheriff are heavy, and contribute to enhance the cost of judicial proceedings in the High Court. The charge was made originally on account of the responsibility incurred by the sheriff, to reimburse him for loss that might accrue from the sale of property claimed by another individual. Now, he does not sell any disputed property without taking an indemnity bond. All the sheriff's work is done by the deputy, who receives a fixed salary of 600 rupees per month. The post of high sheriff is a perfect sinecure, and ought to be abolished. The sheriff's surplus fees amount to from 15,000 rupees to about 20,000 rupees a year. The appointment is in the gift of the Governor, who has this year conferred it on Dr. Hewlett, a pluralist, who is executive health officer of the Bombay municipality, and coroner of Bombay, and has been appointed surgeon to the Goculdass Tejpall Hospital, now in course of erection. I now desire to bring to the notice of this honourable Committee a most serious blemish in the administration of criminal justice which, if not remedied, is calculated not only to shake the confidence of the people in British justice, but to produce disagreeable consequences.

5887. How does this affect the finances?—It affects the finances in this way, that the High Court costs a large sum of money; to justify that outlay, and to justify the people being taxed for that outlay, it should be thoroughly efficient. I want to show that there is a failure of justice; does the Committee think that, if in several particulars the High Court, costing such a large amount, leads to a failure of justice, that has no financial bearing, and that the high expenses will be justified, and suitors should be taxed for it.

5888. Mr. *Candlish.*] If justice was efficient, it would not be cheaper, it would cost as much then as it does now?—Only then the expense would be justified; not otherwise.

5889. Sir *T. Bazley.*] Do you mean that payments are made for which no services are rendered?—Yes, that is what I say in one important department.

5890. *Chairman.*] We cannot enter into the whole system of the mode in which justice is administered by the court. If you have any suggestion to make respecting the unnecessary expense of the establishment, that is a proposition within the province of this Committee. The general character of the constitution of the court as a sheme for administering justice, is quite foreign to the purposes of this Committee. Do you wish to give some information to the Committee, respecting the system of forced labour exacted by the Government?—Yes; but first I would observe that in 1864, the jurisdiction of the Bombay Small Cause Court was extended from 500 rupees to 1,000 rupees, and the public having derived much benefit from this extension, a further extension to 2,000 rupees, or even 3,000 rupees, is desirable, and a reduction of the heavy institution fee 12½ per cent., charged on the filing of suits, is also necessary. The travelling allowances paid for the Revenue Commissioners and their establishment, amount to 18,000 rupees a year; civilians of the higher grade receive from 200 rupees to 300 rupees a month, and others draw smaller amounts for travelling allowances. These travelling allowances are more than ample, and it is therefore the duty of all Government officials to provide themselves with carts, supplies, and everything necessary for travelling at market rates, or at such rates as private indi-

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viduals are able to procure them at. I will now proceed to show that that is not done. Moreover, forced labour, which is exacted by all these Government functionaries, is prohibited by the Indian penal code, and its exaction is constituted a crime by Section 374 of the Code, which enjoins that "Whoever unlawfully compels any person to labour against the will of that person, shall be punished with imprisonment of either description, for a term which may extend to one year, or with fine, or with both." It is, also, unlawful to seize carts or bullocks; to impress labourers, workmen, artisans, &c.; to seize or take forcible possession of supplies or articles of food against the will or consent of the owner, and to compel villagers, tradesmen, grain-dealers, or others, to furnish supplies at rates lower than the market prices, or at such rates as they cannot afford to accept. These practices, although prohibited by law under heavy penalties, are resorted to systematically by European officers of Government; and in this particular the evil practices of the native governments have been followed by enlightened rulers like the English. The result is the commission of injustice and oppression, and the infliction of heavy loss and injury, and even personal violence. As these evils are practised by and under the authority of the executive and judicial officers of Government, the unfortunate sufferers cannot get any redress for the wrongs inflicted on them. Wide-spread discontent is produced throughout the Bombay Presidency by the prevalence of forced labour and compulsory supplies. Whenever a European Government official leaves his station, or travels from one place to another, he sends a requisition to the mamlutdar or chief revenue officer of the district, who is also invested with criminal jurisdiction, to furnish a certain number of carts, carriers, &c., a certain quantity of provisions, and other supplies. This requisition the mamlutdar is bound to obey. The mamlutdar sends his sepoys or peons into the village, town, or city, to fetch the carts and supplies.

5891. Mr. *B. Cochrane.*] Do you mean that this is an isolated case, or a general system prevalent throughout the country?—A general system throughout. The sepoys often seize a large number of carts, and release those persons who give gratuities. These cartmen and tradesmen are detained very often for days, and are paid for the hire and supplies at 25 to 50 per cent. under the current rates, and little or no payment is made for detention and loss. To make up the required number of bullocks and carts, the sepoys unyoke and seize bullocks actually employed in irrigating, or ploughing fields, thereby inflicting heavy loss and damages on the poor cultivators. On a market day villagers stay away from a place where an officer is encamped. To prove my assertion and satisfy the Committee regarding the systematic practice of compulsory labour and forcible exaction of supplies, I adduce brief particulars of six authentic cases of this nature which I have collected, showing the hardship and oppression inflicted on the people by European officers of Government, and the ineffectual attempts which some of the aggrieved parties made to obtain redress for their wrongs and sufferings. Here is a statement of the cases which I wish to put in (*handing in the same*). I will only read from this statement three illustrative cases, to show the amount of the hardship and oppression, and how it is practised, and how no redress has been given. Lately, Mr. Gosling, a surveyor of the Great Trigonometrical Survey party in charge of the Unkleser, Broach and Hansote talookas, forcibly seized and retained in his possession a cow belonging to a native of the village of Sujode. In the village of Serthan, in Unkleser talooka, he seized about 40 fowls, and severely assaulted a villager named Morad, who attempted to prevent him from capturing his fowls. He ill-treated several other villagers. In the village of Ruvedra, in the same talooka, he entered the houses of the villagers, and forced the women to spin cotton for his use. Strong complaints were made to Government regarding the oppression practised by Mr. Gosling, whereupon the only redress which the Governor in Council gave to the aggrieved parties was this, "If any further complaints are made against him, the Government of India would at once be addressed on the subject." I will now mention another case; on the 28th September 1871, two policemen seized seven carts at night. They were proceeding from Khaira to Prantij for the purpose of fetching oil. Three of them had been hired for that purpose by Hargovun Vullubdoss, a dealer of Khaira, three had been hired by Kachhia Runchore, and one by Jaisung Raichund. These three persons were proceeding to Prantij with the carts laden with empty cases of oil. Whilst they were so proceeding, they were seized outside the city gate of A[illegible] policemen, who detained them[illegible] whole night. The next [illegible] taken to the bungalow of M[illegible] settlement officer, now fir[illegible] of Ahmedabad. There th[illegible] Mr. Pratt's kit, and were t[illegible] bad Railway Station, and [illegible] bungalow and station. Th[illegible] were in custody were obliged t[illegible] and the following day, when[illegible] at 5 p.m. They were paid [illegible] annas each by Mr. Pratt, [illegible] been hired at the rate of two [illegible] four rupees for the trip to Pra[illegible] of October, Bappoojee Juggonn[illegible] the Ahmenabad Association, lodg[illegible] against the said sepoys for emp[illegible] labour, in violation of section 374 [illegible] Code; but Mr. Fulton, the magistrat[illegible] take cognisance of the complaint, un[illegible] filed by the aggrieved parties themselve[illegible] this decision Bappoojee appealed to [illegible] rodaile, the district magistrate, praying [illegible] would investigate the case in conformity [illegible] tions 434 and 435 of the Penal Code. M[illegible] rodaile held that he would not interfere [illegible] decision of the full power magistrate.

5892. *Chairman.*] Do you object to [illegible] Yes, I do, because parties complained; [illegible] dom have the courage to complain; th[illegible] rather suffer very great wrongs than [illegible] and here the complaint was lodged and n[illegible] was given.

5893. There was no complaint fro[illegible] themselves?—But according to [illegible] Procedure Code, any person c[illegible] plaint with regard to the commis[illegible] in fact, that question was take[illegible] High Court and decided; they ru[illegible] person was entitled to complain.

5894. Mr. *Candlish.*] This is not a [illegible] but a civil matter?—It is a crime a[illegible]

the Civil Code, punishable with six months' imprisonment.

5895. What was the crime?—Forcible detention and compulsory labour.

5896. *Chairman.*] What bearing has that on the finance?—It has this bearing, that large sums are paid out of the Indian Treasury to officers of Government for travelling allowance to enable them to keep up travelling establishments, and to procure all their supplies, and although they draw these travelling allowances, they do not spend the money properly in the market and keep carts and establishments as they ought to do, and they force the people to supply carts, to work for them, and to labour for them, and do these illegal acts, and ill-treat them, and it is a species of slavery which is practised by high officials of Government, although they are so largely paid for their travelling allowances.

5897. Do you know whether these officers really disburse to their subordinates, and whether the subordinates commit these acts by not paying the people whom they employ?—I do not know whether they do it or not.

5898. Did you ever hear it suggested as a matter of general information, that inasmuch as the European officer cannot pay all these monies with his own hand, he employs some chief servant under him, and that that servant does not pay the people properly?—The fact is undeniable, that the people are pressed, and forced to work.

5899. But you have not answered my question, whether you have ever heard of it as a matter of equal rumour and report, that these civilians and persons keep a head man under them (or more than one head man), and that he does all this work; that they pay him the money, and that he is in the habitof deducting monies from those whom he employs, whether tradesmen, or workmen, or others?—I have not heard that.

5900. Have you heard that officers, in the position and rank of collectors and other high officers, have servants or persons under them to whem they pay considerable wages, wages which you have stated are higher than those paid to the clerks in the public service, and that they hand over the money to those servants, and that they leave to those servants to make their domestic arrangements for their conveyance, their provisions and other matters, and for providing a table; and that these head servants are very much in the habit of insisting upon tradesmen and workmen making deductions for their own benefit, when they pay them?—They do that.

5901. Have you never heard that it is one of the great difficulties, both with Europeans having establishments, and with the Government in all departments, that when they entrusted to the subordinate native officers the money to pay people, they are very much in the habit of insisting upon the people that they pay, making them allowances of all kinds, and deducting money which they appropriate to themselves; have you never heard that as a matter of general rumour and impression, on authority as good as that which you have used in making other general statements?—No, I do not know that.

5902. Do you not know that every now and then that takes place, and that people in the public service especially, are prosecuted for making deductions from the wages of the subordinate people employed by the Government and using them for themselves?—Very rarely.

5903. The detection is rare also; but do you know that with reference to European officers holding high offices who have large establishments, it is a matter of universal belief, that their head persons never pay anybody the sums that they represent to their masters, but always, either get bills made out for larger amounts and then make deductions, or if the bills are made to the just amount, make deductions to the oppression of the people employed, whether tradesmen or workmen?—In some cases that may be.

5904. But do not you think it would be more correct to say that it is an universal impression, or rather that it is supposed to prevail almost universally?—It is not an universal impression; but with regard to this forced labour, the impression is, that this forced labour is done and practised with the knowledge and with the sanction of the European officers.

5905. I am speaking now with reference to not paying the sum which is the recognised rate; because you will observe that the code which you have quoted to us is not an absolute prohibition against insisting upon work being done, but a prohibition against insisting upon its being done below the established or market rate?—There is nothing in the penal code about the market rate.

5906. You so read it, I think?—The words of the penal code are these, "Whoever unlawfully compels any person to labour against the will of that person shall be punished with imprisonment of either description for a term which may extend to one year, or with fine, or with both;" this is the whole of the Section 374 of the code; there is not a single word in that section or any other of the penal code about the market rate.

5907. The word "unlawfully" is used in that section?—Yes, that is put in to constitute it a crime.

5908. What was the passage you read with reference to compelling people to give provisions, or other matters below the established rate?—I said that that is the practice.

5909. You stated, that in your opinion it was unlawful to compel supplies at rates lower than the market prices; if that be your view of unlawfulness, it does become a material question as to whether the European did give the full amount to his servant, or whether the servant committed the offence really as a criminal offence in embezzling the money of his master, or cheating the person that his master employed?—The offence consists in impressing the men and compelling them to work.

5910. It says, "whoever unlawfully," does it?—I submit that the word "unlawfully" is put in in the sense in which an act is constituted a crime, and in no other sense. I was going to say that recently a judge of the Small Cause Court of Dacca was dismissed by the Government, and one of the reasons for which he was dismissed has been recently promulgated by Government, and it is to this effect. The Governor General says, "Further, in defiance of a well-known order, Mr. Linton employed his court peons to purchase fowls for him, and as a natural result they were purchased at unfairly low prices. Mr. Linton used his official authority to force the peons to bring them in at the price which he chose to name. His Excellency in Council takes the opportunity afforded by Mr. Linton's plea, that it is no unusual thing to employ peons in procuring bazaar supplies, to direct that the Government of Bengal will impress emphatically on all public

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officers that the employment of public servants in making purchases, or in any private matter in which the receipt or expenditure of money is concerned is strictly prohibited, and that every breach of this order which is brought to the notice of Government will be severely dealt with;" yet this order is violated; and the penal code is violated by almost all the Government officers that travel through the districts.

5911. Mr. *Bourke.*] But the instance that you give now shows that it cannot be violated with impunity, because that is a censure, and the man is dismissed?—The man is dismissed in Bengal, but I say that in the Bombay Presidency there is no redress for such practices; whilst in the other Presidency redress is given. But in Bombay forced labour is practised with impunity and without any redress.

5912. Have these instances of illegal forced labour ever been brought to the notice of the Bombay Association?—They have been brought to the notice of the Bombay Association.

5913. And to the notice of the Government?—They have been brought to the notice of the Government. I will give you instances: the Bombay Government's attention was brought to a complaint that was made of forcible exaction of supplies by the police superintendent of Ahmedabad. It was on a complaint that was published in the papers. Government called upon that officer, if he was not guilty of such an offence, to vindicate his conduct by bringing an action of libel against the editor of the vernacular paper who had published that complaint; therefore that gentleman was obliged to bring an action of libel, and that case was inquired into by the magistrate of Ahmedabad, and the editor justified the libel and adduced a body of evidence to show that the forced exaction of supplies was practised, and the action was dismissed, and there was a report of the case published in the papers.

5914. *Chairman.*] What was done to the police officer after that?—He was transferred from Ahmedabad to the very next district on the same salary, pay, and allowances; nothing else was done.

5915. Who was the Governor who did that?—The Bombay Government; this was about two years ago; Sir Seymour Fitzgerald was the Governor then.

5916. Sir *D. Wedderburn.*] Is there no rule, then, in existence in the Bombay Presidency whereby provisions or means of conveyance may be requisitioned for the public service at fixed rates; is there no law permitting the Government officials for the public service to requisition means of conveyance or provision at fixed rates?—They have adopted a system by which supplies are forcibly obtained, and they are paid for at what they call tariff rates.

5917. But is there any law which would justify that, supposing them to pay the fixed rates?—There is no law that would justify the purchase of articles and supplies at any particular rate.

5918. *Chairman.*] Are you sure that there is no law in the Bombay Presidency by which persons in the public service can obtain means of transport and provisions at certain fixed rates?—I am not aware of any such law. In fact this system of forced labour prevailed to a very great extent in Scinde, and the Commissioner of Scinde, Colonel Jacob, took steps to put an end to it. He represented all the evil consequences resulting from this practice to the Government, and took steps to put an end to that practice, and he promulgated a notification on that occasion with the sanction and approval of Government, which will show that there could be no such law. The notice that was promulgated by the Commissioner of Scinde with the sanction and approval of the Bombay Government is to this effect: "Statute, or forced labour, is abolished in Scinde. Every man is at perfect liberty to work when, where, and at what rates he may please. Any Government servant who may hereafter be guilty of compelling any person to labour, whether upon canals or any other public or private work, will be liable to be dismissed from the Government service, and to legal prosecution by the injured parties. Every work, of whatever description, may be performed either by means of contract or measured task work, or by payment of daily wages at the discretion and pleasure of the parties immediately concerned. But no person must henceforth assume the right arbitrarily to fix the rates at which labourers or others are to be paid for work performed; such rates must always be fixed by free consent and mutual agreement of the parties themselves;" that is dated 25th April 1856.

5919. That regulation does not apply to supplying carriage and other services to public servants engaged in travelling on a public duty, does it?—It applies, I believe, to all these matters, as I will show from the representation that he made to Government; in one case he issued another notice in which he said: "It has been brought to notice that in many parts of the country nerricks" (that is tarrifs) "are published by authority, under colour of which all Government departments and servants exact supplies at rates much lower than the current bazaar rates of the place. This is, therefore, to give notice that Government strictly prohibits its servants, whether Europeans or natives on the establishment of the Commissioners, the police, the kardars, or any other Government Department whatever, from taking any supplies, however trifling, without paying the full price thereof. There is not to be one price for private individuals and another for Government servants; all are to pay the full current bazaar price of the day for everything they require."

5920. You see that that does not prohibit the obtaining of supplies by persons on the public service performing public duty, it only prohibits their paying less than the market rates?—I submit that according to the wording of this resolution, it does prohibit their exacting them; then another Governor, Mountstuart Elphinstone, in 1821 directed that "the present opportunity may be taken to repeat and enforce the orders against pressing carriages or taking supplies by force."

5921. What are the orders?—I believe it refers to previous orders to the same effect.

5922. What are the terms and conditions?—I have not got those previous orders; I have taken this from Mountstuart Elphinstone's minute, published in one of the Government selections.

5923. Are you acquainted with the rules and regulations that prevailed in the Bombay Presidency, especially in the time of Mountstuart Elphinstone, with regard to the requisitions by public officers engaged in the public service; are you

you acquainted with the rules and orders from time to time issued by Government in those particulars?—No.

5924. Then perhaps you will pass away from that subject to something that you are acquainted with; I think you had better go on to the evidence that you wish to give with regard to the cost of the police?—Will the Committee allow me to submit to them a few facts with regard to the treatment of natives by high executive officers of Government who receive large salaries, and the only justification for receiving such large salaries from the public purse would be their giving general satisfaction.

5925. No; it is quite foreign to this inquiry; we are not investigating the general Government of India and its administration, but the financial administration?—The way in which it would bear on the financial part of the question would be this, that these officers have large salaries of 2,000 rupees, and 3,000 rupees, and 4,000 rupees a month.

5926. No, it is quite beyond the scope of this inquiry; if you can throw any light upon the financial administration, the Committee will be glad to hear anything that you have to say?—I will now give some evidence regarding the salt tax; the natives do not object to the salt tax if it be kept within proper bounds, and levied at a moderate rate. But it has of late been so excessively enhanced that it is exceedingly high, and presses heavily on the poor. The following enhancements have been made in the Bombay Presidency; in 1844 it was increased to 12 annas a maund; in 1859 it was increased to one rupee; in 1861 to Rs. 1 4.; in 1865 Rs. 1 8.; and in 1869 to Rs. 1 13. The increased duty is so heavy that it amounts to 1,600 per cent. on the cost of production and manufacture. A great deal of evidence has been given before this Select Committee, with a view to show that little or no complaints are urged by the people of India against the salt tax; the Rev. Doctor John Wilson went so far as to state to the Committee that he "never met a native in the Bombay Presidency who complained of the salt tax." Sir Cecil Beadon and Mr. Pedder have made a suggestion to the Committee for raising the salt tax in Bombay and Madras to the level of the duty levied in Bengal, namely 3¼ rupees per maund. I believe these opinions are unfounded; they are attributable to ignorance of the real state of matters; a large majority of the agricultural and labouring classes are so poor that they cannot afford to buy food and clothing sufficient for their healthy existence; many of them are compelled to live on half diet, and many are reduced to a state of starvation; they cannot afford to buy salt in quantities sufficient for their wants. Those persons who have made themselves intimately acquainted with the poorer and indigent classes of the people, and with the manner in which they subsist, will at once be able to contradict the evidence of the gentlemen who have stated that the people do not suffer from nor complain against the undue enhancement of the salt duty, and of the cost of that necessary article of life.

5927. Now, what is the condition of poverty referred to by you that is rendering it impossible for the people to pay the salt tax; what are the incomes of such people?—Their incomes are so small that in a great many cases they are barely able to earn 2½ rupees or 3 rupees a month, which amount is insufficient to enable them to provide the food and clothing necessary for their healthy existence.

5928. Do you mean that their inability arises from their not getting employment, or from their physical incapacity to work, or in what sense?—No, not from their physical incapacity to work; they are fully able to work; but from their poverty arising from their state and condition.

5929. Are you describing able-bodied men, who do a good day's work, and only get paid for it at the rate of two or three rupees a-month?—Yes.

5930. To what particular districts do you refer?—In many districts of Goozerat and the Deccan that is the case.

5931. Can you name a district, either in Goozerat or in the Deccan?—Yes, in the district of Ahmedabad, in the district of Khaira, in the district of Pandee, and other districts.

5932. Those are the earnings of a man himself apart from the earnings of his family, I suppose?—The man himself. His wife and family may pick up some little amount, but all that the whole family is able to earn is entirely insufficient to enable them to provide the means of healthy existence.

5933. These people, however, do live in a healthy state, do they not?—No; many of them are emaciated and sinking. I have myself observed their condition; and when asked and interrogated with regard to their physical condition, they say that they have been reduced on account of their inability to provide themselves with sufficient food. Many of them I have known live on half diet with only one meal a-day, and many of them live on wild herbs and fruit growing on the wild trees.

5934. Are you now describing an ordinary state of things, or a state of famine?—No, an ordinary state of things.

5935. Can you explain to the Committee how it happens that these people in this particular district of which you speak, get such small means; is it that the population is beyond the wants or requirements for cultivating the land of the district?—That is the state of the people; they cannot obtain land on sufficiently favourable terms, so as to be able to cultivate and leave a larger income for themselves. The assessment is very high.

5936. You mean that there are too many people in the village for the land to be cultivated, and, therefore, the share of each is not large enough to afford him sufficient remuneration?—They cannot obtain land on such terms as after cultivation would leave sufficient for their healthy maintenance.

5937. What prevents them from obtaining land on such terms?—Many of those that have obtained lands, after cultivating them and after paying the Government assessment, find that the amount left is utterly insufficient for their healthy maintenance.

5938. Are you aware as to any of these districts of which you speak, of the number of years' purchase for which the person can sell his land when he holds it from the Government, and pays the Government tax?—I have been informed that many lands that were attached and sold at the suit of creditors fetched from one rupee or two rupees to five rupees per field or holding of each of those persons.

5939. Showing that they had no value in the

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the market?—Very little value. I will mention one fact which alone is sufficient to refute the Rev. Dr. Wilson's statement that the natives do not utter a single complaint with regard to this salt tax. The Act of 1844 for raising the salt tax was promulgated in Surat on the 28th of August. It produced great consternation and discontent throughout the city. On the following day business was suspended, all the shops and markets were closed, the people collected in large masses, and uttered loud and most bitter complaints against the enhancement of the tax. They were so much enraged and exasperated that they committed excesses amounting to a riot in that city; they proceeded *en masse* to petition the collector and magistrate against the enhancement of the duty; and I believe some temporary relief was given on that occasion. Had the Reverend gentleman, to whose testimony I have referred, taken the trouble to inquire into the matter, and to ascertain the feelings and condition of the people, he would not have committed himself to such an erroneous opinion. I will refer the Select Committee to the action taken by another missionary who came in contact with people who were suffering from the dearness of salt caused by the levy of a very heavy tax.

5940. Sir *G. Balfour.*] Can a man consume a pound of salt a month?—Yes, that is the amount, I believe.

5941. And how much tax do you suppose he would pay to Government for that pound out of the *Rs.* 1 13 annas a maund? — The bulk of that is for the tax.

5942. How much would go to the Government in the way of tax out of the *Rs.* 1 13 annas. When I mention to you that it is only a halfpenny a pound, would it fall heavily upon the earnings of the man?—From the facts that I have gathered I conclude that it does.

5243. *Chairman.*] The fact, as I understand you is this, that the duty on salt is a rupee and a half a maund?—One rupee 13 annas.

5944. And the maund is 82lbs.; that is a matter of arithmetic. It seems to me to be about one halfpenny in the pound, is it not?—Yes. Several years ago a native chief placed 100 rupees at the disposal of the Rev. Mr. Mackie to be devoted to charity. The natives of the villages in the neighbourhood of Gogo represented to that gentleman the hardship from which they suffered in consequence of their inability to procure salt, which was subject to a heavy tax, and their being compelled to mix their food with earth saturated with salt; that reverend gentleman being moved with compassion purchased salt with the said money, and distributed it freely amongst the people for relieving their wants.

5945. Sir *G. Balfour.*] In what year was that?—Some 15 years ago.

5946. Before railways were established?—Yes.

5947. And before railways could convey salt to those parts of the country?—Yes; in Goozerat, the Deccan Cowcan, and other parts of the country, the poorest class of the people are forced to have recourse to the expedient of mixing with their food earth saturated with salt, because they cannot afford to buy sufficient salt for their food.

5948. In what particular place is that?—In the interior of the district of the Khaira Collectorate, and several districts of the Concan.

5949. Would that apply to the present day?—Yes, it applies to the present day.

5950. *Chairman.*] Have you made any inquiry, so as to be able to inform the Committee whether there has been any rise in the remuneration or rate of wages of the native population of Bombay within the last 10 years?—There was a rise since 1860, but during the last three years the rise has been rapidly declining.

5951. Then is the rate of wages the same now as it was 20 years ago, or is it higher?—The rate of wages is a little higher.

5952. With regard to those people whom you have described as earning two or three rupees a month, is their rate of remuneration the same as it was 20 years ago, or have they derived any benefit from the rise in wages?—They earn nearly the same amount now as they used to do before.

5953. Sir *G. Balfour.*] Then the price of labour has not risen in the Presidency of Bombay?—It did rise, but it is rapidly going down to its former level.

5954. The labour is just as cheap now as it was 10 or 12 years ago; is that what you mean?—It is somewhat dearer.

5955. Mr. *F. Fowler.*] What are the wages of a labourer?—The wages of a labourer vary in different districts, but in the interior of the country the wages are about three rupees or three-and-a-half rupees or four rupees a month.

5956. *Chairman.*] Can you explain how it is that the people in Bengal are able to pay a salt duty of three rupees a maund, whilst the inhabitants of Bombay are not able to pay without great pressure such as you have described a salt duty of one-and-three-quarters rupees a maund?—There is one circumstance which perhaps might enable them to pay more duty, or explain why it would not be felt by them so much as in the Bombay Presidency; the land assessment in Bombay is much higher than in Bengal.

5957. Do you know whether the rates on the land that are paid by the actual cultivator in Bengal are lower than those which are paid by the cultivator in Bombay?—They are not.

5958. What subject do you wish to take up next?—I propose to give some evidence with regard to police expenditure.

5959. Will you state any objections that you entertain to the expenditure for the police of Bombay?—The objection with reference to the police expenditure is that that expenditure has been of late years considerably enhanced. The expenditure in the Bombay Presidency now amounts to close upon 40 lacs of rupees. In the year 1864 the Government of India deputed Colonel Bruce to Bombay to examine and review the police establishments, so as to enable Government "finally to settle the strength and cost of the police in the Bombay Presidency." The result of this officer's mission was a very large saving, estimated at 5,30,914 rupees per annum, after placing "every member of the force on a salary adequate to the increasing rates of the times." In 1866-7 the entire cost of the police in the Bombay Presidency amounted to 35,65,574 rupees, since which time the expenditure has been enhanced from year to year, and now amounts to about nearly 40 lacs. Even within the last two or three years, I think, since 1871, there has been an increase in the number and emoluments of the officers in the higher grades. In 1871 there were 27 officers

in

n the police department; in January of this year there were 34. In 1871 the salaries of the superintendents of the first grade were 800 rupees each, per month; since then they have been enhanced to 1,000 rupees each, and so on, throughout all the different grades, their salaries have been increased; and in that way, by employing a large number of superintendents of different grades and paying them on a very high scale, very large salaries, the expenditure has been greatly increased.

5960. Sir *G. Balfour.*] What has been the increase?—The increase since 1867-8 has been four lacs in the police expenditure.

5961. And what has been the increase since the time immediately before the Mutiny?—The increase I think is much larger; but I have not got with me the amount of police expenditure in 1856-7, the year of the Mutiny.

5962. And what is the sum that you say now is the cost of the police?—Forty lacs of rupees.

5963. When I mention to you that the whole cost was upwards of 39 lacs before the Mutiny, you will see that the increase has not been very large?—I do not know as to that, but I submit that one fact shows that the increase cannot be justified. In 1864, when prices were at the highest, the Government deputed their own officer of police, Colonel Bruce, to settle the strength and cost of the police in the Bombay Presidency permanently, and he made a saving of 5,30,000 rupees; on his report the strength and remuneration were, I believe, fixed, and that reduction resulted in the police expenditure; but since that time there has been a large increase.

5964. *Chairman.*] Have you got the number of men, apart from the officers, of each of those two periods?—No, I have not got the number of men; but in some districts the numerical strength of the police has been greatly reduced, although the expenditure has been so much increased.

5965. Sir *G. Balfour.*] And can you give us the number of policemen to each square mile, and to the population?—Yes, in several places I will. In the city of Surat, six years ago, the numerical strength of the police was 200; it has since been reduced to one-half. The result is, that there is only one policeman for 1,000 inhabitants, a rate which is utterly inadequate for the protection of the population of Surat.

5966. And what proportion do the district police bear to the area and to the inhabitants?—I am not able to give the exact proportion, but in Broach the number of policemen has also been reduced from 90 to 35; that has taken place in a large town like Broach; and moreover, by removing the garrison that had formerly been stationed there, and reducing the police force, the city is regarded by the inhabitants as in considerable danger, because large bodies of Bheels are living and roaming about in the adjoining districts, and thefts and robberies are more frequent.

5967. Considering that we are able to ascertain the sufficiency of the police force by taking the proportion to the population and to the area of square miles, it would be very desirable if you could furnish the Committee with that specific information?—I will try to do so at the next sitting. In the same way in the town Khaira, a large and populous town, the police force consists of only 25 Sepoys, and the population is 20,000 persons.

5968. *Chairman.*] Do you wish to say anything on the subject of the cost of education?—Yes; the amount spent on superintendence and inspection in the Educational Department is very large, and out of proportion to the amount disbursed by Government on the educational institutions in the Bombay Presidency. The charges for superintendence and inspection sanctioned in the Budget of the current year amount to 261,056 rupees for the Bombay Presidency, exclusive of about a quarter of a lac of rupees drawn from local funds, whilst the sum spent on all Government and aided educational institutions, exclusive of the university and general and professional colleges not inspected by Government inspectors, is estimated at 6,35,435 rupees. Thus the cost of inspection amounts to a great deal more than one-third of the sum actually spent on education. In this department all the higher posts are filled by Europeans and the lower by natives, and, howsoever qualified they may be, the latter are not promoted to the higher posts.

5969. But do you think that the natives might be employed in the Education Department at much lower salaries than those which are paid to Europeans?—Yes, as inspectors they can be. The inspectors receive very large salaries, ranging from 800 rupees to 1,000 rupees and 1,500 rupees a month each.

5970. What do you think would be the proper salaries to pay natives employed in that service?—I think these salaries in themselves are very high, and whether these posts are filled by natives or Europeans they should be filled at lower salaries.

5971. What do you think would be a proper scale of salaries for natives employed as inspectors, putting aside now Europeans and dealing with natives; how much a month?—About 600 rupees a month.

5972. Do you think that that would be a reasonable salary to pay a native?—A native or a European, whoever is employed in that post.

5973. That would be two hundred times the earnings of the workmen in the districts that you have described?—Yes.

5974. Mr. *Fowler.*] Is that post now filled by Europeans?—All the posts of inspector are filled exclusively by Europeans, and they receive from 800 to 1,000 and 1,500 rupees per month.

5975. Then it would be a saving of 200 to 900 rupees a month, if natives were employed at the rate you suggest?—Yes.

5976. *Chairman.*] Do you think that that is a reasonable rate, or a very extravagant rate of remuneration, to pay an inspector of a school 200 times the earnings of an able-bodied workmen; do you know that if any inspector of schools were paid at that rate in this country, his salary would be about 8,000 *l.* to 10,000 *l.* a year?—There are deputy inspectors also, who are paid on a smaller scale.

5977. As you have studied these things very much in India, I want to get your view upon native remuneration; an inspector of schools in this country would be paid about 20 times the earnings of an able-bodied man, and you propose in India that he should be paid 200 times the earnings of an able bodied man; now I want you to explain the principle upon which you arrive at the basis of paying native salaries in India?—You asked my opinion as to what I would consider to be an adequate salary for the post of inspector, and I gave you my idea; but my principle is, that I make no distinction

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with regard to the salaries to be given to natives or Europeans; it is the post that I consider.

5978. I understand that, but then what I want is to get the basis upon which we are to start; in this country we understand that you get some idea of remuneration by the profits that people make, or the remuneration which they receive in other occupations, or you can take the standard of wages generally, and multiply them, or otherwise arrive at some idea of remuneration; I want you to give some basis upon which we could arrive at a scale of remuneration for the natives of India, if you can; of course I do not ask you to do it if you have not studied it?—No, I cannot give you any basis such as you suggest; the natives who are employed as deputy inspectors have salaries ranging from 25 rupees to 200 rupees a month.

5979. Mr. *Fawcett.*] Then you would probably say that the comparison which has been made by the Chairman is scarcely a fair one, because in England, in which the comparison is made between an inspector of schools and an ordinary labourer, the inspectorship of schools is an appointment which an immense number of people are fitted to hold; but from the fact that in India, hitherto the Government have said that no native is fit to occupy the position, therefore they must think that it is a position which requires, so far as the people of India are concerned in the matter, very rare and very exceptional abilities; and, therefore, those very rare and very exceptional abilities ought to be rewarded in an entirely different scale as compared with ordinary labour in India from what they would be in England?—Just so; it requires special qualifications, and when they do possess or acquire such qualifications, and they are appointed to such important posts, they should receive adequate salaries.

5980. *Chairman.*] Are you of opinion then, that there are many natives in Bombay who are qualified for this office of inspector of schools?—I believe there are. And there is another subject of complaint, that natives in the Educational Department do not receive the promotion to which they are entitled. I will give the Committee a recent instance of this; Mr. Ramchristna Gopall Bhandarker, who had been employed as assistant professor of Sanscrit in the Elphinstone College of Bombay, filled the post of Acting Professor of Sanscrit in that College; he was appointed to it, and he filled that post in a satisfactory manner; he is a most competent Sanscrit scholar, and his attainments and fitness are acknowledged, and yet he was not appointed permanently to the post of Professor of Sanscrit, but a European was appointed, and he has been confined to the post of assistant professor on 350 rupees a month. When a competent native is to be had, and is available for promotion, he has been superseded, and another gentleman has been appointed.

5981. You see that we are getting far beyond the subject of our inquiry, which is to discover a more economical mode of administering the finances and expenditure of India; in your view it is perfectly immaterial whether they have a European or a native as regards expenditure?—I wish to point out that a native might very well have been employed in this case.

5982. Mr. *Fawcett.*] Would it not be your opinion, taking positions, like the inspectors of schools as illustration, that it would represent a very considerable saving to the finances of India, if the pay of these appointments was reduced to a remuneration sufficient to attract natives who are willing to discharge the duties of the office?—Yes.

5983. You are not opposed to that, are you?—No, I am not opposed to that.

5984. It seems to me that your evidence involves two points, does it not; in the first place, you wish to insist that if there is a certain office which Europeans and natives are alike able to fill, no distinction should be made as to the remuneration; that is your first contention?—Yes.

5985. But the fact of your holding that opinion does not necessarily imply that you are opposed to a reduction of the pay of these offices so as to represent an adequate remuneration to the natives and to attract a different kind of Europeans to fill them, and thus effect a saving to the finances of India?—Just so; many of these appointments that I have mentioned are very highly paid, and their emoluments should be reduced, and whether natives or Europeans, the persons filling them should be appointed at the reduced salaries.

5986. What the Chairman has been endeavouring to impress upon you is this, that if you confine your argument to the point that natives and Europeans should be paid the same, that is scarcely a question into which we can inquire, because it does not then represent any financial saving, but is simply a question of justice between natives and Europeans, and a question of administration. If, on the other hand, you argue that these positions are overpaid, that their pay might be reduced, and that when the pay of them was reduced you would at the same time get a sufficient number of qualified natives to apply for the appointment, and also Europeans, then if you put the subject in that light it represents itself in an aspect which involves financial saving, and we can inquire into it?—Yes, that is the light which I wish to put it; I have shown that these superintendents of police in the different grades are paid very large and extravagant salaries, and in the same way that the educational inspectors are paid very large salaries, and that they should be reduced.

5987. *Chairman.*] You see the question of the salary as a sufficient remuneration for an Englishman going out from this country to India, and holding a certain station with reference to his condition in this country, is one that you would hardly feel yourself in a position to go into; but the question of whether these appointments can be efficiently held by natives, and what would be the proper and reasonable remuneration for a native holding the appointment, is a question upon which you would be very well qualified to express an opinion. I want you to separate these two questions, because they are entirely different in their character, and whilst we should be very glad to have your opinion upon the one, I do not think that we should gain much by having it on the other?—In the Educational Department there are many Europeans who are employed on smaller salaries, salaries of 500 rupees a month, and that fact is sufficient to show that if the high salaries of the inspectors on 1,000 and 1,500 rupees a month were reduced and kept within proper bounds, they would still attract Europeans as well as natives.

5988. That is another question, whether the European would like to take up the appointment, supposing the standard of remuneration were fixed

fixed upon the basis that a native of the country is perfectly well qualified to perform the duties, both in education and general conduct, and that it would be unnecessary to employ Europeans; then if the European takes up the appointment that is his affair. On the other hand, supposing that the Government deem it expedient that the office should be held by an Englishman proceeding from this country, then the standard of remuneration proceeds upon an entirely different set of considerations, which it would be very useless for you to go into. I want to get from you positive evidence on that which you may be supposed to know, namely, whether in all the cases which you have mentioned, you think that the native would perform the duties just as well, and just as much to the satisfaction of the native community as the Englishman does now?—Yes, if elevated to many of these posts the natives would.

5989. Then I want you, consequent upon that, to state what you think would be the proper scale of remuneration to give to natives occupying those positions, bearing in mind the rate of remuneration that prevails generally among natives and all the other conditions that make up the standard of remuneration, how much the saving would be, or the reduction generally in these appointments; whether you think half, for instance, would be the principle to pay or a quarter. If you could give us your view upon that point, it would be very valuable?—The salaries of the educational inspectors could be reduced one half, without impairing the efficiency of the service.

5990. Sir *G. Balfour.*] You could get qualified natives to fill these appointments for half the sum, you think?—Yes.

5991. *Chairman.*] And they would be efficient, you think?—They would be efficient.

5992. Sir *G. Balfour.*] They would give satisfaction to the natives, you think?—They would give satisfaction to the natives, and then there is the salary of the Director of Public Instruction, amounting with allowances to 33,000 rupees; that is also very high, and admits of considerable retrenchment.

5993. Mr. *Fawcett.*] Is that the Director of Public Instruction in Calcutta?—In Bombay. In the larger Presidencies of Bengal and Madras, the Director of Public Instruction receives a salary of 24,000 rupees a year.

5994. That is less than is given in Bombay; what is the reason of that; it is the old story, I suppose?—I do not know the reason, but it shows what I contend, the very high salaries that are given to the higher grades of officers employed in the Educational Department.

5995. But I suppose this fact has been commented upon, that the Director of Public Education in Bombay should be paid a great deal more than the Director of Public Education in Bengal. Have you ever seen an explanation of that?—I have not seen any; but I know this, that the Government of India, some time ago, directed the reduction of this salary, so as to place it on the same level as the salaries in Bengal and Madras; but that has not yet been done.

5996. How long ago was that recommendation made by the Government of India?—About three years ago.

5997. And no notice whatever has been taken of it?—The salary remains the same. And I further submit, that instead of taking a member from the Civil Service and appointing him Director of Public Instruction, the interests of the Educational Department would be better served, and with greater economy, by procuring from England a competent and trained educationist.

5998. But this is not considered a covenanted appointment?—No.

5999. It is not necessary that a member of the Civil Service should be appointed to it?—No.

6000. In Bengal and Madras, I believe the gentlemen who held these positions were neither of them in the Civil Service, were they?—No.

6001. *Chairman.*] It has been held in Bombay by a gentleman not in the Civil Service, has it not?—Yes, by the late Mr. Howard, and by Sir A. Grant.

6002. Mr. *Fawcett.*] You have stated that the wages of the natives rose about the year 1864-5, and that they are not considerably higher now than they were 10 or 15 years since?—Just so.

6003. Can you give me any estimate, first of all, of what the rise has been, which you say is not considerable, during the last 15 years in wages in the town of Bombay and in the country districts; can you give me the exact rises during the last 15 years, stating what the wages were in 1856, and what they are, for instance, now, and has the rise been 10, 15, or 20 per cent.?—There has been a rise of about 25 per cent., I think.

6004. That is what you mean when you say that the rise is not considerable?—No; it is not considerable.

6005. Then during the same time, what has been the rise in the cost of living in those districts where wages have risen 25 per cent.?—The cost of living has been enhanced in a greater ratio than the rise in the rate of wages.

6006. What estimate can you give of the rise in the cost of living or the rise in general prices, which comes to the same thing?—For instance, if wages have increased 25 per cent., the price of living has increased about 40 per cent.

6007. That is the evidence that Sir Bartle Frere gave; I think he expressed the same opinion; therefore, according to your statement, the real wages of labour, meaning by the real wages of labour the purchasing power of those wages as contrasted with their nominal amount, have decreased and not increased during the last 15 years?—Just so.

6008. And during this time taxation has increased, has it not?—It has increased very much.

6009. And therefore the labourer has increased taxation with really diminished resources?—Yes.

6010. In what you are speaking of now, you are referring to the town of Bombay?—Yes.

6011. Does a similar remark hold true with regard to the Presidency of Bombay?—I believe it holds good.

6012. But you can speak with more positiveness as to the town of Bombay?—Yes.

6013. You have observed, I suppose, an enormous increase in various items of Government charge in the Town and Presidency of Bombay, especially in all the personal charges connected with the Governor, have you not?—Yes.

6014. Can you state how much the personal establishment expenses of the Governor of Bombay have increased during the last 15 years?—They have increased very much. In 1856-57 the Governor's staff and household amounted to 66,020 rupees, and tour expenses to 11,720 rupees;

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rupees; his staff and household expenses now amount to 1,67,000 rupees, and his tour expenses to one lac.

6015. Therefore, you have to compare 78,000 rupees with 2,67,000 rupees. Therefore these personal expenses and establishment expenses of the Governor of Bombay during this period of 15 years, when your figures prove that the condition of the labourer has been declining and taxation has been increasing, have increased by no less an amount than 350 per cent.?—They have.

6016. Can you give me a few other items of the expenses of the Governor of Bombay?—I have not the figures with me.

6017. I should like to hear some non-official explanation of this extraordinary fact. Can you suggest, or did you ever see suggested any explanation why these establishment expenses of the Government of Bombay should increase 350 per cent. in those 15 years?—I have not heard any justifiable cause or reason assigned for that.

6018. A fact like this must have attracted great notice on the part of the people who have to pay the money, has it not?—Yes.

6019. I suppose it must necessarily have caused great dissatisfaction?—The increase of expenditure in all the Government departments has been so great as to cause complaint and dissatisfaction.

6020. But you are not aware that any explanation or apology for this increase in the expenditure of 350 per cent. was ever given to the public?—I am not aware of it, except that the plea which is assigned, is that there has been a rise in the wages.

6021. But this rise in wages, according to the estimate, has amounted to no more than 50 per cent., has it?—No.

6022. And this increase in the expenditure amounts to 350 per cent.?—Yes.

6023. Therefore that is an inadequate explanation?—That is the only explanation that I have heard.

6024. Are you aware whether, in India, any notice has been attracted to an item which yearly appears in the expenditure, namely, an item, I believe, amounting to about 180,000 *l.* for Ecclesiastical Establishments?—Yes, that expenditure is without justification; it is contrary to the policy on which the Government of India is conducted.

6025. I will get you to explain the exact nature of it first of all. What I understand this 180,000 *l.* spent in Ecclesiastical Establishments to be is this: that the Government provide chaplains for those Europeans who are employed in the Civil Service, and also for the officers and privates of the European troops; that represents that large amount?—Yes.

6026. Does the Government undertake to supply ecclesiastical services for the natives who are employed in those Civil Departments or in the army?—They do not.

6027. Have you ever seen any reason why the Government think it is necessary in addition to the pay which European civilians and European soldiers receive, to supply them with ecclesiastical services and not extend a similar aid or similar advantage to the natives whom they employ either in civil or military departments?—There is no such aid given to natives.

6028. Has the fact of this amount being spent in ecclesiastical establishments been commented upon by the people in India?—Yes.

6029. With regard to local taxation, I believe, it is a correct description to say that during the last few years a system has been introduced which will gradually spread over India a great net work of local taxation?—Yes.

6030. That a great many new local taxes have been imposed, and a very great many more have been threatened, have they not?—Yes.

6031. That Acts have been already passed, which give the power to the local authorities to impose a great number of local taxes, and this power hangs, as it were, constantly as a threat over the people of India?—Yes, the Supreme Government have given power to the Local Governments to raise money for local purposes by fresh taxation if they consider it necessary so to do.

6032. Therefore you cannot estimate by any means the dread, the alarm, and the discontent which this new policy of local taxation has caused to the people of India, by simply considering the number of local taxes which have been actually imposed; but you must also take into the account the great number of local taxes with which the people have been threatened, and which exist, as it were, ready at any moment to be imposed upon them?—Yes.

6033. Now all this policy of local taxation has been carried out, has it not, without giving the natives any better opportunity than they had before of representing their wants and expressing their opinion?—No better opportunity whatever has been given to them.

6034. Are you aware of the views held on this subject by many of the statesmen who have governed India with the greatest success; I refer particularly to Sir Donald M'Leod; I believe he was a man who obtained a high position amongst the natives, was he not?—Yes, he was highly respected.

6035. No English official that ever was in India (I have seen that description of him, and I believe, from your experience, it is a true one) was more beloved by the natives than Sir Donald M'Leod?—He was very much beloved.

6036. Are you aware that Sir Donald M'Leod expressed the opinion again and again of the great danger and peril of imposing any new tax in India without first consulting the natives as to their wishes?—Yes, he has expressed such an opinion.

6037. And these new local taxes have been imposed without consulting the natives at all?—Without consulting the natives, and against the remonstrances of the natives.

6038. And in many cases taxes have been imposed when it would have been possible to have raised the money in a form which would have been regarded by the natives as less objectionable, and would have been less opposed to their instincts and their feelings?—Yes, and the feeling is that there is no necessity for additional taxation; that if the Government reduced their large, heavy, and growing expenditure there would be no necessity for additional taxation.

6039. Therefore there is a wide feeling that if the economy is introduced which ought to be, the taxation would be greatly reduced; that feeling exists, of course?—Yes, it does exist, and generally exists.

6040. Then, in addition to that, there is another question; some money of course has to be raised, and

and if money has to be raised it is very important not to start with any cut and dried rule as to what is the best form of taxation, but to consider each tax in reference to the character, and the feelings, and the wants of the people upon whom that tax is going to be imposed; you would recognise that, would you not?—Yes.

6041. Has not this constantly happened, for instance, with regard to local taxation; did not many of these English officials themselves admit that some direct tax, such as the house tax, has been imposed when it would have caused very much less discontent and been much more suited to the feelings of the people if the same amount of money had been obtained not by direct taxation but by some form of an octroi duty?—Yes.

6042. At the time when the Imperial income tax was causing so much notice in England, and exciting so very much agitation, and was written about so very much in the English press, during the whole of that time a very much more onerous local income tax was imposed in Bombay, and yet it scarcely attracted any notice at all in this country; is not that the case?—I do not know whether it attracted notice in this country or not, I not being then present here.

6043. You did not study the English papers sufficiently to see that?—I did not.

6044. Do you share in the opinion that the raising of a part portion of the revenue by local taxes, which before was raised by Imperial taxes, in fact the carrying out of what is known as the decentralisation policy will have this disadvantage associated with it, that local taxes of an oppressive kind may be imposed, and they will not attract so much notice and they will not create so much public opinion throughout India, and, consequently, not in this country, as if an Imperial tax of a similar kind had been raised?—I do not think it would attract so much notice.

6045. Are there any other points on which you would like to express opinions, purely financial points, I mean?—I should like to give some evidence with regard to the revenue administration and the assessment of land, as to how it affects the people.

6046. On what particular point would you like to express an opinion?—I wanted to lay before the Committee the hardships which are felt by the agricultural classes of the people, and the first is, as to the instalments by which the Government revenue is made payable. They are two, and they are made payable at inconvenient periods; and not unfrequently the people are, on account of the state of cultivation, not able to pay them. Formerly the revenue was made payable by four instalments, and at convenient periods; and if that arrangement was reverted to it would be a great relief to the people. Then with regard to the arrears of Government revenue there is a very heavy rate of interest levied by Government, namely, 94 per cent., and that is an exorbitant rate.

6047. Do you mean, for instance, that if a tenant was in arrear of rent 100 rupees, and that rent was overdue by one twelvemonth, he would have to pay at the end of the twelvemonth 100 rupees of rent, and 94 rupees of interest in addition?—Just so. That hardship was represented to the Government by the Bombay Association.

6048. Do you know that from your own knowledge, or is it simply a statement that has been made to you?—It is laid down in the Government rules, and I will quote those rules. The rules promulgated by Government for the administration of the survey settlement under the provisions of Section 28 of Bombay Act 1 of 1865, contain several stringent provisions for regulating the collection of the revenue when instalments are overdue. Rule 16 directs (these are the words of the rule) "That interest, at the rate of half a pie per rupee per diem should be charged from the day after the instalment falls due up to the date of payment, both days inclusive." Now that comes to 95 per cent., calculated at this rate. In 1869 we represented this great hardship, and solicited Government to reduce this enormous rate of interest which is felt by the ryots to be very heavy and extortionate; but they declined to reduce it. A return on that occasion was called for by Government from their revenue officers, which I have here before me, and which shows that this exorbitant rate of interest was enforced in 53,995 instances in the year 1867-68, and the amount of interest recovered from these people in all these instances was 43,481 rupees.

6049. *Chairman.*] On a revenue of how much?—The revenue is not stated; but the amount that was recovered on account of this high rate of interest is given here, showing that there were nearly 54,000 persons who were unable in that year to pay the instalment just at the date when it was due, and that the amount due by them was recovered, with 43,000 rupees addition for interest.

6050. Mr. *Fawcett.*] Supposing that any misfortune should happen in India, for instance, a bad season, or anything like that, I suppose the Government reserves to itself the power of allowing these arrears of rent to go then on without charging interest?—The interest is charged for arrears up to a month, and after that, whenever Government think proper to enforce the payment of their demand, an execution issues, and the ryot's property is sold.

6051. I understand from your last answer, that the Government only necessarily gives a month, and then they can, if they like, put in an execution, and the property will be sold?—Yes; Recently the time has been extended to two months.

6052. But the point that I want to put is this, suppose there has been a famine in the district, and great draught, and a failure of crops in consequence of the draught, and the Government knows that the tenants are unable to pay the land revenue, they have the power, I suppose, to let the revenue get into arrear without charging this rate of interest that is fixed?—They have that power; they have the power of making remissions.

6053. That is decided, I suppose, on the recommendation of the district officers?—Yes; but remissions are very seldom made even for a bad harvest, or a bad season, or for draught.

6054. Then did the Government give any defence for charging this high rate of interest?—They say that they exact this more as a sort of penalty than as interest; that is the only defence that they put forward.

6055. Have you got anything to say with regard to the land revenue in reference to what form of settlement is best; that which exists in the Bombay Presidency, that which exists in Bengal, or that which exists in Madras?—The

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ryotwaree settlement which exists in Bombay is good; but the settlement should be fixed, and then it should not be subject to changes and revisions frequently.

6056. Then what I understand you to be in favour of is, the ryotwaree system, with a settlement at long periods?—Yes, not to be disturbed except for good and sufficient reasons even at the expiration of the period.

6057. You mean a 30 years' settlement?—Yes; and there should be no re-survey after that; no periodical re-surveys, which admit of enhancement of the assessment from time to time.

6058. Have you any other opinion which you wish to express?—With regard to the interest on the arrears of land revenue, it is not only that heavy rate of interest but there is also a fee charged for notice which every ryot is served with, calling upon him to pay the amount of the instalment that is over-due; and that also is felt to be a burden. And then another complaint is that there were village commons which were not assessed, and which were kept free for the express purpose of enabling the villagers to graze their cattle upon; and all these village commons have been resumed, and have been assessed and sold to cultivators. And therefore unless cultivators take up lands and pay assessment to Government for them, they are not able to have any grazing ground, and they feel that as a great hardship.

6059. Do these village commons exist in almost every village?—Yes.

6060. And, as I understand you, they were used freely by the whole inhabitants?—Yes.

6061. For how long did that right to common property exist?—For years and years, long before the British Government came into power.

6062. What is the extent of these commons on an average; has any estimate been made of them? You say, I think, that they existed universally in every village?—In every village.

6063. Have they all been appropriated?—They have all been appropriated.

Tuesday, 8th July 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Dickinson.
Mr. George Balfour.	Mr. Grant Duff.
Mr. Thomas Bazley.	Mr. Fawcett.
Mr. Beach.	Mr. Robert Fowler.
Mr. Campbell-Bannerman.	Mr. Hermon.
Mr. Stephen Cave.	Sir Stafford Northcote.
Mr. Crawford.	Sir David Wedderburn.
Mr. Beckett Denison.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. JOHN FLEMING, called in; and Examined.

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6064. *Chairman:*] WHAT is your occupation?—I am a Merchant.

6065. You were in Bombay formerly, I believe?—Yes.

6066. And what were you there?—A merchant, partner in the firm of William Nicol & Company.

6067. And did that company take an interest in the works known as the Elphinstone Company?—Yes, they managed them.

6068. Was there a body of shareholders?—Yes, there was a large body of shareholders.

6069. Has your attention been directed to statements that have been made before this Committee respecting the circumstances under which the Bombay Government purchased the property of the Elphinstone Company?—Yes.

6070. Do you wish to give any explanation of those circumstances to the Committee?—Yes, I wish to explain certain statements which are ambiguous and to contradict others which are incorrect.

6071. Do you wish to hand in a statement of what really occurred on that subject?—Yes, this is the statement that I wish to hand in on that subject. "Early in 1859 the Elphinstone Company was founded for the purpose of reclaiming land from the sea, constructing wharves and piers, erecting and maintaining warehouses and suitable premises with machinery for pressing cotton and other produce into bales, and providing facilities for the growing trade of the Port" of Bombay, and commenced operations by reclaiming a piece of waste ground in the rear of Nowrojee Hill, subsequently known as the Elphinstone Bunder, which had been transferred to it by my brother, James Nicol Fleming, a native named Kessowjee Naik, and myself, we having acquired the property in 1858 from its owner, Manockjee Merwanjee. In 1861 it obtained the Clare and Carnac Bunders from Ramchunder Luximon, who held them under grants secured by his father, Luximon Hurrichunderjee (Bhow Russel), in September 1839. About the year 1858, the Honourable Arthur Malet submitted to Government a plan for the improvement of the eastern foreshores of the island between the Fort and Mazagon, which was highly approved of by Government. Its object was not only to provide wharves and docks, which were much needed, but also to get rid of a fertile source of malaria in the filthy mud-bank in the rear of the native town, left exposed by the ebb tide for many hours daily. (The Bombay Health Officers' Reports, for two quarters of 1871, show that whereas the average number of deaths from cholera in six months, during the years 1851 to 1865 inclusive, was 1,203, the average number during six months, from 1866 to 1871, was 163. I attribute this improvement mainly to the reclamation made by Elphinstone Company.) It included the reclamation of the foreshores of the Elphinstone, Clare, and Carnac Bunders, but as these possessed the right of sea frontage, it could not have been carried out unless by arrangement with their owners, who, although possessing this right, had no power to improve their foreshore without consent of Government; while, on the other hand, Government could not touch the foreshore, so as in any way to interfere with free access to the bunders, without consent of the owners. The scheme involved so large an outlay, it was hopeless to obtain for it the sanction of the Supreme Government, and no active steps were taken by the local government to put it into execution; nor, excepting by the Elphinstone Company, were overtures made by any private parties in Bombay to take up any portion of it. At this date the Great India Peninsula Railway was rapidly progressing towards completion without a terminal station being yet provided by Government, and there was not in Bombay a single wharf accessible to large boats at all states of the tide. Such was the state of matters in 1861, when the Elphinstone Company, having, as above stated, recently acquired the Clare and Carnac Bunders, in addition to the Elphinstone Bunder, proposed to give Government a site for a goods terminus for the Great India Peninsula Railway, in return for permission to reclaim the foreshore of its property and adapt it for trade purposes. The proposal was accepted, and an agreement entered

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into with Government by which the Elphinstone Company obtained:—

	Sq. Yards.
The Old Musjid Bunder - - - - - -	35,148
The right to reclaim from the sea, and from the muddy and unhealthy foreshore, and adapt for its own purposes - - - - - - - -	1,543,307

But Government was to receive, free of all expense, from the Elphinstone Company, the following extensive area of land, exceeding 90 acres:—

	Sq. Yards.
For Great India Peninsula Railway Goods Terminus -	390,362
For Passenger Station at Carnac Bunder - - -	10,000
In exchange for the old Musjid Bunder, new land equal in area with an equal sea frontage, but 800 yards further seaward - - - - - - - -	35,148
In addition to the area of the old Musjid Bunder - -	10,000
	445,510

In addition to this, the Elphinstone Company undertook to construct, at its own cost, a road 80 feet wide, from the goods terminus in Warree Bay through the whole length of its property, occupying 48,000 square yards. In consideration for the land made over to Government, the Elphinstone Company was to hold absolutely rent free for ever 950,000 square yards, together with all land given up for roads, the remainder of its lands and basins being subject to a rent of 500 rupees per acre per annum. The company was also to have the right to levy wharfage fees on all goods landed or shipped from its own wharves, and also on all goods, except those *bonâ fide* the property of Government or the Railway Company, landed or shipped from the wharf made over for the use of Government and the Railway. Towards the close of 1866 the company had expended upon its works nearly the whole of its paid-up capital, amounting to a little over one million and a quarter sterling. Bombay was in a state of great depression, and to have pressed calls on the shareholders, who were for the most part traders resident in Bombay, would have greatly aggravated the existing distress. Under these circumstances, with the approval of the directors of the company, I openly applied to the Secretary of State for India to assist the company in raising a loan of 600,000 *l.* My application was referred to India, with the object of verifying my statements respecting the position of the company, and its ability to pay interest on the proposed loan, and the result was that Government, instead of rendering the assistance applied for, proposed to purchase the property at its cost price. The offer of Government was made on the 12th July 1869; it was discussed at a meeting of shareholders on the 24th July, when the directors were authorised to treat with Government; the terms of purchase as finally arranged were submitted to a meeting on 10th April 1870, and formally accepted by the shareholders; and on the 30th April 1870, the property was transferred by the company to Government. The statement made to the Committee that the Public Works Department, Bombay, began some 15 years ago, granting concessions of foreshore to enterprising men to establish wharves, &c., and that the Colaba and Elphinstone land were given in that way, is incorrect. I am unable to state definitely the date of the Colaba Land Company's concession, but it must have been granted long previous to 1849, when I arrived in Bombay. As already stated, the Elphinstone Company obtained the Elphinstone, Clare, and Carnac Bunders from natives, and I have detailed the arrangement by which they became entitled to improve and utilise their own foreshores. The statements that the shares of the Elphinstone Company fell at one time to 330 rupees (per 1,000 rupees), that this represented the fair commercial value of the undertaking at the time, and that the price subsequently rose in consequence of its being bruited about that the property might be purchased by the State, are incorrect. The lowest price touched by Elphinstone shares was 435 rupees, in May 1867, under the pressure of sales by liquidators of bankrupt estates. The shares of all Bombay concerns, good as well as bad, were difficult of sale at that time, and the prices then current for some shares held by bankrupt estates afforded no criterion of the real value of the property they represented, nor of the prices which solvent shareholders would have demanded for their shares. In June 1867, the price of Elphinstone shares advanced to 610 rupees, and, having fluctuated slightly in the interim, stood at the same figure at the beginning of September. From that date to the end of the year the price gradually fell, and stood at 505 rupees at the end of December. During September, October, and November 1867, there was a good deal of discussion in the Bombay newspapers respecting the Elphinstone property. Its acquisition by Government was strongly advocated by the "Bombay Gazette," and on the 16th November it announced with approval "that Sir Seymour Fitzgerald had urged the vice-regal Government and Sir Stafford Northcote to buy back the property at the par value of the shares." The value of the shares in the market, however, remained unaffected by this announcement, and it was not until the following February they began to improve; and they continued to do so steadily, but slowly, until, at the beginning of July 1869, they stood at 900 rupees, from which they suddenly advanced to 1,020 rupees on the publication of the Government proposal to buy. The rumoured possibility of the property being purchased by Government had, therefore, very little, if anything, to do with the advance in the price of the shares. That advance was due to the obvious improvement in the position of the company. Its revenue was steadily increasing, and its works were progressing most satisfactorily, and had nearly reached a stage when their suspension, if rendered necessary by the failure of funds, would have caused little inconvenience. The following are particulars of the Capital Expenditure and gross Bunder Revenue, as given in the published accounts of the company for the years 1867, 1868, and 1869:—

	Capital Expenditure.	Gross Income.
	Rs.	*Rs.*
30th June 1867 - - - -	1,40,84,626	3,84,568
1868 - - - -	1,54,32,138	6,22,232
1869 - - - -	1,85,87,946	6,97,000

The statement that influence was used by my partners and myself to bring about the sale to Government is untrue. The proposal to purchase the rights of the Elphinstone Company emanated entirely from Government, and, so far as I am aware, was neither suggested nor encouraged by any one connected with the company, nor was influence of any kind whatsoever used by my partners nor myself, nor by anyone under our authority, to promote the carrying through of the transaction. The statement that there was no list

list of shareholders ever published, and that hence it was impossible to ascertain exactly the nature of the influence used, is untrue. In conformity with the requirements of the Indian Joint Stock Companies' Act, a list of shareholders was annually deposited with the registrar of Joint Stock Companies in Bombay, along with copies of the annual accounts. These documents were open to the inspection of the public, and further the register of shareholders was at all times open to inspection by shareholders at the office of the company. The statement, that Government might have purchased the property at the time the purchase was first mooted, for half the money ultimately paid, is incorrect. I can confidently state that it was never possible for Government to have purchased the property as a whole, at less than its cost price. No proposal to do so would have been entertained for a moment, and if it be meant that Government could have bought up the separate shares at the low prices current in 1867, I scarcely think such a suggestion need be seriously discussed. There were 10,800 old shares fully paid up, and 10,800 new shares, with a liability of 800 rupees per share. At no time was it possible to purchase any large number of the old shares at the low quotations, and it is not needful to point out the position in which Government might have been placed had it attempted to buy up the new shares. When Government ultimately offered the equivalent of the capital sum actually expended by the company, many shareholders considered it inadequate, and where only induced to yield to the evident desire of Government to possess their property, by the consideration that the adjacent Modee Bay estate, belonging to Government, might be so managed as very seriously to affect the profitable working of theirs. One of the directors, Mr. Peter Adams, retired from the board rather than appear to countenance the sale, which he considered involved a heavy sacrifice to the shareholders. The purchase has been characterised before the Committee as a prodigal one. Difference of opinion may very fairly exist as to the value of the property; Government, however, had been frequently and bitterly reproached in the public Press for having parted with the foreshores of the island to private speculators, and urged to secure possession of them again; and, in the case of the Elphinstone Company's property, this was accomplished, not by payment of a large premium, but by simply repaying to the owners the money actually expended in improving it. The announcement that Government had made an offer to purchase the property, was received with satisfaction by the public (judging by the tone of the Press), and during the nine months which elapsed between the publication of the Government proposal and its final acceptance by the shareholders, no protest was made against the transaction, nor were any unfavourable comments made upon it until long after its completion. The property handed over to Government is thus described in the final report by the chief engineer, dated 31st October 1870: "The purchase-money was 1,859,082 *l.*, for which Government has got of newly-reclaimed land, including the site of the railway station, 252 acres, also 5½ miles of metalled roads, 7 miles of masonry drains under the same, 2½ miles of single line of railway in sidings, 10 acres of metalled wharfing, 1½ miles of temporary walling, and 2⅛ miles of permanent wharf walls, 4 acres of open sheds, partly permanent, partly temporary, and 130 godowns and warehouses, all of which have been fully occupied during the season. The estate lies between the business town of Bombay and the harbour, and on it is already worked a trade of over a million of tons" I exhibit a map of Bombay, and call attention to the position and considerable extent of the Elphinstone property. It is true that a large portion of it is at present waste and unproductive, but this is only waiting arrangements by Government to provide for the overflow of population from the crowded Native town on the other side the railway, where land is at present worth 40 rupees to 120 rupees per square yard. Since the property passed into possession of Government, nothing has been done to develope it, as all progress has been suspended until the Port Trust, which is to have charge of this and the other properties on the foreshore of Bombay, hitherto belonging to Government, has been constituted. Had the property remained in charge of the Elphinstone Company, it was intended to have proceeded with the construction of a deep tidal basin for the accommodation of the largest seagoing steamers and ships, and to have built ranges of suitable shops and dwelling-houses. The vital importance of this public improvement will be seen when I state that more than half the trade of Bombay passes over the Elphinstone property. It yielded a revenue for the year ending 30th April 1872, of 77,000 *l.*, and this amount must largely increase under good and timely arrangements. But for the intervention of the Elphinstone Company, I believe this part of the harbour foreshore must have remained unimproved until this day, and it is patent that the trade of Bombay would have been reduced to great straits, had not the Elphinstone works been constructed. No one has questioned their utility, their excellence, nor the economical manner in which they have been carried out. It has been said that Government might have completed the Modee Bay reclamation, and constructed a good dock for the sum expended on the purchase of the Elphinstone property. Colonel Fraser, R.E., now in this country, who was deputed by the Government of India to report upon the Elphinstone property, has stated, "in regard to Modee Bay, that one-third of a million sterling is required to complete the land estate, and two millions more would be necessary to complete the dock estate." Adding this to the sum already expended on Modee Bay—about half a million—we get nearly three millions, the interest upon which must have been extracted either from the trade, or from "the unfortunate Indian taxpayers." In the words of a writer in the "Times of India," vindicating the Government purchase of the Elphinstone property against the attacks recently made upon it: "If both Elphinstone and Modee Bay properties had been completed—and it is presumed they would have been, had the Elphinstone estate not been purchased—there would have been more wharf and dock accommodation than the trade of the port requires. And had Government and the Elphinstone proprietors combined to raise rates sufficient to pay interest on their joint capital—and Government, acting in the interests of the 'unfortunate Indian taxpayers,' could not well have refused so to combine—Bombay merchants would have had to find interest on 300 lacs, plus on 283 lacs, instead

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stead of only on the former sum." The following is an extract from Colonel Fraser's report with reference to the attempt made by Government to sell land, the highest bid being 25 rupees per yard, against an upset price of 40 rupees per yard: "As I have said before, it is not yet time to sell the land * * It must become, as situated close to docks, or basins, or wharves, for large ships, the most valuable property in Bombay; and I think it a great pity that either attention or money, should be diverted to any other object than that of the prosecution of these works."

6072. Were Messrs. Nicol and Company also interested in the undertakings at Carwar?—Yes.

6073. Had they warehouses or other means there, for obtaining cotton from the interior?—Yes, and cotton presses.

6074. And did that lead them to take an interest in the construction of a railway from Carwar into the interior?—Yes.

6075. Have you also read the statements which have been made to the Committee on that subject?—Yes.

6076. And do you wish to give any explanation upon them?—Yes.

6077. Do you hand in a statement upon that?—Yes; this is the statement that I hand in upon that: "It has been represented to the Committee, that when the official papers recommending the construction of the Karwar Railway were published in Bombay, vehement remonstrances were made by the Press, and the Bombay Chamber of Commerce took up the question, and passed strong resolutions against forming the line. Of the Bombay newspapers, the "Gazette" alone protested against the construction of the line; the other Bombay newspapers advocated it, and the Chamber of Commerce merely recommended further consideration. The resolution passed by the Chamber was as follows: "That, in the opinion of this Chamber, the estimates of traffic given in the correspondence in the Karwar Railway, published by Government, are founded on an incorrect basis, and cannot, therefore, be relied upon. Resolved, that the committee of the Chamber be instructed to memoralise the Secretary of State for India, to institute further inquiries regarding the correctness of these estimates of traffic, and the advisability of giving a preference to the construction of a railway from the Dharwar district to a point of junction with the Great Indian Peninsular Railway." The resolution was carried by 22 votes against two, the Chamber consisting at the time of about 50 members. Copies of the memorial of the Chamber, and of a letter addressed to the Under Secretary of State for India by the two dissentients, stating their reasons for their dissent, are appended hereto, and it should be mentioned that before the adoption of this resolution, a memorial from the principal native cotton merchants trading with the Dharwar cotton district, was addressed to the Chamber, praying that nothing should be done to cause delay in constructing the railway. At the close of the meeting of the Chamber at which the above resolution was adopted, the chairman stated that the Secretary of State for India had already ordered the appointment of a committee to revise the estimates; and this information had been previously communicated privately to some of the members before the meeting. The committee thus appointed by Government to revise the estimates, some of the members of which, had previously strongly opposed the construction of a railway from Karwar, have reported unanimously in favour of a line from Karwar to Bellary, on the Madras Railway, and with one dissentient, they recorded the belief that, taking expenses at 55 per cent. of the gross receipts, it will yield a net return of 4·09 per cent. The dissentient member is of opinion, that the expenses should be taken at 60 per cent., and reduces his estimate of net return to 3·63 per cent. The average working expenses in 1871 on the Indian broad-gauge lines, amounted to 53·48 per cent. A clerical mistake has been made in preparing the estimate of working out the pay of the locomotive superintendent at 600 rupees per month, as 72,000 rupees, instead of 7,200 rupees per annum, correcting which, the return will be either 4·67 or 4·21 per cent., as the views of the majority or dissentient are accepted. In their estimate of traffic, they have assumed that only two-thirds of the cotton produced in the Dharwar district will be sent by the proposed railway, and that the cotton traffic will amount to one-third of the total traffic upon the line. On the B. B. and C. I. line, which was projected specially for cotton traffic, it is found that cotton forms only one-seventh of the whole traffic. On the G. I. P. line, which is also a cotton line, only one-eleventh of the total traffic consists of cotton. The committee report that the following indirect advantages will result to Government from the construction of the railway:—

	Rs.
Increase of Land Assesment - - - - - -	1,50,000
Increase of Revenue from Kanara Forest - - -	1,20,000
Increase of Salt Revenue, from suppression of smuggling and increase of consumption - - - - -	1,46,000
Rs.	4,16,000

which is equal to 3·78 per cent. on the estimated cost of the line. It has been represented to the Committee, that a railway from Karwar to Bellary is an entirely new idea. I believe that upwards of 20 years ago, the Madras Government considered, and favourably reported upon, a project for a system of railways for the Southern Mahratta country, having its base at Karwar, and none of those who have since advocated the construction of a railway from Karwar, have done so as an isolated line. This was very pointedly put to Sir William Denison, in a memorandum he submitted to the Secretary of State for India in 1869, when he asked for a Government guarantee to a line "from Karwar to Hooblee, as the first section of a system which shall be ultimately extended northward, to join the G. I. P. Railway; eastward to Bellary, to join the Madras Railway; and southward, through the Mysore country to Bangalore." It has been represented to the Committee that making a railway from Karwar to Bellary would involve the complete construction of everything to make a port of commerce at Karwar, "in opposition to Bombay," port, trade, everything. So far from this being the fact as regards the port, it is a fine natural harbour, is perfectly safe, and easily accessible at all seasons. During the last 10 years many ships and steamers have loaded at it, not a few during the stormy season, and without a single accident. It has been visited regularly since 1863 by the steamers of the British Indian Steam Navigation Company, latterly twice a week, and the steamers of another coasting

coasting company now visit it weekly. These steamers call regularly at all seasons, and have not once been prevented by weather from entering or leaving the port by day or by night, which is more than can be said of Bombay; nor has their loading or discharge ever been delayed from this cause. A lighthouse is already built, moorings have been laid down, a wharf has been constructed, and it is quite unnecessary that another rupee should be expended on harbour works, even although the trade should attain considerable magnitude. It is the only harbour between Bombay and Cape Comorin, on the Western Coast of India, accessible at all seasons, the other ports on the coast being either open roadsteads or barred harbours, unapproachable during the south-west monsoon, excepting Narrakel and Alleppee, which are open roadsteads, but being partially protected by mud-banks, are sometimes approachable. As to the general question of the necessity or advisability of a railway to Karwar, I draw the attention of the Committee to the following extract from a letter addressed to me, 2nd August 1872, by the Rev. Dr. Wilson, of Bombay:—"Since my return to India, I have been very busy, especially in connection with our own Mission, which, of course, at all times occupies my chief concern. My attention, however, has during these few weeks been aroused by the discussions conducted in the Chamber of Commerce and elsewhere, about the projected Karwar Railway. With a view to the welfare of Western and Southern India, I wish that enterprise most cordially God-speed. For this I have reasons which largely bulk before my mind, and which have in no degree been affected by the discussions in the Chamber. Looking at the map of the portions of India which I have now mentioned, or rather looking at these portions of India themselves (for I am familiar with them by personal travel), I cannot resist the conclusion that the great desiderata for the provinces lying above the Sahyas (or Ghat Mountains), the Southern Maráthá country, and the north of the Karnatik, are practicable access to the seaboard, and a practible harbour available at all seasons of the year. Nearly directly opposite Mangalur, above the Ghats, there are most remarkable ruins at a place called Hallábíd (the old fort in Canarese), which have been photographed by Dr. Pigou, Colonel Tripe, Mr. Butcher, C.E., and others. These ruins are the remains of a capital called Dwàra Samudram, the Gate of the Ocean, which had its importance from its being the inlet to the mountain passes leading down to the sea about Mangalur and the other localities in its neighbourhood. Commerce took this route for long, and met with diversions elsewhere only because at these places there was really no good harbour at all, and ultimately because of the establishment of the Portuguese power, where Goa now stands, at the mouth of the river taken from the Bijapur Mahammadan dynasty. The commercial advantages of Karwar, however (intermediate between Goa and Mangalur), were soon discovered by the English East India Company, which had a considerable factory there so early as 1663. These advantages consist in its excellent natural harbour, accessible at all seasons of the year, and next to Bombay in this respect on the Western Coasts of India, and its being the natural terminus of the more easy passes communicating with the Southern Maráthá country and the north of the Karnátika. It was only the blind and demented policy of the tyrant Tippu that brought it to temporary ruin. In this position it could not long remain; and the restorement of the port is unadvoidable under enlightened government and mercantile policy. The great desideratum for it is the construction of such a railway, communicating with the higher country lying eastward of it, as was projected a few years ago. To think of a paying railway draining the Southern Maràthá country and the north of the Karnátik, and leading, *viâ* Sholapur or Pandharpur, to Bombay, is, in my opinion, quite Utopian. Think of the broken ground over which such a railway has to pass, and the numerous mountain streams and rivers like the Matarba and the Krishna, which it would have to bridge, and its great length before it can reach the G. I. P. R. works, and you will see that its costs must greatly exceed any expectancy of profit. The Karwar line, conducting directly to the sea, is much preferable. I have the cotton traffic in my eye in this remark, but not the cotton traffic alone. The high country needs the salt and the rice and the cocoa-nuts of the low country, and the European imports which would reach Karwar; and the low country needs the wheat, and the barley, and the pulse of the high country. The forests, too, must not be forgotten. Who would propose to take their wood to Bombay by the circumbendibus route above the Ghats? But I write with very limited time at my disposal, and I cannot enlarge on these matters at present. Some of the merchants here have alluded to the tendency of commerce to go to great places of export, in preference to those of lesser importance; and on this account hesitate to attach due importance to Karwar as a place of export compared with Bombay. But the answer to this is, if the cotton be wanted in Bombay it will be taken thither by sea, at a smaller expense than it could be by land by the proposed route above the Ghats, as already stated." Compta, distant from Karwar about 30 miles, was the principal outlet for the produce ef the Southern Mahratta country until Karwar was opened. It has no harbour, is only accessible to small coasting vessels, and the trade is closed completely from the first appearance of broken weather at the commencement of the south-west monsoon, say middle of May, until its close in September. It has been stated that the native merchants are averse to leaving Compta, where they have good houses, gardens, and temples, and complete arrangements for carrying on their business; but though it is true they have many ties to Compta, they all recognise the superiority of Karwar, and are prepared to come over if the railway be made. Indeed, many of them have already got permanent establishments at Karwar, and the house assessment, at the same rates, now yields more at Karwar than at Compta. The present influence of Compta and Karwar on the trade of Bombay may be judged of by the following traffic statement. Last year the exports of cotton for the 12 months ending the 30th June were—

	Docras.	*Bales.*	*Bales.*
Compta to Bombay - - -	163,200 =	54,400	56,000
„ Karwar - - -	4,800 =	1,600	
			56,000
Karwar to Bombay - - -	50,322 =	16,797	
„ „ - - -		758	
„ Europe - - -		28,167	
			45,722

6078. Do you know whether the first movement in Bombay for the purchase of the Elphin-

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stone Company originated with this letter which I want to show you (*handing the letter to the Witness*), this is a letter from Mr. Russel Aitken?—Well, he says so. He told me so the other day, and sent me that letter.

6079. You have read the letter?—I have.

6080. And having read the letter, does it convey to your mind a correct view of the fact to say that that letter was the commencement of the negotiation?—That I cannot tell. The letter is dated 1866, and the suggestion to purchase may have been made first by him, but I am not aware of it. Several people claim to have been the originators of the idea. Mr. Knight, of the "Bombay Times," claims it; Mr. Maclean, the editor of the "Bombay Gazette," claims it, and Mr. Russel Aitken now claims it.

6081. You stated it was towards the close of 1866, that the first idea was entertained of applying to Government in some way for assistance?—Yes; I applied in London to Lord Cranborne for assistance in obtaining a loan.

6082. This letter appears to have been written in India on the 6th of September 1866?—Yes.

6083. It would seem from that to be probable that Mr. Aitken gives a correct view?—It is quite possible.

6084. Mr. Aitken was the Executive Engineer to the Municipality of Bombay?—Yes.

6085. Mr. *Crawford.*] With reference to the claims of these different gentlemen of having originated this idea, do I rightly understand that they claim to have included Moody Bay also in it?—No; the proposal was to get back possession of the foreshores which had been alienated; the foreshores which were in the possession of private companies or private individuals.

6086. *Chairman.*] This is the letter of Mr. Aitken:—"Municipality, City of Bombay, Executive Engineer's Office, Bombay, 6th September 1866. From the Executive Engineer, Municipality, to the Municipal Commissioner for the City of Bombay.—Sir, I have the honour to bring before your notice the present state of the harbour and bunder accommodation of Bombay, which although a matter not immediately under my departmental charge, I cannot forbear bringing forward, as the interest of the town and the future success of the municipality are entirely dependent upon the dock and wharfage accommodation of the port. The remarks I am about to make must not be taken as mere theoretical ideas, but simply as suggestions based on the application of well known principles adopted with success in England under somewhat similar circumstances. The introduction of railways to a port has invariably necessitated the provision of ample wharfage accommodation for shipping, so that the railway waggons in which goods are brought from or taken to the interior of the country, may be taken alongside the vessels, and the goods be rapidly transferred from one to the other, thus saving the enormous expense and delays which attends the present cumbrous system of carts and burden boats. It may be urged that this wharfage accommodation is not required in Bombay, as it would not be used by merchants, who invariably take goods to their warehouses before shipping them. It is also said that this is a state of things which cannot be altered, it having been the native manner of conducting business from time immemorial. Those who argue in this way, entirely overlook the fact that, the present imperfect method of carrying on trade results from causes, which, in future, ought to have no existence. It is evident that the sole aim of every merchant, whether European or native, must be to conduct his trade in as economical a manner as possible; and that, if increased facilities are provided, whereby an enormous saving would be effected, it is absurd to suppose that the merchants would not avail themselves of them. My opinion is, that they would at once adopt themselves to the altered circumstances. There are two methods by which wharfage accommodation may be provided, namely, either by the construction of jetties, projecting into the deep water of the harbour, or by wet docks constructed on the foreshore. The objections to jetties projecting from any points near these centres of trade, the fort and the native town, are, that ships could not lie alongside them during the greater part of the monsoon, and that if they were carried out far enough to be useful, they would interfere with the anchorage, and also with ships using the harbour. The only alternative therefore, is the construction of wet docks on the foreshore. The Elphinstone Land and Press Company are proposing to construct wet docks, and the Bombay Reclamation Company are also taking steps in the same direction. The Government alone are at vast expense, providing means for working bunder-boat traffic only, a traffic which must in the very nature of things shortly become much curtailed; besides which, its requirements will be amply provided for by the two basins in the Elphinstone Reclamation, and by the proposed Malet Basin, which will give, I believe, about double the bunder-boat wharf accommodation now possessed by the harbour. Within the next few years the trade of Bombay will doubtless be greatly augmented, but its increase during the next 30 years can easily be accommodated by wet docks, which might be constructed on the Elphinstone and Moody Bay Reclamations. Those proposed in Back Bay and at other places in the Island of Bombay need not therefore be seriously considered at present, as they are so far removed from the warehouses, &c., of the fort and native town, that they could not compete for traffic with docks which are situated nearer. I assume that the first cost per acre of dock space at all the proposed places would be about the same. It would thus appear that for a considerable time the trade of the city of Bombay must depend upon the accommodation to be provided for it on the Elphinstone and Moody Bay Reclamations. Such being the case, it appears to me that the municipality should have some voice in the management of these reclamations; otherwise there is nothing to prevent the interests of the city being sacrificed to those of the harbour, or *vice versâ*; and, ultimately, the prosperity of both may be seriously and permanently injured. In most of the large ports of England and Scotland the docks and harbours are either directly under the municipalities, or are managed by separate "Trusts" or public bodies, several of the members of which are nominated by the municipalities. Thus, although the interests of the harbour and of the city may be, and often are, distinct, yet by means of a dock or harbour trust these difficulties are overcome, and both public bodies work harmoniously together. Whether the Harbour Board of Bombay is capable of extension and reorganisation so as to enable it to undertake the construction of wet docks

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on the Elphinstone and Moody Bay Reclamations, is a subject on which I cannot venture to offer an opinion, nor can I indicate on what terms the Elphinstone Land Company would be willing to transfer their bunder rights, for which and for the right of reclamation they have paid so heavily, nor can I venture to say whether Government would be willing to hand over the frontage of Moody Bay, by far the finest site for dock purposes in Bombay, instead of expending an enormous sum in providing accommodation for a traffic which must, to a great extent, become subsidiary and dependent on properly constructed docks. If a Harbour and Dock Trust be instituted in Bombay, it could, I believe, easily raise money in England on its own security, such a security being there considered one of the safest and most desirable means of investment; in proof of which it may be mentioned that money can always be obtained by Harbour and Dock Trusts at a slightly lower rate than by the best railway companies. I would, in conclusion, point out that the present is the most favourable time for the organisation of a Harbour and Dock Trust, as the great depression in the value of the shares of the Elphinstone Company will probably induce that company to agree to terms which could not be obtained in other and more favourable times. The Elphinstone shares are now at a heavy discount, which, combined with other depressing effects of the late crisis, must prevent the company for some time at least, from being able to raise money on anything like favourable terms for the completion of their proposed docks and bunder-boat wharves. I have the honour to be, Sir, your humble servant, Russel Aitken, Executive Engineer to the Municipality"?—Yes.

6087. Sir *Stafford Northcote.*] I understand that the statement that you have put in contains in substance all that you wish to say to the Committee. I understand that you particularly desire to dispute the statement that has been made that influence was used by your partners and yourself to bring about the sale to the Government?—Most distinctly I repudiate the idea of having used influence of any kind.

6088. And that you also distinctly dispute the statement that no list of shareholders was ever published?—A list of shareholders was annually deposited with the Registrar of Joint Stock Companies in Bombay, and was open there to the inspection of the public, and the list of shareholders at the office of the company was also open at all times to the inspection of shareholders.

6089. Now, I understand, that in substance your account of the transaction is that the Elphinstone Company had obtained certain land which gave them a sea frontage, that when the Government desired to reclaim the foreshores they were unable to reclaim the portion that was in front of some of the land that belonged to the Elphinstone Company, and that it was necessary that the consent of the Elphinstone Company should be obtained?—It never exactly came to that position of matters; that is, the position of Government wishing to reclaim, and the Elphinstone Company standing in the way; the Government never got that length; but when it came to the knowledge of the Elphinstone Company that a scheme, suggested by Mr. Malet, for the general improvement of that foreshore, had been approved of by Government, the Elphinstone Company came forward and proposed to take up that portion which lay in front of their own property.

6090. That could not have been done without the consent of the Elphinstone Company?—No.

6091. Then had the Elphinstone Company become possessed of this land by purchase or by grants from the Government?—By leases from the natives who possessed the shore.

6092. Which leased property they afterwards bought out and out?—The Government bought it out and out.

6093. Did the Elphinstone Company buy it?—No; we got perpetual leases from the natives.

6094. You were not actual freeholders?—No.

6095. Now, when the time came at which the difficulties of Bombay prevented matters proceeding, the wish of the Elphinstone Company was to obtain a loan from the Government, was it not?—It was so.

6096. And if that loan had been conceded, you believe that the works might have been carried on by the company themselves?—Certainly they would have been.

6097. And they would have preferred that to selling their land?—Yes.

6098. And you made formal application for that purpose, which led to no result?—It was referred to the Government of India.

6099. Referred, you mean, by the Secretary of State to the Government of India. Your application was made to the Secretary of State, who referred it to the Government of India?—Yes.

6100. And you never received any formal answer to that request?—No; I never received any formal answer to that request.

6101. Then, a proposal afterwards came to you from the Government, as I understand, to purchase the property?—Yes; the proposal came from the Government.

6102. You had not yourselves expressed any desire to sell it?—Never.

6103. With regard to this statement which was made, that the Government might have purchased the property for half the money ultimately paid, you say upon that, that it would have been impossible for the Government to have purchased the property as a whole, but that they might have gone into the market and bought up the separate shares to a considerable extent. Do you think that would have been possible?—No, but it is the only way in which I can reconcile the statement that has been made to the Committee with the truth.

6104. If it had been known that the Government were buying shares, would not that in itself have raised the price of the shares?—Certainly it would.

6105. Would it have been possible under the constitution of the company for the Government to have held shares in it?—I do not know of anything in the constitution of the company which should have prevented Government from holding shares in it.

6106. Could the company have rejected a purchaser?—I think not.

6107. Now, supposing that the Government had gone and bought up the shares, they would have had to buy probably a considerable number which were not fully paid up?—They would have had to do so.

6108. They, in that case, would have been liable to calls?—Yes.

6109. Then, in point of fact, it would have come to much the same thing as if the Govern-

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ment had advanced a loan?—It would have been better for the company, for the other shareholders.

6110. But not necessarily better for the Government?—No.

6111. What were the considerations which led to the original concession of the foreshore to you; besides, the obligation laid upon you to reclaim it from the sea, you were to give the Government certain portions for the purpose of the railway terminus, were you not?—Yes; we were to give 390,000 square yards for a goods terminus for the Great Indian Peninsula Railway Company.

6112. That is the terminus, is it not, which is now placed at a different point at Colaba?—No; the terminus at Colaba is that of the Bombay, Baroda, and Central India Company.

6113. Then, was it ever proposed that you should give a terminus for the Bombay, Baroda, and Central India Company?—In 1867, I believe the Bombay Government recommended that a terminus for the Bombay, Baroda, and Central India should be placed upon the Elphinstone Company's property as more convenient for the trade.

6114. We may as well have it distinctly in the evidence, though it is in your statement, but what property was it that was handed over to the Government; what was the amount of the purchase-money?—£. 1,859,082.

6115. And what did the Government get for that?—Including the railway station, 252 acres of land, 5½ miles of metalled roads, 7 miles of masonry drains under those roads, 2½ miles of single lines of railway in sidings, 10 acres of metalled wharfing, 1½ miles of temporary walling, 2⅛ miles of permanent wharf walls, 4 acres of open sheds, partly permanent and partly temporary, and 130 godowns and warehouses, all of which had been occupied during the season previous to the sale.

6116. The property has not yet been fully developed?—No.

6117. Does the Government receive any rent from the company in addition to that?—The Government was to receive a rental for land reclaimed in excess of 950,000 square yards.

6118. What amount is paid to the Government under that arrangement?—The reclamation had not proceeded so far.

6119. Do you expect that the property will become much more valuable?—I do; very valuable.

6120. What is it that it is waiting for?—At the present time there is not a single dwelling house upon the land, and the land on the other side of the railway is the most densely populated part of the native town.

6121. You consider it of great importance to the trade of Bombay that the foreshore should be improved?—I think it was necessary in two points of view; in the sanitary point of view; and also the trade requirements of the port necessitated it.

6122. Mr. *Crawford.*] You had no shipping facilities at Bombay, had you, in the nature of wharves, alongside of which vessels could come and discharge?—No; alongside of one of those wharves reclaimed by the Elphinstone Company coasting steamers now come.

6123. The large ships lie out in the harbour, half a mile or more from the shore, do they not?—Yes.

6124. And in the monsoon months they are very difficult of access; the property is damaged by water and otherwise injured?—Very seriously.

6125. There was therefore a great policy in the establishment of wharves, alongside of which ships may come and discharge their cargo?—It was a very desirable thing.

6126. And the Government therefore, as representing the public, had a policy in obtaining the possession of that property?—Yes, clearly.

6127. Sir *Stafford Northcote.*] In what other way could the object have been accomplished?—By forming docks or tidal basins in Moody Bay.

6128. Do you consider that that would have been a more economical or a less economical process?—I think it would have been less economical.

6129. You quote the opinion of Colonel Fraser upon the subject?—Yes.

6130. When was that opinion given?—In 1871, I believe; I am not sure whether it was 1871 or 1872. He was sent over from Calcutta to inquire into the condition of this property, which had been acquired by the Bombay Government.

6131. Since the purchase was made?—Yes.

6132. And he states, with regard to Moody Bay, that one-third of a million sterling would be required to complete the land estate, and that two millions more would be necessary to complete the dock estate; and there has been besides a considerable sum already expended on Moody Bay?—Yes.

6133. How has that money been applied which has been already expended on Moody Bay?—On the reclamation of land from the sea.

6134. Is that reclamation good, so far as it goes?—So far as it goes it is good; but it is not protected by permanent walls; merely by rough rubble walls.

6135. If it does not go on would it be lost money?—No; I believe that the walls, though rough, are sufficient to protect the reclaimed land.

6136. So that if no more money were laid out than that, it could not be considered as lost money?—No; it is in a rough state; but it could be utilised for building purposes.

6137. Mr. *Crawford.*] Is the ground filled in up to high-water mark?—Yes; above high-water mark.

6138. Mr. *Beach.*] Is a large outlay required to develope the property more fully?—The idea of the Elphinstone Company, which, I believe, has been adopted by the Government, is to make a large tidal basin to receive sailing ships and steamers, vessels of large burthen, and a large expenditure will be necessary to carry that work out.

6139. Can you form any idea what expenditure will be required?—I believe that about three quarters of a million is required.

6140. Sir *T. Bayley.*] Are the merchants of Bombay willing to make large investments in the projected scheme?—In the railway, do you mea?

6141. In the scheme altogether?—The native merchants, I believe, were; that is in the Carwar Railway.

6142. I ask you whether the merchants have sufficient interest in the proposal generally to enter into it themselves jointly with Government?—The merchants in India get a higher rate of interest for their money generally than what

what has yet been obtained from railways, and I do not think that with the experience of the existing railways before them merchants would be very much disposed to go into railways, excepting under special arrangements.

6143. Sir *G. Balfour.*] When I was at Bombay, in 1859, if I remember correctly, there was a great outcry then raised by the home mercantile community, regarding the defective accommodation for loading and unloading vessels?—Yes.

6144. Do you consider that your house, in commencing with the purchase of those bunders from the natives who held the leases, were doing good service to the trade of Bombay by so commencing?—We had that distinctly in view by providing accommodation for the trade.

6145. Did the events of the war in America lead to a still greater demand by the merchants for additional accommodation?—Yes.

6146. And, therefore, your house did good service in commencing this large undertaking?—I have always thought so.

6147. And the main object that you had in view was that your extensive transactions should, in common with those of other merchants, be benefited by your measures?—Certainly.

6148. And you are now still of opinion that if proper energetic measures were taken for the development of these foreshores, and the improvement of the port, still greater service would be rendered to the town of Bombay?—Certainly.

6149. With regard to Carwar, was not that place transferred from the Madras Government to the Bombay Government, because of its great connections with the trade of the Southern Mahratta country?—Yes; the produce of the Southern Mahratta country found its way chiefly to Bombay.

6150. And therefore the Government of India thought it desirable to make that portion of Canara subordinate to the Government of Bombay instead of Madras?—I understood so.

6151. The Madras Government had made efforts to ascertain the safety of the port of Carwar before it was transferred to Bombay?—I believe so.

6152. They had applied to the Government of Bombay to send ships there to lie for upwards of 18 months in order to test the capabilities of the harbour?—Yes.

6153. And an enterprising merchant had, previously to that, opened out cotton gins, and so on, at Carwar?—At Tuddry.

6154. And for years an outcry had been raised against the Madras Government for not providing a communication for the shipment of the cotton from the district, between Dharwar and Carwar?—It was a constant subject of complaint; the Bombay merchants frequently complained to the Bombay Government respecting the insufficient accommodation.

6155. And the Manchester manufacturers had also raised urgent cries against the dilatoriness of the Government in not opening up Dharwar with Carwar?—Yes.

6156. And therefore the commencement of the railway referred to in your statement was one of the great objects which had been desired for years and years?—It had been frequently urged upon Government.

6157. In opening out the country from Carwar into the interior, we opened out a country of great value to India, did we not?—Yes; it is a very rich country, the Dharwar country.

6158. And cotton is not the only article of produce which came from that part of the country?—It is capable of producing any of the products of India; and we used to receive grain and seeds, and saltpetre, and jagree from those districts until of late years, when cotton has absorbed the whole of the carrying power of the country.

6159. And you still consider that it would be exceedingly advisable, in a commercial point of view, that that rich country there should be opened out?—Certainly.

6160. Whether by means of canals, as some have proposed, or by railways?—It is impossible to do it by canal, in my judgment.

6161. But you consider a railway feasible up the ghauts?—Yes.

6162. Looking at the direction which the railway must take from Carwar to Dharwar, its extension up to the Raichore Doab, one of the richest parts of the Nizam's dominions, would open out a fine and rich tract of country?—Yes.

6163. The produce from the ceded districts, instead of going the long distance of 400 miles to Madras, would travel the shorter distance of 200 miles to Carwar?—Yes, and get to a better port.

6164. And the mere difference of cost of carriage for that cotton by the shortened route, would alone make it a paying concern in Manchester?—It would be a gain, certainly.

6165. And do you still continue to advise that that communication should be opened out?—Yes.

6166. Now, as you have been a long time in India, I would ask you, politically, is it not of great importance that that almost unopened country which lies between the Doabs should be opened out with the western coast of India?—That country is inhabited by a very bold and rather turbulent people, and it has always seemed to me to be of importance that there should be free access to that country.

6167. Would not that line of railway pass through the country where the only insurrection that broke out in the Madras Presidency in the mutiny of 1857 took place?—Yes; it would pass right through that country.

6168. And had it not been for the facilities of moving from Bellary that country might have been raised up by the influential natives who rebelled on that occasion?—Certainly; if you had not promptly repressed that movement it might have been very serious for the peace of that portion of the country.

6169. And the communication from thence might be extended up to Hyderabad, the capital of the Nizam's dominions, from the Raichore Doab?—Yes.

6170. Mr. *Beckett Denison.*] Have you personally visited Carwar and these western ports?—I have visited Carwar, but have not been in the Bellary district myself.

6171. When were you at Carwar?—In the beginning of 1865.

6172. What was the condition of the harbour at that time as regards Bombay?—There was a pier and a wharf; not a very complete structure, but quite sufficient for its purposes.

6173. Any warehouses?—Yes, there were two press establishments; one of which belonged to my firm, and the other belonged, or had belonged, to the Manchester Cotton Company.

6174. Will you tell the Committee what were

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the physical difficulties which existed at the time which led the Government of India to halt in its design of opening out the port of Carwar?—I do not know of any physical difficulties connected with the port.

6175. No reasons connected with the trade?—Not that I know of.

6176. *Chairman.*] Any bar?—No.

6177. What is the depth of water?—Vessels drawing 19 feet can ride with perfect safety in low water.

6178. Mr. *Beckett Denison.*] This other place that you have mentioned, Tudry, is completely south of Carwar, and outside of the harbour?—Yes, it is about 30 miles south.

6179. *Chairman.*] Another estuary altogether?—Yes, the Tudry river is a little river and quite inaccessible to large vessels.

6180. Mr. *Beckett Denison.*] Have the Indian Government at home proceeded with their plans regarding the Carwar Railway?—I do not know what the Secretary of State is doing with respect to the matter just now. Recently, a committee which had been appointed to revise the estimates, reported. That report was commented upon by the Bombay Government and the Government of India, and has been forwarded to this country; but I do not know what the Secretary of State has done respecting it.

6181. I suppose that a great deal of the opposition that the plan meets with from Bombay is from a fear on the part of the Bombay merchants that their own port may be prejudiced by the opening up of Carwar?—I believe that to be the principal point of opposition to it.

6182. How far south of Carwar is Compta?—It is 26 miles south (*pointing it out on the map.*).

6183. In the statement which you have put in I see that great doubts are expressed whether the merchants of Compta would be willing to give up their landings and trading establishments at Compta to establish themselves at Carwar, in the event of the Carwar Railway being made; have you any such apprehension?—As a matter of fact, many of them have got agents at Carwar, and I should like to be permitted to put in a copy of a memorial, addressed by the merchants of Compta to the chamber of Commerce of Bombay, expressing distinctly their willingness to remove to Carwar in the event of a railway being made (*handing in the memorial*).

6184. What is the distance from Carwar to Dharwar?—105 miles. I should rather say to Hooblee, because Hooblee is the centre of the principal cotton marts.

6185. Is that the length in a direct line?—No; that is the length by railway.

6186. As regards the direct intercourse with the port of Carwar of ocean-going ships, you have no reason to believe that there are any impediments, as regards the navigation, for vessels drawing 19 feet of water?—None whatever.

6187. Do you remember at the port of Cochin what is the greatest depth that a vessel can get in?—I believe that vessels, going in to load at Cochin, must cross the bar at 12 feet, and then only during the fair season; they load outside.

6188. Do you know what has caused the suspension of all the contemplated projects of opening the country in question?—I understand that it is an apprehension that the construction of the railway may entail a charge upon the revenues of India.

6189. Then it has also to contend with the direct opposition of the Chamber of Commerce at Bombay, and the Great Indian Peninsular Railway, has it not?—The Great Indian Peninsular Railway gets none of the traffic, at present, from the country which would be drained by the Carwar Railway.

6190. Then I will put it in another way, that the Great Indian Peninsula Railway anticipate that if the longer line were made, that from Hooblee to a junction with their line, that will bring traffic on to their line?—Doubtless it would bring some traffic on to their line.

6191. And then the uncertainty as to the local return for the line between Hooblee and the junction with the Great Indian Peninsula Railway would be very much greater, being the longer line than it would be between Hooblee and the sea?—I do not quite catch the point.

6192. You have said that there was an apprehension that this proposed line from Carwar to Hooblee might cause a charge upon the revenues of India?—Yes; I understand that the making of this particular railway, and of some other railways in India, has been stopped for the present from the fear that they may not pay; at least it was so put in the Despatch of the Secretary of State to the Government of India.

6193. Then I say, upon that, if the projected line from hooblee to join up with the Great Indian Peninsula were carried out, the risk of loss would be very much greater over the longer line?—It would be greater.

6194. Mr. *Dickinson.*] There has been no opposition offered, has there, by the Great Indian Peninsula Railway to this?—No; I believe not.

6195. *Chairman.*] Did you state that two vessels can lie in the harbour of Carwar all through the year?—Yes.

6196. In the monsoon?—Yes.

6197. What would be the distance of the vessel at anchor from the piers or pier and wharf which you have described?—I am not perfectly certain; but my recollection is that vessels lie about 300 or 400 yards from the shore.

6198. Sir *G. Balfour.*] Is there not a fine island off Carwar, where a fine light is shown?—Yes.

6199. And the facilities for approaching that part of the coast are good?—Yes; since the year 1863 the steamers of the British India Company have been visiting the port regularly by day and night, and they never have had once to wait.

6200. And I am right in saying that the Madras Marine Board made great efforts to secure the opening of that port from believing it to be an exceedingly important place for ships to approach?—I believe it was due to the Madras Government that it was opened in 1860.

6201. *Chairman.*] Do you know whether Goa is a better entrepôt?—Immediately to the south of Goa, there is a harbour which is capable of being made a very good one; it is a very desirable site for one.

6202. Mr. *Crawford.*] There is a great bar at the entrance to Goa river, is there not?—To Goa river itself.

6203. Sir *G. Balfour.*] There is no bar whatever at Carwar, is there?—No.

6204. The characteristic features of all the rivers on the western coast of India, are that they have bar harbours?—All of them.

6205. And

6205. And the opening which goes into the land here is a very peculiar opening, distinct almost from all the places of refuge on the western coast of India?—Quite distinct; there is a very bold headland which strikes out from the coast and runs almost in a northerly direction, and it protects the harbour from all westerly and southerly winds.

6206. Besides that fine island which protects the entrance, has not Carwar a bold headland also under the lee, of which ships lie in the monsoon?—That is the headland of which I speak.

6207. And if the trade should increase to the extent which is anticipated, it would be very easy to add to the protection which that bold headland of Carwar now affords the shipping?—I do not think that it would be necessary unless the trade nearly attains the proportions of the Bombay trade, to afford any additional protection.

6208. But it is the fact that there is no port on that coast where ships can approach so near to the land as in that remarkable inlet?—Yes; it is very easily approached.

6209. Mr. *Beckett Denison.*] Have you heard any unfavourable report of the climate inside?—I know the contrary; I have had people living there since 1860; and one of my people, a married man, had his wife and family resident on a hill 1,800 feet high, about five miles distant from his work, and rode up and down daily.

6210. Sir *D. Wedderburn.*] I suppose it would hardly be an exaggeration to say that Carwar is by far the best natural harbour in British India?—I could hardly go the length of saying that, but it is a very fine natural harbour for its size.

6211. Is there any other harbour in British India equally accessible in all times of the year, and at all times of the tide?—Bombay is really more difficult of access than Carwar, although it is a larger and finer harbour; I would not compare them; but Trincomalee is very good.

6212. That is not in India but in Ceylon; can you explain how it is that Carwar has not hitherto developed into a great commercial port?—Because until recently there were no roads to it.

6213. The ghauts about Carwar are peculiarly inaccessible, are they not?—Yes, immediately in the neighbourhood of Carwar, but the road now made is a very fair road.

6214. Do you think the Canara fevers have had anything to do with keeping back the place?—The Canara fever never seriously affected Carwar itself; but in making the road from Carwar, it seriously interrupted the work; but the Canara fever has quite disappeared during these last few years.

6215. Sir *G. Balfour.*] Is it not the fact that since the Bombay Government got possession of that coast, the cry which was so loud against the Madras Government for not making those improvements has entirely ceased?—All the Bombay people seem to have become afraid that if Carwar was made too good, the trade which comes to Bombay would go direct to Carwar.

6216. You are quite cognisant of the outcry raised 20 years ago against the Madras Government?—Yes.

6217. That outcry now, at all events, is considerably less?—There is no outcry now, except from a few people, who say that a road is not sufficient, and that a railway is necessary.

6218. You have no doubt yourself of the feasibility of communication by the ghauts?—None.

6219. The slope is by no means difficult to overcome?—There is a break at that portion of the ghauts.

6220. Showing a great facility for running a communication up that break?—Yes.

6221. *Chairman.*] You mean as compared with the hills that have no gaps in them?—It is an easier ghaut than either the Tull or the Bhore Ghaut.

6222. Sir *G. Balfour.*] When once the ghaut is overcome the level land above the ghauts is singularly well adapted for communication, is it not?—After you pass Yellapore.

6223. I think the British India Steam Navigation Company have regularly visited that port for a number of years?—Since 1863.

6224. And they have never failed to enter at all times of the year?—Never.

6225. And even at night?—At night, and at all times, they have entered freely and gone out freely.

6226. Showing that the navigation is certainly free from all dangers whatsoever?—Very free.

6227. And that the lights and the safety of the water are sufficient alone to enable the steamers to run in?—Yes.

6228. Is it the fact that no accident has ever happened to any ship since Carwar was opened?—One ship, the Mahabuleshwar, which, contrary to the orders of the port officer, anchored too far off, dragged her anchors and had to be assisted, but there was no accident.

6229. Mr. *Beckett Denison.*] Have there not been doubts expressed often as the holding ground of the anchorage?—I have heard a doubt expressed as to its being a good port, but I simply have the experience of these years that it is a good port against that doubt.

6230. Mr. *Dickinson.*] I think I understand you say that you understand that one of the reasons why the Carwar project is at all events in abeyance, is that there is an idea that it may involve a charge on the revenues of India?—That has appeared to be the feeling expressed in the Secretary of State's Despatch to the Government of India.

6231. Then your opinion is that the railway would pay?—I am sure it would pay.

6232. Have you any idea that any plan could be suggested in which the natives of the districts would take an interest; by which, at all events, Government would be secured against any loss?—Yes, I think there is a mode by which it could be done. I think that a system, which might be called the exact converse of the guarantee system, would meet the case. Under the guarantee system the public or companies have provided the capital to construct the railway under the guarantee of the Government; but I believe that if Government would find the money, companies would be found to guarantee the Government against loss.

6233 And you have no doubt, as regards that particular line, that such a company could be created?—Yes; I know that it can.

6234. And do you think that in such a company the natives would take an interest?—Yes.

6235. *Chairman.*] Do you think that you would get capital subscribed in that way unless the Government tied its hands so as not to interfere either to increase the expenditure or to diminish

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diminish the profits?—Well, the plan that I have in view is this: supposing the railway approved, that Government should advance to the company the money required for the construction of the railway at 4 per cent., that being the rate at which, I believe, that Government could borrow money for remunerative works; the present value of 4 per cent. Government Stock is 104 in London, and 103 rupees for the rupee paper in India, so that I have no doubt that they could borrow money at 4 per cent.

6236. But would the risk of the cost of the railway being constructed within the agreed capital fall upon the Government or upon the railway company?—The company would be required to subscribe a certain sum of money beforehand, and deposit it with Government as a security.

6237. But what I want to know from you is, would the contract provide that the Government should construct the line at the estimated cost, or that the company should construct the line at the estimated cost?—That the company should construct the line.

6238. Would that involve the company operating throughout without any interference whatever on the part of the Government?—Beyond supervision there would be no interference.

6239. Supervision which was to share the responsibility of the works, the character of them, or the expenditure on them; or what would be the nature of the supervision in your view?—The supervision I take it would be to see that the works as they were proceeded with were sufficient works, and that the material supplied was good material.

6240. That would be an inspection rather than supervision. After the railway was completed they would inspect it, and see that it was according to the contract?—The idea that I have is that there should be a continuous supervision of the material sent out from this country and of the work in progress, very much as there was a supervision of the guaranteed lines.

6241. Do you think that private people would become responsible if they had to share with a Government officer the decision of the question as to the nature and quality of the materials, and the decision of every question connected with the construction of the railway?—I take it that it would operate in this way: that there would be on the part of the company, seeing that their aim was to make a profit, a desire to be as economical as possible.

6242. Mr. *Crawford.*] The supervision of works would amount on the part of the Government to insisting that the specifications were complied with and executed?—Yes.

6243. Sir *G. Balfour.*] But you would not allow the interference which now takes place, by which the whole of the works of all the railway companies have been increased in cost to an enormous degree?—I was not aware that it was the interference of the Government which had caused the increased cost of the railway.

6244. What do you think caused that large increased cost?—There have been a variety of causes.

6245. Mr. *Crawford.*] Has there been that increase of cost?—Over the original estimate in some cases, I believe there has, but I am not familiar with that subject.

6246. *Chairman.*] Do you know that the Great Indian Peninsula Railway has actually doubled its mileage expenditure from what it originally started with?—Yes; I am aware that it has cost a great deal more than was estimated.

6247. Do you know that that has been the result of principles of construction laid down by the Government to a large extent; take for example, insisting upon a gauge and fencing the line upon both sides all through India, and making platforms and various stations of a certain quality; if all those are supplied up to a definite standard, would they not very much enhance the cost of the railway?—But were they not in the original specifications?

6248. There was no specification originally; you, however, would proceed upon a specification, as I understand you?—Yes.

6249. Would you fix beforehand the limit of the rates to be charged, the same as is done by a railway company in this country, so as to preclude all interference by the Government within the prescribed limits?—That is a matter which might fairly be arranged beforehand.

6250. But would it not be necessary to arrange it beforehand; supposing you had learned that the Government have prescribed unprofitable rates for the use of the guaranteed railways, they themselves bearing the loss, what would be the fate of a railway company, that was itself to bear the loss under such conditions?—Rates which might not pay a guaranteed railway, might yet pay an economically constructed narrow gauge railway.

6251. Would it be necessary, in order to induce capitalists to invest, that they should know beforehand what the rates would be?—Yes.

6252. And would they not claim a discretion within the originally prescribed rates?—Yes; I take it that they would.

6253. Mr. *Fawcett.*] You have expressed the utmost confidence that this particular railway will pay; you say that it would pay a profit, and particularly would pay Manchester?—No; the meaning of my answer was, that the difference in the cost of carriage 200 miles by rail to Carwar, and 400 miles by rail to Madras, would amount to a profit upon the transaction.

6254. Therefore, it could be sold at a cheaper rate to Manchester?—Yes, it could.

6255. And, therefore, Manchester would profit by it?—Yes.

6256. You are extremely confident, are you not, from your commercial experience, that this railway would pay?—Yes, I am.

6257. And I suppose other people are so too?—Yes.

6258. If you yourself have invested capital willingly in Carwar and the Manchester Company, which, I suppose, is composed of Manchester capitalists, have also invested capital in Carwar, why do you not give tangible proof by supplying capital yourselves for this purpose, and getting up a private company; the Government would not object to that, would they?—No, I suppose not; but the capital required would be 1,100,000 *l.*, and I do not happen to possess 1,100,000 *l.*

6259. But if there is this opinion among the commercial classes in India as to the extreme profitableness of this undertaking, Government may fairly say, "There have been companies started in India with large capital; we do not wish to deprive you commercial gentlemen of the great advantage which you will derive from this railway;

railway; we will place every facility at your disposal, and leave it to you to undertake it?—Indian capitalists get more for their money than this railway is likely immediately to yield. I consider that it is a certainty that this railway will yield 4 per cent., probably 5, or probably 6 per cent.; that is my conviction; but there is no very great profit to be derived from it, and, therefore, I do not expect that native capitalists would withdraw their money from their business, and from their other investments which yield them a much higher return, to put it into a railway which would yield them not much more than 4 or 5 or 6 per cent.

6260. But I am not now referring to native capitalists; schemes involving great capital were floated in Bombay; the capital was embarked by European capitalists, and by civilians, and others; if there is this great confidence that this railway is the wonderful speculation that you describe, how is it that those advantages are not pointed out to European capitalists in India; why is not the same account that you and Sir George Balfour have now given of its great advantages to Manchester, given in Manchester; why do you not say to them, "You will get your cotton a great deal cheaper; bring your capital to this railway?"—It has not been described by me as a railway that would bring wonderful results, but as a railway likely to pay a fair return upon the cost. The cost of money to Government is 4 per cent., and I feel perfectly confident that it will yield at least 4 or 5 or 6 per cent.

6261. But, if you are going to get a great supply of cotton, as I understand you, by this railway, and to effect a considerable amount of saving on that; and if, in addition, you get a railway which will pay in itself, it must be obvious to you that you can hardly present a more lucrative speculation to Manchester cotton buyers?—Manchester cotton buyers spend their money in spinning their cotton and manufacturing their cotton; their business is not to make railways.

6262. You know that their capital is invested wherever an eligible investment is offered; you have yourself spoken of the Manchester Cotton Company in this particular place of Carwar; that shows that when a sufficiently eligible opportunity is offered to the Manchester people, in fact, to any English capitalists, they are willing to invest their capital?—I mentioned the fact of the Manchester Cotton Company having an establishment at Carwar at the beginning of 1865; but I did not mention the fact that, wearied out by the delays in opening out the road, they abandoned their property, and sold it at a heavy loss.

6263. And they want the Government to open up the communications?—Yes.

6264. You have said that there is a considerable amount of opposition in Bombay from the Bombay merchants to this railway, because they are afraid that Carwar will become the rival of Bombay?—I can in no other way account for the opposition which they make to the construction of a railway from Carwar to this district that I speak of.

6265. Then, according to that statement, I am to understand from your evidence that you consider that the opposition of the Bombay Chamber of Commerce is because they have property in Bombay, and they are afraid that Karwar will prove a rival to Bombay, that it is an interested personal opposition; you can give no other explanation?—I cannot give any other explanation.

6266. May they not just as fairly retort that your firm has property at Karwar, and that your recommendation of Karwar arises from the same feelings?—They may retort that; but let them answer the evidence, which goes to show that the opening out of that country by a line of railway would be an immense advantage to that country; let them adduce any evidence of that kind.

6267. But what I understand is, that they have made statement after statement, asserting most positively that this railway would prove a losing concern to the Government of India, if it was made; you are perfectly well aware that those statements have been made in Bombay?—By one man.

6268. By whom?—The "Bombay Gazette" has made statements to that effect.

6269. But is it not in the petition from the Bombay Chamber of Commerce?—The petition from the Bombay Chamber of Commerce is to the effect, that further investigation should take place; but investigation has taken place with the result that a committee containing adverse members, members who were quite hostile to the construction of this railway have unanimously approved of its construction.

6270. But you referred just now to the opposition of Bombay; is there no opposition in Bombay; has the opposition to this railway which was so strong a short time ago been entirely given up?—The "Bombay Gazette" is agitating against it at this moment.

6271. Am I to understand you that every one of the Bombay merchants who you said opposed Karwar originally because they were afraid of rivalry has now changed his opinion?—I do not know what the opinion of every Bombay merchant is.

6272. You have said that there is only one man in Bombay now opposed to Karwar; if you can say that, you must know positively that there is no one else opposed to it?—My meaning was this, that there is only one public agitator against it in Bombay.

6273. You mean then, only one gentleman in the Press?—Yes.

6274. Is the "Bombay Gazette" the only paper that has written against it?—I believe so.

6275. Never the "Bombay Times"?—No.

6276. Were not just the same favourable and glowing accounts (you have been acquainted with India for a long time) given to the Government of India when they were pressed to engage in other schemes?—I do not know that.

6277. If the plan was carried out of advancing the company money at 4 per cent. as you suggest, suppose the railway should turn out a second Mutlah railway; you are probably aware of the position of that railway, that the Government were obliged to pay the railway their 600,000 *l.* at par, that it does not half pay its working expenses, and that therefore instead of being a property that is worth anything, it is a thing which entails a very serious loss to the revenues of India; supposing this Karwar railway should turn out a second Mutlah (because equally glowing accounts were at one time given of the Mutlah railway), what security then would the Government have for the 2,000,000 *l.*, or whatever that they had advanced to construct the

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Karwar railway, except having handed over to them a railway, which like the Mutlah did not pay its working expenses?—I cannot suppose the case that you put, because the cases are perfectly different.

6278. Port Canning was to be the great port of India, the Mutlah railway was to take the produce of India to a most prosperous port, and it was going to be a most extraordinary speculation; statements similar to those which you have made to-day were made in reference to that railway going down to a new port; they have all turned out to be untrue. I am not saying that your expectations as to Karwar would prove to be untrue; but if money is advanced, you as a man of business know perfectly well that those who advance that money ought to look with the utmost care after the security they receive; would they receive any other security but the railway?—They would have the security of the railway, and the sum deposited as the guarantee sum.

6279. How much would you propose it should be?—It would be a matter of arrangement.

6280. Would you propose that one-half should be deposited as a guarantee?—No; I do not think that would be necessary.

6281. How much?—Say, one-tenth.

6282. Take the case of the Mutlah, the Government would get in that case its deposit of 60,000 *l.*; having received 60,000 *l.* they have handed over to them a concern which without reckoning what will have to be spent on the railway in new capital, entails an annual loss of 25,000 *l.*; therefore, what your scheme would have brought to the Government would be, that they would have received 60,000 *l.* in order to sustain an annual loss of 25,000 *l.* with the expectation of having to spend an enormous amount of capital on a thoroughly worthless concern?—The cases are perfectly different in this respect, that it was believed that the merchants of Calcutta would make use of the Mutlah River, which is unquestionably a better river than the Hooghley; but still there was Calcutta itself, with a fairly navigable river; the trade has naturally remained at Calcutta, where there was every facility for conducting it, in perference to Port Canning where similar facilities do not exist. I believe that more might have been done at Port Canning than has been actually done. But the case of Carwar is quite different; Compta, which is the rival port, is not a port at all; it is a place which during the fair season is unapproachable by large vessels, whereas Carwar is an excellent port; already a large trade comes to Karwar, and the whole of the trade, which now comes to Compta, will, according to the native merchants themselves, who may be presumed to know more of the matter than the European merchants, come to Carwar, if the railway is made there.

6283. Similar statements were made as to Port Canning. I am not for a moment casting the slightest suspicion upon the sincerity of your convictions; I have no doubt that you are as firmly convinced at the present moment that this railway will turn out a considerable success as the original projectors of the Mutlah railway were, that it would turn out a great success; all of us are liable to make mistakes sometimes; and I come back to this point again: according to your plan, the Government is to advance the money necessary for the making of this railway, and receive a deposit of only one-tenth as security, and therefore I say, if the railway should turn out to be a failure and not pay, the only security which the Government would have for the money which it had advanced, would be an unproductive railway; you do not propose that the shareholders should deposit this money, and if the railway did not pay, make themselves personally liable, do you?—Certainly not.

6284. Then the whole of the security would be, according to your idea, the deposit of one-tenth of the capital of the railway?—Quite so.

6285. Now, if the Government advanced, for instance, 2,000,000 *l.*, and the company deposit one-tenth of that, then the Government has advanced ten-elevenths of the whole?—No, the whole amount expended on the railway is supposed to be two millions.

6286. Then I will put it nine-tenths; you having advanced nine-tenths of the capital requisite for the construction of any public work, the capital being yours, except one-tenth; or, to put it differently, you only receiving a deposit amounting to one-tenth of the capital expended, would you not think it necessary to exercise the most constant supervision and control over the construction and working of the railway to see that the money was not wasted?—Yes.

6287. Therefore, this control and supervision would be such that the railway would have virtually to be constructed by the Government?—But let me say this at once; although in this particular case I say one-tenth, the amount to be deposited has nothing to do with the principle of the arrangement. I say, let the Government demand such a deposit as in its judgment is sufficient to cover the risk. The Government takes this position at the present moment: "We will make no railways in India, unless we are perfectly assured that we shall not increase the public burthens by so doing"; I come forward and say here is a way in which people who have confidence in this railway are willing to put up a sufficient sum as a guarantee fund between Government and loss.

6288. Had any offer like that been made to the Government, I should think that the Government would be rather imprudent if they had not received a deposit amounting to one-half, which you gave in one estimate as one-tenth. Assuming that figure of one-tenth, what does it amount to; it is this: the Government, we will say, spends two millions; the only security it receives is 200,000 *l.*; they have all the responsibility of carefully supervising the railway, and inspecting it; and then who would pay those expenses?—I should think that the company would pay for the inspection of the railway.

6289. And pay for the superintendence?—No, that would be part of the arrangement.

6290. Then who would pay it; if the Government, do not you see that you would be saddled, to begin with, with two separate staffs?—I do not think that a company under such an arrangement should be called upon to pay for a heavy staff.

6291. Then we are getting out the nature of the transaction a little more clearly; in addition to advancing this money, therefore, on this security, which, I think, an imperfect security, the Government would have to pay all the expenses, whether they be great or little, of superintending the railway?—It would have to be a matter of arrangement with the Government.

6292. Then

6292. Then in regard to every bridge that had to be constructed, every earthwork constructed, and every bit of material used; would it not be necessary for the Government to see that the bridge had been properly constructed, and that the materials were good?—If they deemed it necessary.

6293. But it must be necessary; no man of business would advance capital to such an extent as you propose, without taking those precautions, would he?—Doubtless, they would take precautions.

6294. Then, would not those precautions necessarily involve expense?—Clearly they would involve expense.

6295. *Chairman.*] Would it not be better, in your view of the case, for the Government at once to enter into a contract with a proper specification, with a responsible contractor to construct the line; and would they not do it better without the intervention of a company than with; if they employed a person, like the late Mr. Brassey, to construct the line on a specification for a specific sum, would not that be a more efficient and more economical mode; they would arrive at exactly the same conclusion by that means, and have the line constructed for a specific sum?—I see no objection to that; but the suggestion that I made, was to meet this difficulty that Government apprehend a loss, or appear to apprehend a loss upon the working of the line.

6296. Then that would involve merely a working contract; that would be a very different thing; because, if it failed in any year, they would have the right of resumption: but, then, they would have all the loss, and the 10 per cent. that you would have deposited would only amount to two-and-a-half years' profit?—Yes.

6297. And, after that two-and-a-half years' profit was exhausted, if it still failed to pay, it would be thrown on the hands of the Government, who would have no further claim, and would have to bear in perpetuity all the loss?—Quite so; but, in the meanwhile, no man would pay any sum, unless he had confidence that he would make something out of it, and he would be deeply interested in making something out of it.

6298. Do you think that the experience of what I may call the floating of joint-stock companies in London is that people do not subscribe their money, unless they have an intelligent and well-grounded confidence in the operations?—I take it, in this particular case, that, in the first place, it is a railway which has been approved by the Government; but that they hesitate to construct it, because they are doubtful whether it will pay.

6299. But is the fact of a subscription evidence really of the permanent stability of the undertaking, or of the cleverness of the people who get up the subscription, judging by our experience every day?—At all events, it is evidence of the faith of the people who make the subscription.

6300. Mr. *Fawcett.*] But you are perfectly well aware that the advantage which is obtained by a railway may consist of two portions: first of all, it may pay a good interest upon the capital expended; and, secondly, it may ensure an indirect advantage, for instance, to the owners of property and to the purchasers of produce which is brought by the railway?—Yes.

6301. Now, undoubtedly, two of the indirect advantages which would result from the opening up of this Carwar Railway are, that it would improve the value of property at Carwar, which is partly owned by private individuals, and, secondly, that it would be a great advantage to the Manchester men who purchase cotton?—I should not put it in that way.

6302. Sir *T. Bazley.*] As a merchant, do not you find that the market price regulates the value of an article, and not the cost of production?—Yes.

6303. And that if cotton be grown cheaper in India, it does not follow that it will be sold cheaper in Manchester?—No.

6304. The general market price regulates the price at which it shall be sold?—Yes.

6305. But if India be improved, the people of India will derive the primary benefit of the improvement?—Yes.

6306. You are aware that India is open to every market in the world, France, the United States, and Russia, and so on, and as to the advantage which is derived from this railway, it is not that Manchester will derive it, but India will derive it?—The answer which I was about to give to Mr. Fawcett was, that it is the people in the Dharwar district which will be opened out, who will get the greatest advantage from the opening of that railway.

6307. Mr. *Fawcett.*] But you admitted just now that, if the course of communications were improved, the owners of property at Carwar would benefit; I am not saying that the people who own property at Carwar and the people who purchase the cotton in England are the only two persons who benefit by it, but you admit in the first place that the owners of property at Carwar would benefit by it?—Yes.

6308. Then without saying more of the growers of cotton, you admit that if the means of communication were improved, the cotton would be cheaper?—The cost of bringing it to the coast and sending it to Manchester would be cheapened.

6309. *Chairman.*] In your prepared statement you state the quantity exported in the year to Manchester, or as you describe it, "the present influence of Compta and Carwar on the trade of Bombay may be judged of by the following traffic statement: last year the exports of cotton for the 12 months ending 30th of June, were," and then you bring it out in bales, "56,000 bales from Compta to Bombay and Carwar;" the whole export to which you refer is only 45,000 bales, I understand it, in the year?—For the 12 months ending 30th June 1872, there were 56,000 bales of cotton sent from Compta.

6310. I am speaking of the export to Europe which was only 45,000 bales; the export to Bombay and Carwar was 56,000?—But the whole of that 56,000 bales was afterwards exported to Europe.

6311. Not necessarily, because there is an export to China, is there not?—Very little; there may have been some.

6312. However, the result is that it is something under 100,000 bales of available cotton to go to Europe?—In that particular year.

6313. Are you aware that this is an obvious principle in the economy of prices that if 100,000 bales of cotton come to a market composed of several millions of bales, those 100,000 bales will not regulate the price of the commodity; but the price will depend upon the millions, and whatever is gained by economical production will

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will go into the hands of the people who bring it to the market, whether the merchant or other person; it will not be obtained by the seller?—Yes.

6314. The honourable Member for Manchester puts this view to you, that the price of cotton in England is regulated by what may be called the market of the world, and that if any particular person, or particular set of individuals, can bring a small quantity like this for sale, all the profit goes to those connected with that particular production, and does not go to the persons who buy in the open market of the world. Another honourable Member, namely, the honourable Member for Brighton, suggests that a part of it would go to the profit of the purchaser in the market of the world, taking Manchester to express that term; those two views have been presented to you?—Yes.

6315. Mr. *Fawcett.*] With regard to this proposal of yours for constructing these railways, I will not suppose that the Carwar Railway, if it is constructed in the name you propose, does not pay at all; I will assume that it pays 2 per cent,; then supposing that 2,000,000 *l.* is spent upon it, the loss to the Government would be 20,000 *l.* a year?—Yes.

6316. Therefore supposing, as you suppose, that there was a certain deposit, in a given number of years the deposit would be exhausted?—It would be so.

6317. Then, all that would happen then would be that the Government would simply have got its 4 per cent., and then they would be saddled with a losing concern?—It would be so in the supposition.

6318. Then, suppose that this railway were, according to your expectation, to realise, say 6 per cent., the Government does not get any advantage; they do not share with you the extra profit; they still simply get the 4 per cent.?—That is my proposal.

6319. Therefore it comes to this, that they run the risk of loss and have no gain?—They have an indirect gain.

6320. Looking upon it as a pecuniary transaction, what you propose that the Government should do is, that if the thing turns out badly they ultimately lose; if it turns out well they gain nothing directly?—They gain nothing directly.

6321. Have you the paper of the Secretary of State here in which he refused to make this railway?—He has not refused to make the railway.

6322. The Despatch, I mean, in which he gave orders to suspend it?—No, I have not that Paper here; the Despatch is, I think, dated the 12th of August last year, and it is a letter simply urging upon the Government of India further inquiry and revision of the estimates, desiring that a Committee should be appointed to revise the estimates for the Carwar Railway.

6323. Has that Committee reported?—Yes.

6324. And what is its report; is it favourable?—It is favourable.

6325. You do not know what the decision of the Secretary of State is?—That I do not know.

6326. Mr. *Dickinson.*] You have been asked about the obligation of those who benefit by the railway to make the railway; is there any persons likely to benefit so much as the great landholder, namely, the Government of India?—I should say not; nearly half of the revenues of India are derived from land.

6327. Sir *G. Balfour.*] Has it not been the object of all those who have advocated the improvement of India for several years to advocate the improvment of the communications?—Yes; I believe so.

6328. What do you consider to be the greatest defect in India at the present moment in any shape of public works?—The want of means of transport in the country.

6329. Is it not the fact that there is hardly any civilised country in Europe, not even Russia, that has less communications in proportion than India?—Mr. Baynes, the Secretary of the Bombay, Baroda, and Central India Railway, put forward a statement that India has one mile of railway for every 305½ square miles of territory, and 37,989 inhabitants; whereas we in England have a mile of railway for every 7¾ miles of square area; and the United States have a mile of railway for every 56 miles of area, sparsely peopled though it is.

6330. *Chairman.*] You have not given a comparison as to the taxation per head?—No.

6331. Sir *G. Balfour.*] But have we not endeavoured to improve the communications of India during the last 30 years?—We have been doing something, but not enough.

6332. But everywhere it is visible that wherever we have opened out communications, the revenue has increased?—Immensely.

6333. And in India we have products incalculable in quantity and in value, which are not now moveable because of the want of communication?—Yes, there are districts capable of producing, but which produce nothing, because we have not the means of transport.

6334. And the old bullock transport is totally insufficient now for the increased and increasing exports from India?—The old bullock transport is certainly insufficient.

6335. The bullocks could not be fed along the line of comunication if they had to convey all the produce now requiring to go to to the sea-coast?—They could not subsist.

6336. Therefore India is charged to that extent that it requires a greater and more powerful line of communication?—Certainly.

6337. Then I understand you distinctly to say, that what you are now contending for is this, that you see your way to constructing a railway from Carwar into the interior which will cost from 8,000 to 10,000 *l.* per mile?—No; I believe that the last estimate of the cost of the railway is equal to 7,600 *l.* a mile, and I think that that is an estimate in excess of what is needed.

6338. And you know that the 5,000 or 6,000 miles of railway already constructed in India, have cost from one 100,000,000 to 120,000,000 sterling, equal to about 20,000*l.* per mile?—Yes.

6339. And therefore the difference of cost between your economical railway and these dear railways, which the Government have constructed upon their system, would alone enable you to pay a fair dividend upon your cheap line?—That is what I believe.

6340. And you contend, therefore, that if a different system was now followed for opening up India by means of railways, that great good which we expected from the first would be certain of being secured?—I believe so.

6341. And therefore you think that, having guaranteed to the Government that you could construct a line of railway by an association at about 7,000 *l.* per mile, the Government ought not to distrust the results of that cheap railway in

in respect to earning a profit from the traffic which would pass over it?—The Government have already investigated this matter again and again, and again, and always with the same result. Although with some little differences as to figures, yet always with the result that it would be profitable; every Government that has investigated or inquired into this railway have come to a favourable conclusion respecting it.

6342. When you get a cheap line of railway constructed at 7,000 *l.* a mile, the traffic over that line necessary to earn 20 *l.* a mile a week is exceedingly small, is it not?—The traffic upon a line costing 7,000 *l.* a mile need not be so great in order to yield a profit, as upon a line which cost double, or three times that amount.

6343. And therefore you, as being thoroughly alive to the extensive resources of the Southern Mahratta country, and knowing the variety of products which can be brought to Carwar, not only as affects cotton, but as affects oil-seeds and other articles, are confident of a sufficient produce being carried over that line to enable you to earn sufficient to pay the expenses as well as 4, 5, or 6 per cent.?—I am quite confident of it.

6344. Therefore when you say that an association could be obtained to lodge a guarantee with the Government, in contradiction to the Government guaranteeing an accommodation, you have no distrust as to that guarantee ever being drawn upon by the Government to secure the payment of the money invested?—I believe that it will never be drawn upon; but I merely make that suggestion to meet the difficulty that has presented itself to the Government. I do not know how, but Government seems to have paused respecting the sanctioning of this railway, from a fear that certain burdens may be entailed upon the public revenue.

6345. Mr. *Fawcett.*] In the statement which you have handed in with respect to the Elphinstone Company, you give certain figures of the capital expenditure and the gross income, for the years 1867, 1868, and 1869. Have you brought out distinctly that it is gross income, and not net?—I have not given the net income, but I have given you the gross income for these three years.

6346. But as this paper has been prepared with very great care, and you have been privy to all the transactions connected with the Elphinstone Land Company, it must have struck you, as a man of business, that we would want to know, in order to give us any idea of the thing, what was the net income?—I could furnish you with that also. What I wanted to show, however, was what was patent to the public, which was this, that whereas on the 30th of June 1867, the capital expenditure was 1,40,00,000 rupees, and the gross income 3,84,000 rupees. In 1868, the capital expenditure was 1,54,00,000 rupees, and the gross income had increased to 6,22,000 rupees; and in 1869, the capital expenditure was 1,85,00,000 rupees, and the income had increased to 6,97,000 rupees.

6347. But do those figures show anything at all, unless you put in along with them what the net income was?—It could be done.

6348. I am not a business man, and therefore it seems to me that it could not have struck me so much as it would a man of business; but how is it that if this paper has been carefully prepared in order to show the financial state of this company, you did not state the net income rather than the gross income?—The gross income shows it more plainly.

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6349. No; because with regard to the gross income we have have found in India concerns, particularly in the Forests Department, that an increasing gross income very often means a diminishing net income?—It was not the case here; I could satisfy you as to that point, because it is a fact that the net income increased pretty much in the same proportion. I think I can give you the figures from the reports which I have here. It will require a little working out from these reports in my hand, because the profit and loss account for the year ending 29th of June 1867 commenced with a balance brought forward from the year 1866, of 3,44,000 rupees, and the balance at the end of the year was 4,42,000 rupees, therefore the net gain for that year was 1,28,000 rupees.

6350. But then those accounts want a very much more careful scrutiny; you know all this time you were increasing your capital?—Yes; that I give you in my statement.

6351. But how do I know that this increase of balance of income which you say has arisen in these two years is not owing to capital. Can you prove to me from these accounts that a portion of that increase of balance which you have shown has not been derived from the new capital which was raised?—No doubt it was partly derived from new capital which was raised, because that capital was spent upon works; the area of the land was increased.

6352. But what I mean is this; what I understand is that that means a cash balance, does it not?—No, this is a profit and loss account. I say that the net income that year, after deducting the expenditure and the balance with which the year opened, was so and so.

6353. The balance with which the year opened is a cash balance?—The balance with which the year opened was not necessarily a cash balance.

6354. In what form did it exist?—In the form of balance to the credit of the profit and loss account; but I may explain to you that a portion of the income of the company was not divided in dividends, but was expended upon the reclamation; new works.

6355. I do not want to unduly disparage these works, but simply to get a distinct statement of their financial position; but if you speak of the balance, it is necessary to know of what that balance consisted?—It consisted of a balance of cash.

6356. That is what I say, that that was a cash balance; your point is this I understand, that your cash balance between 1867 and 1868 increased?—No; I say that the profit made for the working year 1867 amounted to 1,28,000 rupees.

6357. That you had expended a capital of 1,400,000 *l.*, in order to secure a profit of 12,800 *l.*?—Yes.

6358. According to that, the company at that time was as nearly as possible paying 1 per cent.?—Yes, upon incomplete works.

6359. Then do you not see how very much better an idea we should have got of the position of the company, if in your prepared statement the net annual income had been stated?—No; the object was to show that there was a patent increase in the income of the company which was patent to everybody.

6360. But then if the Government ultimately bought this, what you want to know is at what cost that increase was obtained?—I am quite

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open to be cross-examined on that point. I am not evading anything. I have not got anything to conceal.

6361. What is it for the next year?—The next year is 30th of June 1868, and the net income that year was 3,42,000 rupees.

6362. Then what was the gross income that year?—The gross income that year was 6,22,000 rupees.

6363. How much had been spent then?—*Rs.* 1,54,00,000.

6364. That is a return of 30,000 *l.* upon a million and a half of capital?—Yes.

6365. What was the last year?—The net income for the year 1869 was 3,83,000 rupees.

6366. That is to say, it was 38,000 *l.*; what was the capital in that year?—*Rs.* 1,85,00,000.

6367. Then you see, comparing 1869 with 1868, the figures that you have just given me (and 1869 was the year in which the Government purchased this over) show that, at that time, instead of the company increasing the profit, it was slightly less profitable than it was the year previously?—That is quite true; but you must always bear this in mind, that it was a large and incomplete work.

6368. Then what the transaction amounts to is this, that the company was paying 2 per cent.; it was incomplete; according to its own showing, its financial position was such that it wanted 600,000 *l.*, and could not get it; and Government buys that concern at par, exactly the same price that they ought to have paid if the company had been paying 5 per cent.?—The Government could not have acquired it for less; that is, the position.

6369. But I want to exhibit clearly the financial nature of the transaction; and in my description, without considering whether any of the representatives of the company would have sold it for less, I am correct; I have stated this repeatedly, and I am glad to get your opinion to corroborate it, that the Government have purchased at par a concern paying 2 per cent., and which could not raise 600,000 *l.*?—It was seeking to raise 600,000 *l.* in the year 1866.

6370. But it tried to raise 600,000 *l.* in the year 1866, and you have not yet proved that you could have raised it afterwards?—We spent between 1867 and 1869, 450,000 *l.*

6371. On what terms did you raise that?—We got it partly from our shareholders; part of it we received from Government by selling to Government our right to levy wharfage fees upon the railway bunder; we got 10 lacs from the Government for that.

6372. Therefore you got 350,000 *l.* from the shareholders?—Partly from the shareholders, and partly from our income.

6373. On what terms did you get it from your shareholders?—We called it from our shareholders.

6374. Then your capital, previous to that time, was not all called up?—It was not all called up.

6375. How much was called up at the time that Government bought it?—There were a number of shares forfeited.

6376. Relinquished, do you mean?—No.

6377. What were the original shares?—There were 10,800 shares of 1,000 rupees each, fully paid up; there were 10,800 new shares upon which calls had been made, amounting to 650 rupees a share, but then a number of those shares had been forfeited; the actual sum obtained from the shareholders of the company at the time of the purchase was made by Government amounted to 1,60,93,000 rupees.

6378. You have talked about forfeited shares; why were those shares forfeited?—Because the shareholders were unable to pay their calls.

6379. If they were unable to pay their calls then at that time, the value of the shares cannot have been as much as the calls upon them?—They were not worth as much at that time.

6380. So that the company was in this position: this company, which is ultimately bought at par, that the shares were absolutely so worthless that a man would rather forfeit them than pay the call?—It amounts to this, that in the year 1866 and 1867, people were absolutely unable to pay their calls.

6381. It is not for me to express an opinion upon the transaction; but in 1866, when you applied for a loan to the Government for 600,000*l.* the shares were being forfeited, and, of course, they would not have been forfeited if the shares were of sufficient value to have something more than covered the calls?—The shareholders were unable to pay the calls.

6382. But you said that a great many shares had been sold; that might have been because the shareholders were unable to pay the calls; but what I put to you is this; if there is a call on a share amounting to 10 *l.*, if that share can by any means whatever, whether on the part of the man who holds the share, or not, sell for even 11 *l.* in the market, the share would not be forfeited, but the shareholder who could not pay the call would sell the share, and appropriate the money?—You will bear in mind that I stated that in May 1867, the value of the fully paid up shares was 435 rupees, that is to say, a discount of 565 rupees. The new shares had 300 rupees paid at that moment.

6383. Was that a real quotation, or as one would suppose from finding the number of shares forfeited, a nominal quotation, as is often the case in panic?—It was a price at which there were transactions.

6384. But very few?—There were certain sales at that price.

6385. That was the time when you applied to the Government to ask for 600,000 *l.*?—No, it was at an earlier date, in November 1866, that we applied to Government.

6386. A few months before?—Yes.

6387. Did you offer to give the Government a general mortgage of the whole of your property if they advanced that?—Yes.

6388. And they did not think it even advisable on those terms?—The advance was recommended to be made by the Government of India.

6389. Who refused it?—I do not know who refused it.

6390. If you applied, and the Government was willing, how was it that it was not advanced?—I do not know what the Secretary of State did.

6391. If you applied for it to the Government of Bombay, or the Government of India, and you wanted 600,000 *l.*, and they were willing to advance you the 600,000 *l.*, and the money was never received, the Secretary of State must have stopped it?—I applied to the Secretary of State to assist us in raising 600,000 *l.*; I made a statement as to our assets, and so forth, and as to the income. My statements were referred to India for verification; the Government of Bombay reported upon the matter to the Government of India,

India, and the Government of India reported to the Secretary of State. I know that the Government of India recommended the granting of the loan, but the Secretary of State never communicated that to me officially.

6392. I did not ask you for your reasons; but it was refused by the Secretary of State?—It was not refused; I never had a refusal.

6393. But the Secretary of State did not let you have the money?—I applied for a decision, and never got one. What ultimately took place was, that the Government of Bombay, in the month of July 1869, instead of granting me a loan, offered to purchase the property.

6394. During that time the money was not advanced by the Secretary of State?—No, it was not.

6395. At that time, therefore, it did not advance the 600,000 *l.*, although at that time no less than 1,200,000 *l.* had been spent upon the property, and the entire property upon which this 1,200,000 *l.* was spent was offered to the Government as a security for the 600,000 *l.* which they were asked to advance, and which they did not advance?—It was not advanced. What actually took place was this: I asked for the advance, the Government recommended it, and what the Secretary of State's decision upon the matter was, I do not know.

6396. I am not asking you now the reason of the decision; I want to get the thing clearly stated; I want to know whether I am not giving a perfectly correct description when I say that you offered, as representing the company, the whole of the property of the company upon which 1,200,000 *l.* had been spent, as a security for a loan for 600,000 *l.*; three years elapsed, and that loan was not forthcoming?—Quite true.

6397. Now you say that between 1867 and 1869 the shareholders advanced 350,000 *l.*; there was 450,000 *l.* additional capital; 100,000 *l.* of that was obtained from the Government by selling certain wharfage rights, and the remaining 350,000 *l.* was advanced by the shareholders; when you say that, it was simply that they paid calls which they were legally obliged to subscribe?—They answered the calls to the extent of 35 lacs.

6398. But they were obliged to do it?—Yes.

6399. Therefore it did not in the least show their confidence in the concern?—If they had not paid in the money they would have forfeited their shares, probably.

6400. They were difficult to sell at that time, were they not?—They were difficult at one time.

6401. Leaving out the 600,000 *l.* question, this is a correct description, is it not, of the financial bargain which the Government of India ultimately transacted with the Elphinstone Land Company; they bought a company which was paying 2 per cent., whose profits were not so great in the year previous to the year when they purchased it, as they were in the year previous to that again; they bought this company at par, the company having just before been in the position that the shareholders would rather forfeit their shares than pay the calls which were due upon them?—That is one way of describing the matter; but it gives a very incorrect and a very untruthful impression of the fact.

6402. I have not used a single expression as to whether the Government was justified or not; I am simply referring, not to the policy of the purchase, but to its financial character; is there in one of my figures or facts, in the question which I put to you, anything incorrect?—The statement is correct, excepting this one little minor particular, that the net revenue in the year 1869 was 3,83,000 rupees as against 3,42,000 rupees in the previous year.

6403. But then, if you compare the net income in 1869 with the capital of the company in 1869, and if you compare the net income in 1868 with the capital in 1868, what is the result?—Then it is a better result in 1868 than it was in 1869; that is quite correct.

6404. Then I am perfectly correct in saying that the company, as an actual fact, was slightly less profitable in the year when the Government purchased it, than it was the year previously?—That is quite true; but again I say, as I said before, that the Government purchased an incomplete, unfinished property.

6405. You say in the statement which you have already put in that there were 10,800 old shares fully paid up, and 10,800 new shares, with a liability of 800 rupees per share; does not that sentence, with the sentences in connection with it, imply that the shares were not at par, because you have yourself admitted that at one time the new shares were unsaleable, and that of the old shares, on which 1,000 rupees had been paid, the price was 400 rupees?—No, it distinctly implies that they were not at par.

6406. But how does that statement bear upon the statement that the Government could not have bought the company at less than par, considering that a portion of its shares were unsaleable; you have yourself stated that they were forfeited, and the old shares were standing at 400 rupees; if the Government could have bought a great number of those shares at that time, even admitting that there had been a great increase in their price, they need not have paid anything like par?—It does not follow that the remaining shareholders would have parted with theirs at par.

6407. I say, how in the world does that bear, considering the extent to which the shares were at one time depreciated, upon the question whether the Government ought to have bought the company at par?—It is an answer to the statement that the Government might have purchased the property at the time the purchase was first mooted for half the money ultimately paid; I say that it is an incorrect statement.

6408. If the old shares, for instance, on which 100 *l.* had been paid are quoted in the London money market at 40 *l.*, and if the new shares, upon which a considerable amount of capital has been paid, are unsaleable, it may be your opinion that I could not buy all of your shares at 40 *l.* or 50 *l.*, but you have no proof of it?—I say this, that if the Government had come into the market to buy shares, if they had taken advantage of the depression to buy shares, and then wreck the company, I do not believe that they would have succeeded in doing anything of the kind.

6409. If you express your opinion, that is one thing; but what I say is that you do not express that as your opinion, but as a positive fact?—I assert this as a positive fact, that they could not have purchased the property as a whole at less than its cost price; in the beginning of 1865 I had been instrumental in refusing an offer for that property of 3,000,000 *l.*; I had influence

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with the shareholders to induce them to do that when only half a million had been spent upon it; and I say that if I had sufficient influence to do that in the year 1865, in the face of a great body of shareholders, I was certain to be able to carry this point with a body reluctant to sell, even at par.

6410. Bombay was then in the moment of its greatest financial excitement, was it not?—Yes.

6411. At what price were the shares quoted?—They were quoted in a peculiar way; an original share with its family; they were quoted at a premium of about 1 lac and 30,000 rupees for the group; the quotation was equivalent to about a million and a half for the whole property.

6412. What was the highest quoted price that these shares ever were at; they were at an enormous premium at one time were they not?—I believe equal to about 300 per cent.

6413. You refused 3,000,000 *l.* for the company in 1865, because you believed that the company was worth more, and the shareholders came to the same conclusion?—No, indeed I did not; but I refused it because I considered that it was a stock-jobbing trick that was attempted to be passed upon the public; I refused it on that ground.

6414. Did you consider that that was an offer of more than it was worth?—Yes; and I got greatly abused at the time for refusing it.

6415. Let your opinion have all the weight it deserves; but there is nothing from the figures to show that the Government could not have bought it at a greatly lower price than they did. You, of course, have a perfect right to say that it is your opinion that if they had attempted to do so they would have failed, but there is nothing from the figures to show that?—I can only say, that the permanent investors, of whom there were a very great number, knew perfectly well that they held a valuable property, and that they would not have parted with that valuable property for less than its par value.

6416. How can you reconcile that fact with what you afterwards admitted, that the shareholders after this time considered their property was so poor that you could not raise 600,000 *l.* in the open market; a great number of the shareholders abandoned their shares rather than pay their calls?—Certainly the holders of new shares, who were unable to pay the calls upon their shares because Bombay was absolutely destitute at the time; I know a case of an iron ship company, where ships of the very highest class were sold at an equivalent of 4 *l.* a ton, but that gives no idea of the real value.

6417. I understand that the Government paid exactly the capital which was raised by the Elphinstone Company?—No, they repaid the money actually expended upon the works, and that included certain portions of revenue which had been expended upon works.

6418. Then the whole amount was 1,800,000 *l.*?—Yes.

6419. They did not give anything besides that?—No.

6420. What revenue has the Government of India during the past year been deriving from this expenditure of 1,800,000 *l.*?—I know that what the Elphinstone property last year yielded (I only know the gross revenue) was 7,70,000 rupees.

6421. But the net revenue is very small, is it not, at the present time?—The whole of the Government revenues from bunders in Bombay amount to, I think, about 11 lacs.

6422. But what I want to know is this; can you tell me whether it is incorrect to say at the present time that upon this outlay of 1,800,000 *l.*, Government is deriving an income representing 2 per cent. on the outlay?—I cannot tell exactly what the proportion is, because the whole of the Government bunders are now under one administration; the net income from the whole of those bunders amounts to 6,75,000 rupees.

6423. But there is other property besides the bunders in connection with this company, is there not?—Yes, the gross income from these was 11,19,000 rupees.

6424. But not the net?—No, the net income from the whole is 6,75,000 rupees.

6425. But has no statement ever been made of the amount of revenue?—Yes, there is a statement given here of the revenue and expenditure for the year from the 1st April 1871 to 31st of March 1872.

6426. But I understand from your evidence that the Government is not getting as large a revenue as they might have done if they had properly developed this property?—They would get more if it were well developed.

6427. And you say that the company would have developed this property in a much better manner than it has been done since it has become the property of the Government; that the company intended to construct a deep tidal basin, and make the property productive and more useful to Bombay than it has been since it has been in the hands of the Government?—That was the intention, but I understand that the reason of stoppage of their works has been the waiting for the formation of the Port Trust, which is ultimately to have charge of all these properties.

6428. So far as the general interests of the public are concerned, what appears is this, that the Government buys a concern at par which pays the 2 per cent., and instead of the public getting any compensation for this unfortunate financial transaction, they have only the consolation of hearing from you, the best authority on the subject, that owing to its being in the hands of the Government it has remained undeveloped, whereas if it had remained in private hands, important improvements would have been carried out, which would have conferred great advantage on Bombay?—In the first place, I do not admit it to be an unfortunate transaction.

6429. Then I will leave out that word, and put the same question to you?—I say this, that if it had remained in the hands of the Elphinstone Company, the probability is that we should have taken measures which would have enabled us to sell a considerable portion of our land.

6430. And to have constructed a deep tidal basin?—Probably.

6431. And both of those things would have been as you have described them, it seems to me perfectly correctly, a great advantage to Bombay?—Yes.

6432. Then the Government buys the company at par, which is only paying 2 per cent., and the public has the satisfaction of knowing, or the reverse of satisfaction of knowing, that if the Government had not bought this concern which only pays 2 per cent., improvements would have been more rapidly carried out if it had remained

mained in the hands of private individuals, and these improvements would have been a great advantage to Bombay?—I do not know what the exact return from the property now is, but I have already explained that the reason why Government has suspended works upon the property has been that they have been waiting for the formation of this Port Trust.

6433. I am not now questioning the policy of the Government in waiting; we are not inquiring into that; I simply want to get at the facts; it is not necessary for us to know what the Government are doing now; am I not correct in saying this again: that the Government buys a company four years ago; at the time they bought it at par, the company was only paying 2 per cent.; since the Government obtained possession of the property, owing to various circumstances which it is not necessary for us now either to approve or disapprove, the Government have done nothing with the property, whereas you express it as your opinion that if the property had remained in private hands and not in the hands of the Government, certain improvements would have been carried out which would have been for the advantage of Bombay?—Certainly.

6434. Mr. *Fowler.*] What would have been the cost of making the deep sea basin referred to? — The estimated cost of the Elphinstone Tidal Basin was about 700,000 *l.*, three quarters of a million.

6435. Then it is your opinion that if the Government lay out this three quarters of a million, the property will become remunerative? —They do not require to lay out three-fourths of a million to make the property remunerative. What I say is, that such a basin is required for the accommodation of the trade; but I believe that by the sale of their land, of which they have a large unoccupied space, they would derive a large return in the shape of capital, or if they feu it, a large return in the shape of rental.

6436. What is the date of the meeting of the Chamber, referred to in your statement with regard to the Karwar railway?—It was a meeting held in July 1872.

6437. Sir *D. Wedderburn.*] In what way is the railway likely to increase the salt revenue from suppression of smuggling, as you say it is in the statement which you have put in?—There is a very large salt traffic over the Goa frontier; and the cost of carrying it by bullocks is so very heavy, and would be so much less by railway, that there would be no longer any motive to smuggle.

6438. *Chairman.*] You state that the Committee appointed by the Government of India thought that taking the expenses at 55 per cent. of the gross receipts, the Carwar railway would yield a return of 4 per cent.; on what cost per mile was that estimated?—Upon the cost per mile of about 76,000 rupees.

6439. That is including everything?—That is including everything; that is the increased estimate. The original estimate by Mr. Shaw gave the cost a little over 50,000 rupees a mile; but the Committee added items to the estimate of cost, which bring the estimate up to about 76,000 rupees a mile.

6440. What is the gauge proposed? — The metre gauge.

6441. Sir *D. Wedderburn.*] I asked you just now with reference to the capabilities of Carwar as a harbour, why it had not been earlier developed before we got possession of it into an important harbour and place of commerce. Now I see that it is stated in Dr. Wilson's letter which you have quoted, that this was due to "the blind and demented policy of Tippoo." In what way did that policy act detrimentally to Karwar, and what sort of place was it previous to this time?—The East India Company had a factory there, and there was a considerable commerce at Karwar, produce being brought down upon the backs of bullocks from the upper country, but when the commerce of the whole of that district was deranged during the disturbances in Tippoo's time, these tracts got overgrown, jungles grew up, no trade came to the place, and the population disappeared.

6442. But was it ever a populous and wealthy city to be compared with Mangalore, or some of these other places along the coast?—I think there were no highly venerated temples there, such as at Compta; the temples at Compta kept population about them, when other places on the coast were deserted.

6443. Would religious considerations outweigh such great commercial advantages as you represent Carwar to possess?—But during the time that commerce was destroyed under Tippoo there were no commercial advantages at all.

6444. Should you attribute anything to the rivalry of Goa in keeping down Karwar?—To some extent only.

6445. The point that I want to get at is, how is it that a place with such advantages has never been an important place, or a prosperous place, in the history of India?—Simply because there was not good access to it.

6446. But it says in Dr. Wilson's letter that Karwar is "the natural terminus of the more easy passes communicating with Southern Mahratta country, and the north of the Carnatic?" —It is a good port.

6447. Are we not to infer from Dr. Wilson's letter, that the passes communicating with the upper country, with the Deccan, are easy in the neighbourhood of Karwar?—The same passes by which you get access by Karwar to the upper country are available to Compta also; but the difference is, that Compta is not a port at all.

6448. Mr. *Fawcett.*] Why then has Compta been more prosperous?—Because there were venerated temples there, and the population gathered and took shelter there and kept about Compta, but disappeared from Karwar.

6449. Dr. Wilson was examined before our Committee, and we put to Dr. Wilson a series of questions, asking him to give us an idea what defects there were, and what improvements there might be in India; how was it, if his mind was so full of this Karwar railway, that he did not give us the advantage of these opinions, so that we might have cross-examined him; when was that letter which you have quoted written?— That letter is dated the 2nd of August 1872.

6450. Then it is written the year after we examined him, and it was written with the facts fully in his mind?—It was written with the facts brought out in the Chamber of Commerce discussion fully before him.

6451. Sir *G. Balfour.*] Is it not the fact that the country above the ghauts has only recently been settled?—Quite so; the country was in a very disturbed state.

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6452 It is only in the last few years that we have, comparatively speaking, got thorough possession of the Southern Mahratta country?—Yes.

6453. And that we have been in a position to open out these fine tracts which from the time of Tippoo have been left unopened?—Yes, it is 30 years since the Southern Mahratta country has been finally pacified.

6454. And although we overran this country when under the Peishwa in 1817 and 1818, still various political arrangements prevented us from having thorough command of it?—Yes.

6455. We have now the right to interfere to an extent which we never have had before?—Yes.

6456. And therefore the opening up of communications is particularly opportune at the present moment?—Yes.

6457. Mr. *Fowler.*] Is the position of Karwar altered by steam navigation; I mean is it a good port for steamers, and better than ports around?—Well, it has this advantage, that it is a sheltered harbour. Between Bombay and Cape Comorin there is not another sheltered harbour, it is really a very fine harbour.

6458. Mr. *Fawcett.*] What is the use of putting in those statements which you have put in about the exports from Karwar and Compta in 1872?—The object of my making those statements was this, it was represented that the trade would naturally all go to Bombay, that there could be no direct trade from Karwar to Europe.

6459. Have you seen Mr. Maclean's evidence yourself?—Yes, he re-produced it in Bombay. He has represented that there would be no direct trade from Karwar to Europe. Now, last year there were 28,000 bales exported from Karwar to Europe. I tender this evidence merely in refutation of certain untruthful statements that were made. The expression, untruthful, may be over strong, but when the statement is made that Karwar is not a good port at all, and that it is necessary that a very large sum of money should be spent upon its further improvement, and such statements are received by the Committee and are likely to influence them if they express an opinion at all as to the making of a railway from Karwar into the Dharwar district, surely it is well that they should receive rebutting evidence. There were certain insinuations made before this Committee respecting our having used influence regarding the sale of the Elphinstone Company and the promotion of the Karwar railway, and there were statements made respecting that which were not correct, and my object was to refute those statements.

6460. Sir *C. Wingfield.*] In the evidence you have given, you have referred to the memorial of the Chamber of Commerce of Bombay, with reference to the Karwar railway?—Yes.

6461. Speaking of that, you say that the Chamber of Commerce "merely recommended further consideration"?—The Chamber, in their resolution, did so.

6462. "And the Chamber of Commerce merely recommended further consideration"?—That is said in reference to the resolution.

6463. But I observe that in this memorial, they take up all the arguments that have been advanced in support of the scheme before them, and meet them apparently one by one, and attempt to refute them, so that I think it is rather a faint expression, is it not, to say that they "merely recommended further consideration"?—No, I consider that I am perfectly justified in saying what I do say; I say that the resolution embodied the views of the Chamber; the memorial was prepared by the chairman of the Chamber; it was not adopted by the Chamber as a body. What took place at the Chamber was, that they passed the resolution which I have quoted. The chairman or the secretary was instructed to prepare a memorial, which he did, but that memorial was never submitted to the Chamber as a body.

6464. I can merely go by the memorial itself; the memorial, after reciting that there were reasons for disbelieving that the line would be remunerative, concludes thus, "your memorialists therefore," that is to say, for those reasons, "trust your Grace in Council may be pleased to delay your sanction, &c."?—I merely state this fact, that a certain resolution was adopted at a meeting of the Chamber, and that that resolution afterwards was embodied in a memorial addressed to the Secretary of State, but that memorial was never submitted to the Chamber as a body.

6465. That we cannot enter into; but the memorial does more than "merely recommend further consideration;" it states with great detail, the various reasons for believing that this would be an undesirable project to execute?—I can only state the simple fact in answer to that, that there is the resolution which the Chamber as a Chamber adopted, and the memorial was never submitted to the Chamber.

6466. Mr. *Fawcett.*] Are you aware that a memorial was drawn up, worded somewhat in the following way: "Your memorialists, members of the Bombay Chamber of Commerce, are of such and such an opinion in reference to the Karwar railway, and therefore recommend such and such things;" and are you aware that a document beginning in such a way, and making distinct allegations, was forwarded to the Secretary of State?—Yes, I am aware of that; but I am also aware that that memorial was never submitted to the Chamber as a body.

6467. Mr. *Beckett Denison.*] But it is not a very unusual course of proceeding, is it, for a Chamber of Commerce to leave their secretary or chairman to draw up a memorial carrying out a resolution?—It is not an uncommon thing; but the actual resolution I have given.

6468. Mr. *Fawcett.*] Did you say that the Manchester Cotton Company had no property at Karwar now?—Not now.

6469. They have sold it?—Yes.

6470. To whom?—To Ritchie, Stewart, & Co.

6471. The two persons, dissentients from the Bombay Chamber of Commerce, are Nicol & Co. and Ritchie, Stewart, & Co., and you represent Nicol & Co., who have property at Karwar?—Yes.

6472. And Ritchie, Stewart, & Co., the other members of the minority of two, bought the property at Karwar which was formerly in possession of the Manchester Cotton Company?—Yes.

Friday, 11*th July* 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Grant Duff.
Sir George Balfour.	Mr. Charles Dalrymple.
Mr. Campbell-Bannerman.	Mr. Fawcett.
Sir Thomas Bazley.	Mr. Robert Fowler.
Mr. Birley.	Mr. Hermon.
Mr. Baillie Cochrane.	Mr. M'Clure.
Mr. Dickinson.	Sir David Wedderburn.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. DADABHAI NAOROJI, called in; and Examined.

Mr. *Dadabhai Naoroji.*

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6473. *Chairman.*] WILL you be good enough to state what your occupation has been in India?—Before I left India for England in 1855, I was Professor of Mathematics in the Elphinstone College in Bombay.

6474. Have you been in England ever since then?—I have been backwards and forwards, but my chief residence has been in England since 1855. I have been four times backwards and forwards.

6475. What is your occupation in England?—A merchant.

6476. Trading with India?—Trading with India.

6477. Are you acquainted with the different productions of India?—Of course the productions of India are very large, but that is not the point I intend to go into.

6478. Will you be good enough to answer the question I put to you?—Then I must understand the question; what is meant by the different productions of India?

6479. The different productions of India are the various agricultural productions. Some people would call them natural productions; and there may be another class of productions in the shape of those that involve work upon natural productions or imported commodities?—I am acquainted with them; with all that has been officially made known, as far as I could.

6480. Are you aware of the particular productions of India that are now made the subject of taxation?—Yes; I know a great many of them.

6481. Do you think that those productions are the most suited for taxation, assuming that the taxation has to be made, or rather that the amount of taxation has to be levied?—I would rather not answer that question, at least until the evidence I desire to give is finished. After that I shall be happy to answer, to the best of my ability, any questions the Committee may put to me. I want to disprove the assertion often made here, that India is prosperous.

6482. Do you consider that the taxation that is now levied upon the people of India is of such an amount as to be what I think you have described as crushing?—Yes; I shall be very glad to give evidence upon it.

6483. What are we to understand by your view of crushing?—The view is this: that the ability of the people to pay the present taxation is so very small, that, taking that ability into consideration, the taxation, or the amount of it, is very crushing.

6484. Do you mean that it is crushing upon all classes, or only on some particular classes?—Upon the mass of the people.

6485. Can you state what the amount per head of the population is?—Yes; what I mean is this, that the total production of the country being only under, or very nearly only about 40 *s.* a head, and the total incidence of taxation is about, I think, 6 *s.* a head, the production itself being very scanty to live upon, even the taxation taken, no matter however light, over such poor wretched production, must necessarily be crushing. Every ounce of rice taken away from this scanty production is so much more crushing and starvation.

6486. Do you know whether any authentic account has ever been published of the value of all the productions of India?—I have collected all the information upon that point, and that is the very thing I want to lay before the Committee, that the total production is under 40 *s.* a head; and I may also say that Mr. Grant Duff has on one occasion accepted that, as he called it, as a guess, and Lord Mayo has distinctly stated in his speech, that the guess expressed by Mr. Grant Duff has very good reasons for it as far as authority goes, but as far as actual calculation goes, I have got it all from simple official figures, worked out with the greatest trouble to myself.

6487. Do you know how much of this taxation bears upon the mass of the people?—Opium does not bear upon them, evidently. For the rest, salt bears upon them fully, and all the other taxes, of course, have their share from the mass of the people as well as from others; I am talking of the total.

6488. The total of what?—The total of the taxation.

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6489. What is your total?—Leaving out opium revenue?

6490. Do you consider all the rest taxation?—Yes.

6491. It is upon that estimate, then, that you are speaking?—What estimate do you mean?

6492. The estimate of all the revenue except that derived from opium?—Except that derived from opium.

6493. What is the total that you arrive at?—The total is about 43 millions for 1870-1; that is the gross revenue.

6494. That is the simple process of arithmetic, deducting opium revenue from all the receipts for the year?—All the receipts for the year, taken from the total production of the country, no matter in what shape. To me it is so much given to the State for its purposes by the people. It may be in the shape of land revenue, or taxes, or in any other shape whatever. Whatever Government can get is from the production of the country.

6495. You have not entered into any inquiry to ascertain how much of the total you have been speaking of may be regarded as revenue derived from the mass of the people; is that so?—No; I have gone fully into it. The only difficulty is, that if I were allowed to state the case in my own way, perhaps many of these questions would be spared. I am quite willing to go on as you may dictate.

6496. Perhaps you can state how much of the total that you have just given may be regarded as levied from the mass of the people, and how much may be regarded as special sources of income which is not so levied, giving the totals merely; we have got all the figures before us already?—Before I proceed any further I must again say that I will not be drawn away in this manner from the evidence which I am anxious to lay before the Committee, and that I am not to be blamed afterwards that I did not say what I had to say when I was before the Committee. I state this necessarily. There is much evidence given here which requires contradiction. Then of course in this desultory manner I may be drawn into many questions which do not bear upon the points upon which I want to give evidence.

6497. The evidence you have to give before the Committee must necessarily be confined within the duties which this Committee is called upon to perform?—Certainly; and all these questions actually show that such is the evidence I want to give.

6498. Mr. *Fawcett.*] What you want to bring out, I understand, is this: the great amount of the revenue of the country in proportion to its aggregate production; and afterwards you would be prepared to show, I suppose, from what classes that revenue was derived?—Yes; if I go *seriatim* into my evidence, I shall go into all these points very regularly, while here I am at a loss, because I have got my reasons, and if they do not come in right the examination is really an injustice to me. If I am allowed only half an hour, to give the summary of what my whole argument is, I will be satisfied, and then I may be questioned.

6499. Giving that argument, of course you quite understand that any point you mention that was thought by the Committee not to be financial we shall be obliged, by the Reference, to order you to omit?—That is quite right. I must leave it, of course. I will just give these figures as they are. There is land revenue: that is all derived from the agricultural people. There is excise: the greater part of it is derived from them. There is income tax, which is derived mostly from the higher classes. Customs, a portion of it is paid by the poor people. Salt, almost all. Stamps, in some shape, are paid by the people in all their small causes. Post office is not paid by them. Electric telegraph is a small affair. Judicial, partly by the poor, partly by the higher classes; and then public works. These are the items, excepting opium, for the year 1871.

6500. *Chairman.*] What is the total of those, or which of those, do you think, are the taxes that are levied on the mass of the people?—The larger proportion of the land revenue.

6501. Will you give the total?—I have not made it out; if that is wanted, I shall take a note of it and make out a total. I would not promise that even, because I cannot divide the stamps, or the excise, or some of these, as to how much is paid by the poor, and how much by the rich.

6502. When we are speaking of the taxation crushing the people on account of their poverty, it would seem that we must refer to the people who are poor, and not to the people who are rich?—Yes.

6503. You would not say, for example, that a Parsee living in Bombay with 5,000 *l.* a year, is crushed by the taxation that is imposed upon him?—Certainly not.

6504. Would you say on the other hand that it would be desirable that he should contribute more than he does to the revenues of India?—Yes.

6505. It is necessary if we use these general phrases that we should arrive at an accurate appropriation of them?—I will put it in a different shape. The income of the poorer classes is so small, that however light is the taxation upon them at present, it is in itself crushing, and I feel it in this way. Allowing the higher people a larger share out of the production of the country, and the poorer a smaller share of it, then we may take what portion we like out of this revenue as bearing on the poor people only, and it is still crushing upon them in the present state of India.

6506. Is it your opinion that the land revenue as collected at present, does affect the natives in the sense of a crushing tax, or that it merely prevents a landlord class growing up with larger rights than they now possess to receive rent?—That is a very large question, and I would decline to enter into that discussion; but I can say this much with regard to the Bombay Presidency, with regard to this land revenue, that under the late settlement, I think the taxation is such as might be continued upon them, and I do not know that there was any very great dissatisfaction; they managed to pay. Bombay has been the most fortunate presidency of all India, in my opinion. The revised settlement that is now going on will, in my opinion, be a very heavy one upon them.

6507. Do you know how much per cent. it is increasing the amount paid under the old settlement?—In the case of the Indiapore settlement, the general proportion taken by the settlement officer is, I think, about 50 or 55 per cent. as laid down by him. The actual increase on an average, I suppose, which is made, is about 35 per cent.

6508. On

6508. On the previous amount?—On the previous amount. I am desirous to show that the principles on which he has based that enhancement are fallacious.

6509. Will you be good enough to explain that, because that would be very material on the question of whether the land revenue is crushing?—The settlement officer has given nearly five pages in his report about the principles upon which he has settled. I do not think that I should come upon this part of my evidence so soon, so I have not brought the book, but I will give the reference. I would have brought it and placed it before the Committee. I have the table here which is the essence of the whole statement, and it is this: He has taken prices from 1837; he has added them up, and he has taken the average of the table, which is not correct, as no account is taken of the quantity produced every year. The high prices arising from the scarcity are treated as if they had been prices rising from some favourable causes. I may, perhaps, show the fallacy of the principle in a few words, and then I can go into details, if necessary. In adding these prices no account is taken of the causes of the rise or fall of prices. The result is that when prices have risen, either from some temporary cause, such as the building of public works, or from drought or famine, these prices are taken just as they are, added up together, and an average is struck, but they are utterly worthless, because as long as the quantity produced or sold at these prices is not also taken into consideration, the average is incorrect, and therefore any conclusions drawn from such averages are necessarily fallacious, and this has led to this large increase, which otherwise would not have been the case. That is the fallacy of it. If you want me to go into the figures I can do so.

6510. I think it is very important. Did we understand you to say that the illustration you are giving of Indiapore proceeds upon the principle that is being acted upon in the entire re-settlement, and that you have not taken it is an exceptional case?—I have taken it as a general representative case as the very first revised settlement, and the principles are there distinctly laid down. Different settlement officers have, to more or less extent, made alterations in the way in which they have gone, but the principle I understand to be nearly the same.

6511. Have you got the paragraphs containing the collector's own statement of the principle?—I have got some of them; I did not copy them all, because I thought I should have the book here.

6512. Could you refer to his statement of the principle upon which he ascertained prices?—Yes; I am sorry I have not got the whole of it; what I have got I will read. "A great revolution has taken place in the price of grain during the currency of the lease; we learn from the reports of the survey officers that jowaree, the staple product of the district, was selling at 66 seers the rupee in the years in which their rates were introduced; the average price of the five years preceding is said to have been 53 seers per rupee. The following table exhibits the average yearly price in the Indiapore market during the currency of the lease:—

YEAR.	Jowaree, No. of Seers per Rupee.	Bayree, No. of Seers per Rupee.	YEAR.	Jowaree, No. of Seers per Rupee.	Bayree, No. of Seers per Rupee.	YEAR.	Jowaree, No. of Seers per Rupee.	Bayree, No. of Seers per Rupee.
1836–37	43	34	1846–47	15	13	1856–57	32	28
1837–38	36	44	1847–48	48	32	1857–58	39	37
1838–39	67	30	1848–49	72	56	1858–59	32	28
1839–40	44	30	1849–50	72	56½	1859–60	39	31
1840–41	64	44	1850–51	38	34	1860–61	33	23
1841–42	56	40	1851–52	40	32	1861–62	27	19
1842–43	68	42	1852–53	56	40	1862–63	16	16
1843–44	72	44	1853–54	56	36	1863–64	13	12
1844–45	60	36	1854–55	29	26	1864–65	16	14
1845–46	36	25	1855–56	32	29	1865–66	18	15
Ten Years' Average	56½	37	Ten Years' Average	45¾	35½	Ten Years' Average	26½	22

"During the first 10 years of the lease but little change took place; prices ranged from 72 seers in 1843–4 to 36 in 1845–6, whilst the average for this decennial period is 56½. The first year in the decennial series was a most unfavourable season, and grain rose to the rate of 15 seers the rupee; it speedily fell again, and had gone down to 72 in 1849–50; a steady increase set in from this date, and it was selling at 32 in 1855-6; the average for this period is 45¾. Beginning with 32 seers in the last decennial period of the lease, but little fluctuations occurred during the earlier years, and down to so late as 1861–2, 27 seers was the ruling rate; the general rise of prices which has spread throughout the Presidency, dates from this period; its effect was felt here, 16 seers being the rate in 1862–3, and there has been but little change since; the average price for this period is 26½ seers; we must consider present prices to be exceptional, to be the effect, in fact, of that commercial prosperity which has resulted from the American war. The export of cotton from that country being suspended by the war, India was called upon to furnish the supply required for the English market, and she set herself vigorously to the cultivation of that product. Indiapore is naturally not a cotton growing district, but reports of the large profits realised from its cultivation having reached the ryots, they naturally turned their attention to its growth; and from returns obtained from the momhitdar, I find the large area of 30,049 acres is under

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cotton cultivation this year; a considerable area has thus been diverted from the growth of grain during the last few years. With a diminished supply, there has been an increased consumption, consequent on the spread of that wealth which has been poured into the country by the large profits realised from cotton. These causes operating together have been mainly instrumental in bringing about the present high prices, which, therefore, I think it safe to consider exceptional; to sum up the results of the changes affecting the new rates which have taken place during the lease, grain has risen from 66 to 55 seers the rupee, or taking the average of the last 10 years, the rise will be from 66 to 26 which is equivalent to above 150 per cent. It is difficult to put a special value upon the increased facilities of transport resulting from the *ad interim* improvements. There is no doubt they have aided materially in bringing about the rise in the price of grain, and may therefore be included generally under the advantages which are ascribable to that measure." After giving particulars about the climate of Indiapore, where the average rainfall is less than six inches per annum, the report proceeds: "The problem then which we have to solve is this, when or at what period during the currency of the lease had the cultivators acquired that amount of capital which is essentially necessary for the proper cultivation of the land and their own well-being, and what was the price of grain at that time." Here is the end of it, but the rest of these paragraphs, in which he states how much is actually increasing, I have not got, because I had intended to bring the book.

6513. Having reference to what you have already read, which rather points to a more enlarged view of prices than I think you ascribe to the collector, can you state that he took a mere arithmetical result of the prices without regard to the circumstances?—Yes, because the table here gives the averages, which are taken entirely by simply adding up the prices and dividing by the number of years.

6514. You were going on to say that you think the rise in the rate of assessment based upon that average would therefore be oppressive?—Yes.

6515. Can you state to the Committee what, in your view of the relative conditions of prices, would be the percentage of increase due merely to the rise in prices from the assessment settled before and the assessment now to be settled, or recently settled?—My view is that the present prices are very temporary and local, and that they will go down again, and that the basis of the old settlement will be quite as much as would be proper to be got from the cultivators for another 30 years.

6516. We understand that it is your view that the prices for the next 30 years will be the same as those that were ranging before the previous settlement?—No, not before the previous settlement.

6517. That is the question; the settlement you observe was made 30 years ago, upon a consideration of average prices that had been ruling for some years before?—Yes.

6518. Well, then, if the settlement is re-made upon the same basis, it will be necessary to ascertain what the rate of prices has been for several years previous to the re-settlement, eliminating in your view the famine price which, although it might be high, would give no result to the farmer, because he would have nothing to sell?—Yes, I understand it now; what I mean is, that if all those elements are eliminated, such as the high price arising from drought, the temporary rise in prices on account of public works going on, prices will gradually again come back to the level which continued from 1834 to about 1850 or 1854, which was very nearly the same level, in fact of those prices upon which the settlement was based.

6519. Sir *G. Balfour.*] What article do you take as the standard?—The principal articles are jowaree, bajree, and rice.

6520. *Chairman*] This is very important, and we want to arrive at a very accurate appreciation of it. You do not quite meet the question, because it is not a question of what the prices were after the settlement which we may describe as that of 1834, but it is what they were before the settlement of 1834, on which the settlement of 1834 was based; do you know, or have you got the range of prices at that time?—This table gives the whole range of prices from the time when the settlement was actually made.

6521. The settlement is not based on the prices after the settlement, but on the prices before?—Yes.

6522. Therefore the share that the owner of the land then arranged to pay was a share based upon his previous experience, not upon the events that happened subsequently; all that appears to have happened subsequently may be to his profit or his loss; can you now compare the reasonable prices for some years before the re-settlement with the range of prices for some years before the previous settlement, and then can you tell the Committee what in your view would be the increase of assessment due, if any, to an increase of prices so arrived at?—On that important point of prices my opinion is something very different from what is generally entertained.

6523. Then we should be the more anxious to hear it?—In the whole of India generally there is no such thing as a large general rise of prices; here I have prices fortunately enough for Indiapore itself, previous as well as afterwards. I will give those figures now; these prices are from the year 1809; I will take 10 years before the settlement from 1828.

6524. On what commodity is it?—This is jowaree; in 1828 it was 32 seers per rupee; 1829, 80 seers; 1830, 46 seers; 1831, 40 seers; 1832, 60 seers; 1833, 23 seers; 1834, 46 seers; 1835, 48 seers; 1836, 38 seers; and 1837, 66 seers.

6525. What did that give as an average?—That is just the difficulty; if I simply add them up together and divide I can give that, but really it is no criterion unless I know the quantities; I can add them together if you like.

6526. You would qualify any average deduced from this by the consideration of the quantity on which the cultivator would receive those prices?—Yes.

6527. Taking that as your basis, is it your view that the average for the ten years before the Indiapore re-settlement is the same?—Yes; what I say is that the average of ten years before the Indiapore re-settlement is a high average from temporary local causes; I want to qualify that particularly; it has arisen from several causes; the re-settlement took place in 1867; beginning at 1853, that was the time of the railway works in the Bombay Presidency; Indiapore comes midway between Poona and Solapore; there were special public works

works going on there; in addition to that, the Mutiny to a great extent helped, after the destruction of a large amount of property, to make a general rise, not a very congratulatory rise, but still there was a rise; and lastly, the American War caused a great rise in the prices of jowaree. If all those temporary causes are eliminated after the settlement up to the year 1853, the range of prices was, if anything, even worse than what it was 10 years before or 12 years before.

6528. It was lower?—Yes, lower; and I can give the figures.

6529. Your opinion deduced from Indiapore, as well as from the general views you have stated, is that there has been no substantial rise in prices of agricultural produce in the Bombay Presidency, at all events?—Yes.

6530. And, inferentially, in India generally?—Yes, and I have got figures for all that; from the beginning of the century up to the present I have tried to trace out all the prices I could get, and show that from the time whenever any possession has been taken by the British to the present, there has not been anything like a general rise in prices.

6531. Can you lay before the Committee a table, showing them the information you have collected on the subject of prices in different parts of India?—Yes, I put this in (*the same was handed in.*)

6532. Have you been able to verify your conclusion from the subsequent condition of Indiapore, whether the landowners there are crushed by the rate that they have had to pay under the settlement?—Yes; so far as my information goes, there is a great complaint, and the prices are falling since the re-settlement.

6533. Do you know from actual information that they have had greater difficulty in paying their land revenue since the re-settlement than they had before?—Yes, that is my information.

6534. Have you got the actual assessments per acre of any qualities of land; the standard qualities of land, under the assessment of 1834, can you give it us in figures?—I can give it, but I have not got the figures here, and I cannot carry it in my head; I have not referred to these special assessments, because it did not come within my evidence so far as it goes, but I can put in any figures which may be necessary.

6535. On this question of what may be called the weight of the taxation on the mass of the people, I should like to ask you whether you wish to go into any other item of the revenue to show its special effect in the same way that you have treated the question of land revenue, or whether you would wish to make any further observations on the weight of the land revenue?—Do you mean as to Bombay or the whole of India.

6536. If you go into the whole of India, there will be such different conditions that we shall have to go into each separate set of conditions?—I can give this very easily; with regard to the land revenue, I have a few figures which may perhaps interest you; I have made out here the per-centage of land revenue to the total agricultural production.

6537. That does not express any idea, because we have accurate evidence before us, that in Bengal the land revenue is not paid by the cultivator; it is paid by a landlord as a portion of rent that by usage he has been accustomed to hand over to the State; therefore the land revenue in Bengal has no weight whatever upon the mass of the people?—That may be. What I mean to say is this, the land revenue actually acquired by the State; what proportion that bears to the production of the country.

6538. That we need not go into. What I am asking is, whether you would like to make any further observations to support your view, that the land revenue is oppressive on the people. I do not wish to cut you short. If you have anything more to add, this would be a convenient time?—This is what I want to add; in a good season when the production might be considered as a fair average production of the country, this is the per-centage I make of the incidence of revenue on the production of the country.

6539. I want to point out to you that this is really wholly irrelevant to the proposition of the weight of the land revenue on the mass of the people; if we have it in evidence, as we have, that throughout large parts of India the land revenue does not fall at all on the mass of the people, but merely upon landlords, who would put into their pocket the land revenue, if the State did not take it from their pockets, or prevent it going in, it does not affect the mass of the people at all; is not that so?—That is not my opinion.

6540. It is not a question of opinion; is it not a question of fact?—Yes; it is the tenant that pays the landlord.

6541. Is it not a question of fact that the land revenue, wherever it is paid by superior landlords of villages, whether in the permanent settlement or the temporary settlement, does not in any way affect the rent that those landlords take from their tenants. Is it not a mere division of the rent which they receive from their tenants between themselves and the State which claims to take a share of their income from the land as belonging to the State; is not that so, as a matter of fact?—Yes, as a matter of fact. It depends on the way in which the question is viewed. From your point of view, it may be considered as being paid by the landlord; from my point of view, I consider the whole of the land revenue to be paid by the cultivator.

6542. I am dealing with the facts, not with any point of view. As a matter of fact is it not, that wherever a settlement is made with a superior holder he is in the position of the landlord of the village; and whether he pays more or less land revenue he would receive the same rent. Do not the freeholders of villages collect from their tenants precisely the same rent that the holders of villages paying revenue to the Government collect. Have you ever discovered any difference in India, between the taking of rent of the one and of the other. If that be so is not the result of the whole this, that the land revenue in all the cases where it is taken from superior holders is a division of rent between the superior holder and the State?—No, I differ from that. The cultivator pays a great deal more than you would suppose, as I understand it as rent; and this is derived by the landlord because the landlord has to pay to you, and therefore this land revenue as it exists, bears upon the people.

6543. Have you made any inquiries to follow out your view in Bengal, to discover whether the rents that are paid by the tenants to the zemindars vary in proportion to the revenue that

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the zemindars pay to the State, or whether they have reference merely to the general incidence of the holding under the landlord?—The revenue is fixed revenue with the zemindar.

6544. Are you aware that the revenue of each zemindary bears, in many cases, a very different proportion to the rents received by the landlords, sometimes it may be half, and sometimes not a tenth, and sometimes not a twentieth?—Yes.

6545. Have you made any inquiry to know whether in all these different cases the tenant pays a different rate of rent to the landlord, or whether the rate of rent the tenant pays has no reference to the revenue the landlord pays to the State?—I do not understand the argument at all.

6546. It is not an argument, it is a fact?—I do not understand the fact; what is meant?

6547. I am asking you a fact whether you have informed yourself of the fact?—I do not know the relations between the landlord and tenant.

6548. Sir *T. Bazley.*] If the landlord in Bengal pays nothing whatever to the State, would the rent be reduced to the cultivator?—That will depend, I think, upon what you allow the landlord to do.

6549. *Chairman.*] Supposing he is a free landlord, and the other is a free cultivator, and they are trying each to make the best bargain they can, as they do now, there being no law to compel them, what do you think would be the result; do you think the landlord would reduce his rent?—That will depend upon the competition; upon what the landlord is able to get.

6550. That is exactly the proposition I was endeavouring to bring you to; that the incidents of the rent have no reference to the revenue paid by the landlord, but have reference to the conditions between the landlord and tenant as to competition and otherwise for the occupation of the land?—I will decline to give any answer to that question.

6551. We wish to get an accurate view of the matter, and therefore I want to eliminate from the question of the operation of taxation upon the mass of the people, taxation which does not fall directly, and as a matter of fact upon the mass of the people; and as an illustration, I am asking whether the large land revenue levied in Bengal does, or does not, fall upon the mass of the people, and in a greater or less degree, whether it falls upon the mass of the people, in any case where the land revenue is paid by a superior holder, who is recognised as the freeholder of the land by the State, and who is allowed to make a free contract with his tenant for the occupation of the land?—As matters stand, all I can say is, that it is from the rent paid by the tenant; and the position of the tenant is such that the rent paid by him is much more than he can afford to pay; that it bears heavy upon him.

6552. I was going to ask you upon that, whether you had ascertained how much of the land revenue is derived from the superior holder, and how much is derived from a direct assessment upon the actual occupant and cultivator of the land, taking India as a whole, to qualify your figures, or dealing with the Bombay Presidency if you like; if you have gone into it separately?—What I state is this, that the landlord and State both get their rent from the tenant. There is a division of that rent between them, and so far as I know (and I do not want to enter into further particulars) the tenant has to pay a great deal more, and the landlord gets a great deal more than the State gets.

6553. That may or may not be so; I was asking you whether you had, with the object of making your views more clear to the Committee, gone through the matter in a general way without going into minute particulars, with a view of ascertaining how much of the land revenue of which you have been speaking in general terms was derived from freehold proprietors having tenants under them, and how much was derived from the actual cultivating tenants of the soil?—Derived by whom?

6554. By the Government of course, I am speaking of land revenue which can only be derived by the Government?—What is derived by the Government is a great deal less than what the zemindar derives from the tenant.

6555. That is not the proposition; it is how much of the whole sum of land revenue of which you have been speaking, is collected by the Government direct from the freehold proprietors of the soil who have occupying tenants under them, and how much is derived by the Government direct from the actual occupants and cultivators of the soil?—What I meant to say was this; that in the Bengal Presidency nearly the whole of the permanent settlement is derived from the frecholder himself, and it is not derived directly from the tenant.

6556. Do you know in Madras how much is derived from the zemindars and other persons under similar conditions holding under various names and titles?—I did not come across those figures; I searched for them, but have not come across them.

6557. Do you know how much in the Bombay Presidency is derived from persons recognised as holders in villages, and freeholders or grantees like jageerdars and others, who stand between the Government and the occupant of the soil?—I do not know now; I can give it to you; I have not got the figures here; I have got the general figures.

6558. You are not able to tell us to what extent and degree we may consider the land revenue as a crushing measure of taxation upon the people?—I am talking of the whole taxation generally, and I say that to any extent it is crushing.

6559. If you begin with a general proposition, it is the duty of the Committee to analyse that general proposition to see exactly what it refers to; I am endeavouring to ascertain to what extent this general proposition is applicable to the facts as far as we know them?—According to my view the whole land revenue must be considered as paid by the cultivator.

6560. Your view will be subject to the qualifications that I have endeavoured to bring under your notice?—Yes, so we differ in our views; that is all.

6561. Have you gone into any other of the sources of taxation with the view of ascertaining whether there is any direct crushing effect upon the people from them?—Upon all these questions of addition of taxation I have not at present entered, and I have not prepared myself with my notes; but I have certain propositions, certain evidence, to be given on several points, all bearing upon finance, in fact the foundation of all finance.

6562. Then I think I may take you to the question

question of wages, which we can only go into so far as it bears upon the question of the taxation of the people in relation to their wages, and then we get very much to the same question?—The same question precisely, and there is the same answer for it.

6563. It is not the same exactly. In considering the incidence of taxation as affecting the population that is taxed independently of the cultivator whom we have disposed of; have you ascertained whether their wages have risen or fallen in recent times as compared with former times?—Yes; as I said with regard to prices, the notion that there is a general rise of wages is not correct. I have got this short paper to give the different figures of comparison of different times to show that wages have not risen. (*The same was handed in*).

6564. Will you state to the Committee generally on what you base your view that wages have not substantially risen in recent years in India, or in the Bombay Presidency?—Generally. There is a return made in 1853 in which the wages and prices are given of a much earlier time; I have actually given wages as derived from official information, and from those I show that there has not been a general rise; I have taken different periods for different places; there are so many figures that it would be hardly possible for me to give it in a general way. The general wages would be two annas for an able-bodied man, if the whole of India were considered.

6565. You take two annas as the general standard of wages?—Yes.

6566. Will you explain what class of people you take?—The common labourer.

6567. Do you mean the unskilled labourer?—The common agricultural labourer.

6568. The unskilled labourer?—The unskilled labourer; I am taking the lowest class of labourer.

6569. Have you directed your attention to the second class of labourer, the ordinary mechanical skilled labourer of India?—No, I have avoided all above the poorest class; they can take care of themselves; it is the poorer class to which I have particularly given my attention.

6570. Do you find that the rate you have given, two annas a day, which is very nearly four rupees a month, is the average rate?—Yes.

6571. Have you been able to distinguish what may be called the main variation of the rate of agricultural and unskilled labour between the two classes of labour in the agricultural districts and in the proximity of larger towns. Do you know whether there is much difference?—There is a difference.

6572. Can you give a view of the two prices?—Yes; here I have a Return from an executive engineer of Bombay, and I have got another for Bengal, this will give very shortly how wages stand in Bombay where there are large public works going on. In 1863 the maximum in Bombay was 13 rupees 8 annas per month, the minimum was 7 rupees 12 annas, that I take from the price Commissioners' Report, portions of which Sir Bartle Frere has already laid before you. Then having these high prices, we shall find afterwards that in 1867-8-9, 1870-1, it has been gradually declining. In 1867-8 wages are for a begarree 6 annas per day, for a woman 4 annas per day, and for boys 3 annas per day.

6573. Is that in Bombay city or Bombay island?—Yes; in 1868-69 it is the same, 6 annas for the able-bodied man, the "begarree," as he is called, 4 annas for a woman, and 3 annas for boys. In 1869-70 it has declined; it has come down to 5 annas for the begarree, 3 annas 6 pice for the woman, 2 annas 4 pice for the boy; this is continued during 1870-71 and 1871-72, except for woman, 3 annas.

6574. The last rate quoted is continued for three years?—Yes; the wages have declined in the city itself from 1863 up to the present day.

6575. Mr. *Birley.*] What is the labour of the women?—Common unskilled labour.

6576. How are they employed?—In buildings, in all the public works in Bombay under Government, such as carrying the metal for roads, or carrying stones and other things for the skilled workmen.

6577. Are women employed in that?—Yes; women and boys. These are the wages paid by the Public Works Department; the wages paid by private individuals would be something lower than these.

6578. *Chairman.*] Have you got any rates in the neighbourhood; I do not mean actually in the town, but the agricultural rate in what may be called the town districts, as compared with the outlying rural districts where there are no large towns?—I have collected as far as I have thought would be sufficient for my argument, the principal places, and I can say this generally, that in the agricultural districts it is, as I know from personal information, hardly above 2 annas; in some cases less and in some cases more. The average would be hardly 2 annas.

6579. What I wanted to get was, whether your average was taken over the rates paid for wages, both for town and country, or purely for country?—I am taking the country; in the towns it is always a little higher. Then for Bengal, also, I have got a list of wages on some of the public works, not merely in Calcutta, but in different places, and I will just read it. This Table was made up in 1866-67; the daily wages of unskilled labourers in several districts of Bengal where public works were going on, were as follows:—The first grand trunk road division, 2 annas and 6 pice; for the second division it is only 2 annas; for the Barrakur division 2 annas and 2 pice.

6580. Barrakpoor is in the neighbourhood of Calcutta?—Yes; Patna branch-road division, 2 annas; Terhoot division, 1 anna 6 pice; these are public works; Behar-road division, 2 annas; Barrackpore division, 2 annas 8 pice; Purnea division, 2 annas 6 pice; Bhogulpore division, 2 annas 6 pice; Berhanpore division, 2 annas 6 pice.

6581. That is sufficient; we need not pursue that any further?—In all these divisions the rate is hardly above 2 annas. There are other divisions where more works are going on in some of the larger towns, where it may be more.

6582. These are the rates which are paid on these great works?—On these great works to the unskilled labourer.

6583. You have your table brought down to a later date?—This is only for 1866-67. Since 1866-67 I understand the rate of wages to be falling, if anything.

6584. Have you computed upon this class of population what the direct incidence of taxation are, that is to say, how much they pay for salt

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and tobacco; I can hardly say opium, because they do not recognise the eating or smoking it; have you arrived at any view upon the point?—Yes; I am very anxious to place it before the Committee, but I am not prepared for it. Salt is the only thing which I can calculate; for stamps or land revenue, of course, it is impossible to calculate.

6585. Can you give us the particulars as to salt, to begin with?—Here I have got the scale of diet which Surgeon Partridge has put down for emigrants. This will show what the poor labourer needs. It is the scale put down by Surgeon Partridge, the Government Medical Inspector of emigrants at Calcutta.

6586. These are agricultural workmen?—Yes; to go out as labourers, this is the diet prescribed for them in quietude not labouring; rice, 20 oz. per day, dhal, 6 oz.; preserved mutton, 2·5 oz.; vegetables, 4·27 oz.; ghee, 1 oz.; mustard oil, ½ oz.; and salt, 1 oz. per day.

6587. That is not the scale of feeding for Hindoos in general?—No; then there is another scale here.

6588. That is a special scale for a sea-voyage, is it not?—Yes, in a state of quietude.

6589. You would not present that to the Committee as the scale of diet of an agricultural labourer living in his own cottage in India?—No; I present this to the Committee as the necessity of the labourer; whether he actually gets that is another thing.

6590. That is a special scale applicable to an abnormal condition of his existence; what we want is the scale which is applicable to the people as they live in the ordinary condition?—They can live upon little or more.

6591. Mr. *Fawcett.*] We have an analagous case here; if you wanted to know what the agricultural labourers contribute to the labour of the country, you would get a very false idea, if you took the diet allowed to them; if one of them happened to get into prison, or if they were emigrants on an emigant ship, they may have meat or other things which they would not have ordinarily; we want you, if possible to give the consumption of a labourer living in his ordinary state; for instance, how much salt he consumes, and whether he wears clothes which pay import duties?—I have got some independent information of that kind too. What I meant to say was, that in collecting all the information I could get upon the subject so as to come to something like a fair knowledge of it, I have taken this diet as well as the present diet.

6592. *Chairman.*] In speaking of the earnings of the people, have you considered the earnings of families as contra-distinguished from the earnings of a single adult man, that is to say, how much the wife earns, and how much one of the children would earn, so as to give us an idea of the earnings of a family?—The earnings I have taken separately.

6593. Have you any view as to what we understand as the earnings of a family as contra-distinguished from the earnings of a single man?—The figures I gave before as the wages in Bombay, will give some idea, a very fair idea, of the earnings of a man, a woman, and a boy.

6594. That would be so as regards the town of Bombay, but you did not give us similar information as regards the rural districts, generally; what do you consider a man, woman, and child of the rural districts would earn?—I said generally, that an adult will generally on an average obtain 2 annas.

6595. You did not give us the woman and child?—I did not; but they can be fairly taken in the same proportion; a man 2 annas, a woman 1½ annas, and a child 1 anna, or something like that; a child of about 12 years.

6596. Assuming that there is one child for each family earning wages?—Yes; you may take it at 1 anna.

6597. Have you looked to see what is called the average number of people constituting a family in India as shown by the statistical returns?—I could not get the Bombay returns, but I have got the late Bengal returns.

6598. What does it state to be the average of a family?—It consists of four, as I should consider it. I have taken that as the standard, and if more accurate information is required, I can get it from the Bengal statistics.

6599. Is it your opinion that there exists at the present time in the Bombay Presidency, any general feeling of discontent against the state of taxation of the people in that Presidency?—Do you mean taxation generally, or any particular tax?

6600. Either any particular tax or generally as to the weight of taxation?—Yes, generally there is a great deal of discontent, both about taxation and about the way in which land revenue is collected, and also as to the legislation upon land revenue.

6601. Can you give us any precise information as to the character of the discontent or the particular causes in the minds of the natives of the discontent, either as regards taxation in general or as regards particular taxation which they have to pay?—They feel the whole taxation as it were, very heavy compared with their earnings, compared with what comes into their hands, and they are obliged therefore to live upon less than what they would require for their own ordinary comforts in life.

6602. How do you arrive at your opinion of there being any general discontent amongst the people?—I arrive at that opinion in two ways; first, from my general information, and next from my careful examination of the condition of the people as given out by official facts.

6603. Do you mean that you have received personal information of a state of discontent amongst the people, or what are we to understand as your knowledge of the existence of discontent?—I have heard from people all sorts of complaints of their discontent. Of course I could not believe everything, and I therefore took the trouble of trying to find out the causes for myself. Those causes I have tried to collect here according to my notes if they are wanted.

6604. Have you pursued your inquiry with reference to the rural population of the Bombay Presidency, or are you speaking only with reference to the town of Bombay with which you are particularly acquainted?—All my inquiries and all the effort I have made is for the rural population. I have not cared much for the towns, they are very well able to help themselves.

6605. Which of the rural districts have you visited?—I have seen some, but very few.

6606. Which are they?—I will just qualify that. I did not depend much upon simply seeing one place or another. I got general information from Broach and Surat and other places, and I therefore

therefore set myself to work to find out the causes from official facts and figures.

6607. When you speak of finding the discontent at Broach or Surat, do you mean the Broach Zillah or the agricultural district, or the town of Broach, and the same as to Surat?—From persons connected with Broach.

6608. With the town of Broach?—Who are connected both with the town and the agricultural districts, having their own lands and connected with the whole Mofussil system generally.

6609. You have not yourself visited the rural districts for the purpose of making any personal inquiry amongst them as to what may be called the feeling of discontent, so as to ascertain the existence of such a feeling?—I think I have sufficient information upon that subject.

6610. I am only endeavouring to get at the facts?—I have not actually visited these rural districts in British India much. I have visited very few.

6611. From what class of persons is your information derived as to the state of the rural districts in Broach or Surat?—From persons in the town of Broach.

6612. What class of persons?—Persons who have themselves actually land in the country, in the rural district, and who pay taxes as agriculturists also.

6613. They are the superior holders living in the city?—They have their own land, which they get cultivated; but upon that information I do not so much rely, as upon official information of every kind that I have got, being the best thing I could do.

6614. By official information, do you mean reports of the officers of the Government, stating that discontent exists?—Stating certain facts, from which the Committee can draw their own conclusions.

6615. I wish you to observe the distinction between an inference that discontent ought to exist, because the taxation is so and so, as compared with the earnings or other matters, and the fact that discontent does exist in the minds of the people, because one is a pure fact, and the other may or may not be a correct inference; I wanted to get from you whether you were giving your views to the Committee as an inference, or as a statement of a positively existing fact?—I am not giving them to the Committee as a statement made by the officials, that there is discontent which I can hardly expect, but still there are one or two statements of the officials especially; one a very short one, which I may read, which will show that the officials think very strongly about the condition of the people in the Central Provinces; this is an extract from a report by Mr. W. S. Peddar, in connection with the Local Taxation Circular.

6616. Mr. *Fawcett.*] Is he a commissioner or one of the collectors?—He is an official in the Central Provinces; this is a report about the Central Provinces.

6617. *Chairman.*] Will you read the paragraph?—He is speaking about the poor people, and he says, "Who, if an almost universal concensus of opinion may be relied on, are rapidly going from bad to worse under our rule is a most serious question, and one well deserving the attention of Government," showing that the state of the people is so serious as to require the very careful attention of Government as to the causes of it.

6618. You have not given us the cause to which he ascribes that?—No; I have only extracted that sentence.

6619. Mr. *Fawcett.*] Have you put quite the right interpretation on that despatch; he does not say in the extract which you have just read, that the state of the people is going from bad to worse, but he says, that an universal concensus of opinion, or an unanimous feeling, exists amongst themselves, that that is their condition; he neither corroborates it nor denies it; he refers to the impression existing amongst them, does he not?—I understand that to be that he agrees with the opinion.

6620. *Chairman.*] Will you refer to the page of the Despatch from which that is taken?—I have taken this from the "Times" of India.

6621. What is the date of the Report?—The Report is, "Reply to the Viceroy's circular of last August on local funds." Then I have something more bearing upon the point. Perhaps the whole extract may be taken together. If I am asked whether he distinctly says that the people are discontented, or that there is discontent expressed, that he does not distinctly state. Now I will read this: "Mr. Peddar makes out the land under cultivation for five districts of Nagpore 3¾ million acres, and he estimates the value of gross produce as about 2,83,29,541 rupees." Of course I cannot say whether Mr. Peddar has avoided the mistake of wrong averages, but his estimate is much under mine, because I have also estimated the produce of the Central Provinces and I just wanted to make that comparison. If we took the Nagpore district as an average district, according to his estimate, his value per acre is only under 8 rupees per acre, while my estimate for the whole province is 12 rupees per acre. I wanted to show that, in estimating the total produce of the country, my calculation has been something above. It is very likely an over-estimate rather than an under-estimate. If these figures be of any use to the Committee they are welcome to them. I do not also know whether the estimated value of the produce is of any particular year, or for an average good season, or whether he has made some allowance for a bad season. My calculation is for a good average season, but I do not know whether he has made any allowance for a bad season. I give this as an instance of the very poor production of the country. My calculation is much above, and after giving these figures Mr. Peddar makes the remark that I made before.

6622. Have you any other official document you would like to refer to, as showing an official expression of opinion that discontent exists in the country at the state of taxation or the condition of the people, consequent on the state of taxation?—I do not think I have come across any official opinion which distinctly states, and I can hardly expect it from any official, that there is positively discontent; I have got several extracts here. They will all of them be more an inference of the circumstances than a positive statement.

6623. Mr. *Fawcett.*] Have you read through the Blue Book which has been published?—No, I never could get it.

6624. *Chairman.*] Now, I should like to take you to another subject; have you obtained some

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information respecting the administration of the finances of the Native State of Travancore?—Yes.

6625. Has that information been obtained from a well-authenticated source?—From the Administration Reports of Travancore.

6626. Published by whom?—By the Travancore State. I have not been able to get all the resolutions, but there is at least one resolution I have got of the Secretary of State for India upon it.

6627. Have you instituted any comparison between the financial system of the State of Travancore and the financial system of British India; we had better say in Madras, which is on the side of Travancore, or in any part analogous to Travancore?—Yes.

6628. Can you give the Committee generally the result of your investigation upon that point?—What I have investigated is this. I could get only Reports from 1863-64 up to 1870-71, and therefore I compared from 1863-64 what their revenue was, and whether that revenue arose from a general increase of the prosperity of the people, that is, without any additional taxation, or whether with any additional taxation. I find that from 1863-64, up to 1870-71, there is something like an increase of 20 per cent. of revenue without any addition of taxation.

6629. That is, without any addition of rate of taxation?—Yes, except salt.

6630. Or of new items?—No new items, except a very small item of a new system introduced for registration, but the rest is a gradual development of the taxation, the elasticity of the revenue itself. During this time there has been, as I said, no increase of taxation. On the contrary, there has been a good deal of diminution of taxation, such as in some customs duty, in the pepper monopoly, and several others. I have got the summary; it is very short of what has been the fiscal policy during those years.

6631. Will you run through the items in which the rate of taxation has been reduced, or where it has been altogether abolished?—Several items of land tax given up at a loss of 23,500 rupees; reduction of taxation in customs import duties, made as in British India; reduction of duty on tobacco.

6632. Can you give the per-centage or the figures?—I have not got them here, but I can give them fully afterwards. Reduction of duty on tobacco; Tinnevelly from 100 rupees to 85 rupees; Jaffna from 140 rupees to 120 rupees; Coimbetoor from 65 rupees to 40 rupees per candy of 500 lbs.; the abolition of the tobacco monopoly and the above reduction of duty caused a loss in revenue of 4 to 5 lacs of rupees. Abolition of pepper monopoly.

6633. Total abolition?—Abolition of the monopoly; that is, they made it like other goods; there was a monopoly, and consequently there was a larger duty upon it. I will supply the figures afterwards.

6634. There was a duty substituted for the monopoly?—Yes, 15 rupees per candy.

6635. As I understand, in Travancore there was a monopoly, all the pepper was delivered to the Rajah, and he re-sold it at rates he thought fit?—Yes.

6636. That has been abolished, and a duty has been levied on pepper instead?—Yes. In 1864-65, there was an increase made in the salt as a part of the commercial arrangement with the British Government, and the selling price since has been kept up to the level of British India (Madras Presidency, I think); I will fill up the figures afterwards; several reductions of taxation in 1865–66, which I will put in; several petty taxes abolished; land tax in Nungunand was excessive, and reduced; long standing arrears of assessment remitted, and the rent payable on salt-pans lowered; some temporary items brought to credit; the exceptionally heavy duty on export of areca nuts was done away with reduced from 15 rupees to 5 rupees per candy; unfavourable effect on consumption of salt by assimilation with British India, which is mentioned there as a fact, and therefore they made arrangements for cultivating or improving their salt production; abolition of duty on a large number of petty articles; loss of pepper from bad season; arrangements to increase home-made salt; the imports of Bombay salt becoming less advantageous and convenient; increased income, therefore, in salt revenue; smaller production of cardamoms.

6637. Can you give the increase of the salt revenue that has occurred from the year of that change up to the present time?—Yes; I can supply that maintained at the rate in the Madras Presidency. Then in 1867-68, remissions granted on account of drought; certain temporary items of income including profits on Peninsular and Oriental Steam Navigation Company's shares; that forms a part of the revenue; new registration fee; and this is the only item which is of any consequence, which may be considered as an extra item, 32,000 rupees. Custom tariffs revised, according to British India, which I understand to be a reduction in the tariff, duty on pepper, reduced from 15 to 9 rupees per candy.

6638. Do you happen to know what the Travancore candy is in weight?—I believe it is 500 lbs.; 1868–69 the pepper crop scanty; reduction of duty on pepper from 9 to 5 rupees per candy, thus doing away with the exceptional duty on this produce. Remissions for bad season; export trade subject to great depression; reduction of import duty on tobacco; salt sales maintain their quantity; scanty rainfall, and remissions of land revenue. This gives a general idea of the character of the fiscal policy adopted in Travancore during these seven years; and the result of all that has been an increase of nearly 20 per cent. revenue, with a large surplus at the end of the year 1870-71 carried over to another year, nearly equal to another year's revenue of 42 lacs. The large revenue for 1870–71 the Secretary of State considers as "eminently satisfactory" and "secured without pressure on the population." (Despatch on the Travancore Administration Report for 1870-71. "Times of India," 27 July 1872.)

6639. To arrive at the surplus we must go through the expenditure; can you state whether the revenue of Travancore is administered by contract or farming, or whether it is collected directly from the people?—I do not remember these particulars; my information is all from the reports.

6640. Do you know when the farming was done away with?—I do not remember whether it was in the report.

6641. Can you state the fact whether the whole of this period was a period when there was no farming, and the revenue was collected directly from the community, or whether any change took place within this period?—In 1863-64 all the reforms had already been introduced,

duced, and it was very nearly approaching the British system of administration.

6642. I should like the particular question answered, whether the practice of farming was entirely abolished before the commencement of the period you have stated?—I will not answer that positively, but I think it was, after all the reforms were introduced.

6643. During this period the system of administration was that which was copied from the English administration?—Yes, almost. By farming do I understand giving it to a particular person to collect?

6644. Yes?—All that was done away with, and the land revenue was collected directly from the proprietor of the land; I have got some extracts here bearing on that point, which I should like to read; it just shows who the payers of taxes are.

6645. Can you state generally what constitutes the revenue of Travancore, and what its different amounts and heads were; if you can give a short summary of it, we should like to have it; a summary of the revenue first, so as to compare it with the British revenue, and to see how they levy it in Travancore?—I will supply that afterwards.

6646. Can you show at the same time the cost of collection of the revenue, so as to exhibit the difference between the gross and the net revenue?—As I find it in the reports it does not give the gross revenue, but the net revenue, after deducting cost of establishment, because as I find it, on the one side is given the revenue, and on the other side there is nothing debited or deducted for cost of collection, consequently I consider this revenue, which is given on one side, as net revenue.

6647. Was any account taken of the advances and repayments which arise in collecting the Indian revenue generally?—No, the financial statement gives the revenue under each head, and on the other side the expenditure under each head, which expenditure does not include cost of collection, and therefore I conclude that that is net revenue, and then it gives the surplus.

6648. Will you give us a view of the expenditure?—I can give the expenditure of course in full, as I have promised, but what I specially selected out of that, was public works; how much they spent on public works.

6649. You will put in a comparative statement of the expenditure for the two years?—Yes, that I shall give complete.

6650. Do you wish to call attention to any particular items of expenditure shown in the account?—My object in this comparison was only to show that whereas the revenue of Travancore increased 20 per cent. without any addition of taxation, the English is different.

6651. I am now speaking with reference to the expenditure; do you wish to call the attention of the Committee to any particular head of expenditure, so as to institute a comparison between that and the expenditure under the British system?—On public works it is all done from revenue, and the per-centage to revenue of expenditure on public works of every kind in 1863–64 is $6\frac{2}{3}$ per cent.; a very small per-centage. It increased in 1864–65 to $11\frac{3}{4}$ per cent.; in 1865-66 to 13 per cent.; in 1866-67 to $12\frac{1}{2}$ per cent.; in 1867-68 to $12\frac{1}{2}$ per cent.; and yet there is a surplus. It is all expended from revenue. If you want the per-centage upon the revenue, I can give it to you. I have given the whole expenditure. I have got the comparative revenue and expenditure here, and the actual items of public works. Then, in 1868–69, 13 per cent.; in 1869-70, $17\frac{3}{4}$ per cent.; and in 1870-71, 22 per cent.

6652. Can you give the details of the expenditure on public works for any of the later years; for example, for the last year, 1870-71, and also for 1869-70?—Yes, I can give it from the Report; I have not got it now.

6653. Are you in a position to show the Committee how much of the expenditure on public works is due to the labour and materials, and how much to supervision?—I think in this answer I shall be able to give every particular that can be got from the Report. I will give full details of the expenditure on public works as given in the Report.

6654. Is there any other item?—The only additional remark I intended to make was, that notwithstanding all this expenditure on public works in 1863-64, to the end of 1870-71 there is a surplus of 42 lacs of rupees; accumulated surplus.

6655. What was the surplus of that year?—The revenue is 52,144,000 rupees, and the expenditure is 53 lacs. He spent more because he had plenty of money in his hands from the surplus of former years.

6656. In the first year of your comparison, what was it?—The revenue was 43,10,000 rupees, and the expenditure 39,99,000 rupees. I have got the revenue and the expenditure side by side.

6657. Mr. *Fawcett.*] Was there a debt when he came there?—That is not stated in the Report. He gives this as the revenue and expenditure, year after year, and he gives this as the result, without any debt whatsoever, as a positive surplus.

6658. I understood, when Madava went to Travancore, there was a heavy debt, which he cleared off, leaving a large surplus?—That is my impression, but I have not been able to get the earlier Reports.

6659. By whom is that Report published?—By Sir T. Madava Row; and it has been well spoken of by the Secretary of State.

6660. *Chairman.*] Can you tell me whether, in Travancore, there is any general military expenditure, or whether the Travancore State pays a certain sum to the British Government for protection and the maintenance of order and peace?—I will just point out the peculiar expenses; the tribute paid is about eight lacs.

6661. That is included in the expenditure you have stated?—Yes. Then with regard to other military expenditure for Nairn troops, as they are called, 1,77,597 rupees, and the horse establishment 65,000 rupees.

6662. Is that a military horse?—I cannot say.

6663. It may be the Rajah's own horse?—It is called the Elephant and Horse Establishment.

6664. That may be his own State suwaree?—It is quite possible. It pays a tribute of 8,10,000 rupees, and for what are Nairn troops there is a lac and three quarters. Then he has a great deal of private expenditure.

6665. I presume he has no naval expenditure of any kind?—I think not; at least nothing is down in the Report.

6666. Although he has a long coast?—Yes.

6667. That is entirely protected by the British Government?—Yes.

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6668. Sir *G. Balfour.*] Therefore, supposing that expenditure in the way of a subsidy, and the military expenditure to be added together, the proportion of expenditure for military purposes is infinitely less than in India?—Take what it is and we can see and judge of it. It is nearly 10 lacs out of 50 lacs.

6669. That is one-fifth, or 20 per cent. How much is it in India?—I do not know. You know very well.

6670. It is much more than that, is it not?—Yes. Then there is another thing; there is an amount of expenditure connected with the Rajah himself, which under the English administration, would not exist, and which even the Secretary of State has recommended should be reduced, but it is a part of the expenditure, and it is worth taking into consideration as to how much is really due for administration and protection, and how much for the mere fancy or position of the sovereign.

6671. *Chairman.*] What do you make out to be the entire expenditure for the Rajah and his family, for which no administrative services are rendered?—It is given here. The Rajah's religious institutions take 5½ lacs.

6672. Mr. *Fawcett.*] That, to a certain extent, you would have to put against the lacs that are spent in the ecclesiastical establishments, for the civilian officers and the military officers of the British Government?—Yes, I think the proportion will not be large; for a fair comparison the ecclesiastical establishments on the other side should be included.

6673. There is this distinction in favour of Travancore, is there not, that the money that is spent by the British Government for ecclesiastical purposes the people do not get 1 *s.* of, whereas the money that is spent by the Rajah of Travancore for religious purposes is enjoyed by himself and by the people?—Yes.

6674. *Chairman.*] Are you aware that all the Hindoo endowments of the Madras Presidency were surrendered to the native managers of those endowments, and separated from the State revenue by the British Government, whereas the endowments in Travancore still remain under the control and disposition of the Rajah?—Yes. There are such items as these, to which there are no corresponding items of expenditure in the British expenditure.

6675. What do you consider the personal expenses of the Rajah to be?—There are these three items: The Palace, nearly 5 lacs 499,000 rupees; that is the personal expenditure of the Rajah. Then the Ooteperah or charitable expenditure, another 3 lacs; so that altogether out of this revenue of about 50 lacs, there are 13 lacs spent in this manner. There are about 10 lacs spent upon what may be called military expenditure or protection; the remainder is the fair administrative expenditure of the territory.

6676. And of administering justice?—Yes.

6677. Mr. *Fawcett.*] You say there are five lacs of rupees spent on the Palace of the Rajah, but is there no charge in British India at all analogous to that. It appears to me that you are not doing proper justice to Travancore. As far as I understand your evidence, you have singled out these five lacs of rupees as spent on the Palace of the Rajah, as an item which is spent in Travancore, for which Travancore gets back no administrative service, and consequently there is no analogous item in the British expenditure. But is that the case? What would you say, for instance, with reference to the personal establishment, and the luxuries which are not necessary to administration with which the Governor General and the Governors of Bombay and Madras are surrounded; could you not fairly set the one off against the other?—It is so much in favour of Travancore. I wanted to make the case of Travancore as fair and as favourable to the British as I possibly could.

6678. *Chairman.*] Having made these various deductions, have you instituted any figured comparison upon what may be called the administrative expense?—I have not got the figures, but I can produce them.

6679. Do you wish to make any further comparison between the Travancore and the British system?—Yes. As I said from 1863–64 to 1870–71, the Travancore revenue has increased about 20 per cent., without any addition of taxation.

6680. Mr. *Fawcett.*] With a reduction of taxation?—Yes.

6681. And you should also add with the accumulation of a great surplus?—Yes, of nearly a year's revenue; a year's revenue is 50 lacs, and the accumulation of surplus is 42 lacs in the course of the seven years after all this expenditure on public works. On the other hand, the British revenue in 1870–71, as compared with 1863–64, shows an increase of about 15 per cent., nearly the whole of which is due to additional taxation; I may give that almost in the words of Sir Richard Temple in his speech in 1869, only two years before my comparison, since that we have additional taxation. His words are that from 1859 to 1869 the increase is about 10,000,000, or more than 20 per cent. in the revenue, half owing to opium, increased duty on salt and assessed taxes, land revenue not materially increased, customs have not increased, duties being reduced. No doubt salt has increased, but then duties have been greatly increased in some provinces. "Thus our progress, though on the whole considerable, is yet not such as would indicate any rapid development of those national resources on which the State can rely." Then he adds afterwards substantially this: "The deficits have re-appeared."

6682. Is that his expression?—Yes; he almost uses a stronger expression than that.

6683. Will you give it?—I have not got it here now; he rather banters about it, and uses some very amusing expressions. "Thus, alas! deficit, though scotched, was not killed after all. But the 'bully' of Mr. Laing's time is in these days up in arms again; the 'tiger' has come back to life; the smouldering flame not finally 'extinguished' has burst out again in our finances." The next year we know there was the income tax of 3⅛ per cent., salt raised 5 annas both in Bombay and Madras; the duty on salt raised rather suddenly. Such is the comparison between the character of the revenue in Travancore from 1863–64 to 1870–71, and of British India during the same period.

6684. It is not during the same period; it is between 1859 and 1869, is it not?—Yes; I give this as a general thing, but with regard to the actual comparison I have put down in my table what has been done since 1863–64. In land revenue there has been a revision of settlement in many provinces, and consequently enhanced taxation in the Bombay Presidency; I have taken the figures of the whole of the revenue.

6685. *Chairman.*]

6685. *Chairman.*] Do you know whether in the State of Travancore there have been very large, and still are, very large tracts of uncultivated land, and that those tracts have been brought into cultivation considerably, and that as they come into cultivation they all have to pay the full land revenue?—It may be so, that is its national resource.

6686. The Rajah does not sell it off at a cheap rate, and deprive himself of it?—That I am not prepared to answer. I think he has given up his proprietary rights in certain lands.

6687. Sir *G. Balfour.*] Are you aware that the Madras Land Revenue has considerably increased during the last few years?—I know it as a general impression, but I would not give that as a positive answer.

6688. The accounts show a large increase; are you aware that that has taken place mainly from increased cultivation, and that the Madras Presidency has, therefore, retained the power to obtain a portion of those natural improvements which good civilisation and good administration will produce in the form of extension of cultivation?—In that respect, for all India I wanted to get the exact figure of the amount of culturable land yet remaining.

6689. You are aware that no increase of cultivation in Bengal can possibly add to the land revenue of the Bengal Presidency?—That may be so.

6690. Therefore, supposing it to have increased, it is revenue from the land; that is, by the natural extension consequent on the improvements of administration which have taken place?—Yes, and on the better condition of the people if so.

6691. And, therefore, the Government of India, from the improved administration and from the improvement in the condition of the people, have a fair right to expect additions to the revenue from that source?—That is a different question; that is a question by itself, and we shall get to see.

6692. *Chairman.*] I should like to ask you whether you have heard or seen from these Reports that they speak of the continued increase, and the taking up of the culturable land which pays the ordinary revenue?—I am not prepared to say that, but I will look into it; the difference in rent between those years, 1863-64 and 1870–71, is about 322,000; that is the gross.

6693. What is the net increase?—The increase between 1863-64 and 1870-71, is about 322,000.

6694. It that gross or net—Net, after deducting charges, do you mean?

6695. Yes?—That I have not got; I cannot ascertain it from the published accounts; I have taken the gross revenue; I had not quite finished the Travancore question; in British territory there has been this increase in the revenue between 1863–64 and 1870-71, nearly the whole of it owing to increased taxation, and I want to point out that difference. The increase of taxation in British India has been of this character; in land revenue there have been revised settlements in the Bombay Presidency; there may be some natural increase also from the character of the revenue, but that is to be set off against it. In Excise there is forest increase of revenue, but that is owing to additional expenditure. The expenditure more than balances, or very nearly balances, the revenue. In house, trade, income, and assessed taxes, in 1863–64, the income tax was very nearly the same; 4 per cent. for the first quarter, and 3 per cent. for the next three quarters, and in 1870–71 there was the whole income tax of $3\frac{1}{8}$ per cent. In Customs the revenue is about 300,000 more; but there has been a good deal of additional taxation in Customs during this period. If particulars are wanted I can enter into them; in salt, there has been an increase twice, once in 1865 in the Bombay Presidency; in 1866, in the Madras Presidency four annas each, and in 1869 five annas in both. In stamps there was an increased scale in 1867; and in judicial fees also. There was a revision of the court fees in 1870, and a new Registration Act in 1865. Therefore, nearly the whole of this increase has been owing to additional taxation as compared with Travancore, where it has been notwithstanding, a reduction of taxation. The question fairly is why, in the British administration, the same thing should not happen; that is a very fair question.

6696. *Chairman.*] You have gone a good deal into the land revenue; do you wish to say anything more on the subject of the incidence of land revenue?—Do you mean in Bombay or generally?

6697. With regard to Bombay?—All I have to say is that this revised settlement will do an immense deal of harm to the Presidency, and that it is based on the fallacious principle of taking incorrect averages.

6698. That you have gone into?—Beyond that I have no more to say. I would earnestly request the Government to think over this matter carefully, and not enhance this assessment at present; in connection with the land revenue it has been stated very emphatically here, that it is collected very easily, and that the cultivators pay it with punctuality and readiness; that is what has been said, but what I wish to state is the way in which this readiness is brought about; the legislation upon this land revenue is of such a character as drives the people to pay readily and punctually, and if the Committee will allow me I will point out the machinery by which this readiness is manufactured; I have collected here, and I wish to put in, about 40 or 45 sections from more than 25 Acts, which will show that in the collection of land revenue, and in all this legislation, a ryot as opposed to Government has no legal redress whatever; that if there is exaction he can only appeal to the collectors or to Government, and Government can only act upon his report, but he has no jurisdiction in a court of law. I have given illustrations by certain judgments of the High Court; in one judgment the High Court say this: I may give it from memory without wasting the Committee's time; the course of legislation during the past several years has been much narrower and not so liberal as it was in the first part of the Elephinstone Code in 1827. What I have done is to collect all those sections in which this narrowness or illiberality is clearly shown, in which the Government, as opposed to the subject, is judge in its own cause, and I wish to put in the Appendix those sections, extending from 1827 to 1871, which bear upon the collection of land revenue and the powers of collectors, and from which I make out that the landed interest, or parties connected with land, who have to pay revenue to Government, have no legal redress in a court of law. (*The same was handed in.*)

6699. You mean legal redress against the

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Government for collecting revenue? — Yes, whether rightly or wrongly.

6700. Sir *G. Balfour.*] You know perfectly well that that is nothing but the Scotch law of hypothec?—That may be, but I do not know.

6701. *Chairman.*] Is there any other point upon which you wish to give evidence?—I have something to say in connection with the anna cess, the local cess; I will take that separately. If a ryot does not pay his rent on the instalment day, the present practice is to give him a certain notice for which one rupee is charged, and after a month he has to pay interest of half a pie per rupee a-day, that makes nearly 95 per cent. per annum, but the thing does not end there; if he does not pay within two months, then his land is sold up; this naturally sends him into the arms of the marwaree, because a native cultivator is very much attached to his land, and that is the only provision by which he can support himself, so that the last thing he would do would be to part with his land, therefore his readiness in paying the revenue can be very easily seen. Moreover, this rule must have acted, as Government themselves have acknowledged, oppressively, for in 54,000 cases, in 1867-8, they were obliged to apply this rule.

6702. Were those cases of an ordinary year, or of any particular year?—It is a Return made for one particular year. If I remember right this was for one year, 1867-68.

6703. Was it in any ordinary year, or were there any special circumstances?—As far as I know, it was an average good season year. It is that on the basis of which I have made my calculations about production; that is one of the modes in which revenue is collected. If it is not paid within two months he must go to the marwaree to get it at 25 or 30 per cent., or he must be sold up, and he must be turned out as a common labourer. Those two circumstances together, that is, the legislation and the mode of collection, are necessary to explain how the ryot of the Bombay Presidency pays his revenue with readiness and punctuality. That is all I have to say upon that point.

6704. *Chairman.*] Do you know, as a matter of fact, whether in the present state of the ryots they are compelled to borrow very much from the small bankers of the district to pay their revenue, or whether they are now in a condition to pay it generally as it falls due?—As far as my opinion goes they were very nearly getting rid of this necessity during the American War, but they are now going more and more into the old necessity of borrowing from the banker.

6705. Do you know whether they have also habits, which they consider necessities, of incurring considerable expenditure every now and then for what they consider fortunate and unfortunate days in their existence?—They do spend as they used to in former times; they follow their custom, but at the same time their income is a great deal less.

6706. Do they not very frequently resort to the small bankers for the purpose of finding the funds for these expenses, which too often bear no reasonable proportion to their means?—They do, because their means are now, as I wanted to make out, under the British rule, very much diminished, while their social customs remain as they were, all powerful as they are in any country, but I have not been allowed to go into that point.

6707. When you speak of their being unable to pay the tax, and being forced to go to the banker, it is important to know whether they are in the habit of incurring these expenses which sweep away their means of paying the land revenue?—They incur these expenses, and that is another difficulty, no doubt, which they cannot help.

6708. Mr. *Fowler.*] Are these bankers natives?—Yes; they charge a very high interest; from 20 to 25 per cent.

6709. *Chairman.*] Is it not the case that those people who are not provident enough to have money in reserve, always have a running account with the bankers for their special circumstances, and that they pay the money to the banker as it is convenient to them?—That is the whole thing I wanted to make out, and as you have made the remark, it may be that they are not prudent enough to keep anything in reserve, but they have really very little to keep in reserve at all, and they are getting worse on account of these social customs. Their production is very poor, they can hardly feed themselves fully, and therefore, as to reserve, that is very distant; but I have not been allowed to enter into that question.

6710. What we want to know is, as a matter of fact, whether having regard to the receipts which they are now obtaining from the land cultivation, the amount of revenue which they are called upon to pay under those Acts is such that they cannot pay it out of the receipts, and that therefore they are compelled to borrow, or whether they could pay it if they would be a little more prudent and less given to special fits of expenditure?—Of course this expenditure contracts their funds; but without taking this expenditure into consideration, they have not enough even to live upon, and so their case is worse with the social custom in addition to what they have to pay out of their scanty earnings.

6711. Have you made any specific inquiries in any given number of cases of the actual sum received in gross by the cultivator from his estate, and the actual amount of land tax that he is called upon to pay out of that at the times appointed?—Yes.

6712. Have you got any actual statement of that?—Yes; I have an actual statement of the whole production of the Bombay Presidency per head, and that gives you an idea of what it should be at the utmost.

6713. It does not give me an idea of anything except a very large amount of error and confusion; what would give me an idea of the fact would be a number of cases carefully investigated of the exact gross sum that the cultivator received, and the exact sum that he paid to the Government out of that gross harvest, and the investigation carried on so as to arrive at a fair view of the state of affairs; if you have done that, you would be in a position to give the Committee accurate information?—I may say that it would be far better to take the test I am applying of what the whole production of the Bombay Presidency is, and how much might be put down per head; my calculation is not seen.

6714. My opinion is that any such statement is so extremely misleading and erroneous, that I do not think it desirable to ask you the question?—Of course I submit to it, but how I have calculated is not seen.

6715. It cannot be a correct view of the thing?—It depends entirely on official figures.

6716. Is

6716. Is there any other question as to items of revenue or expenditure on which you would like to give evidence to the Committee?—Yes; with reference to the anna cess.

6717. Have you obtained any information as to the effect of the Act that was passed in the Bombay Presidency, directing the local cess to be made; is that the cess you refer to?—There is an Act, I think it is in 1869, by which that cess is legalised. What I want to say upon that subject is this: I think it was a breach of faith on the part of the Government, or at least Government had no right to impose any cess upon the running settlement, upon the settlements that were current. Of course, after the 30 years were over, they had every right to do what they thought proper, but before the 30 years were over, the imposition of this cess was a direct violation of promise, and that I can show in positive official language.

6718. Will you quote the official language?—There is a statement by Messrs. Goldsmid and Wingate, who were the settlement officers upon whom the whole work of that settlement depended. A letter written by them is given in a Parliamentary Return of 1853, No. 999, page 368, from which this is an extract. They describe the various advantages which would be derived from the Bombay ryotwar system as compared with that of the North West Provinces. That was a controversy then going on. And then they say this: "We further believe many most important elements of maternal prosperity to be secured by the plan of settlement now being followed in the Deccan, among which may be enumerated a moderate and equal assessment." And then they enumerate some more, and then they say, "Security against increase of demand on any account whatever during the term of the settlement." This was distinctly stated by these very settlement officers as clearly a "security against increase of demand on any account whatever during the term of the settlement. Then I shall give the reference to a letter which was written to the Revenue Commissioner at Poona in 1840. As early as 1838 it is clear that the Government had fully taken into consideration the supply of roads and education, and their effect on the land in fixing the period of the settlement during which no increase of demand on any account whatever was to be made. Mr. Mills, the principal collector at Poona, during the correspondence about the settlement, in his letter to the Revenue Commissioner, No. 2683 of 1868 (*see* Bombay Government Selections, No. 107, page 145), says, "From * * * and from the progressive improvement of the country by the construction of roads, and above all, the moral improvement of the people by education, &c., Government have every reason to anticipate that the utmost activity, both in agriculture and commerce, will in the course of a few years prevail." On account of this recommendation, Government was first disposed to limit the term to 10 years, but on further representation from Mr. Wingate, which I have not been able to come across, the Government knowing all these facts, and after taking into consideration the effect of roads and education during the period of the settlement, fixed this 30 years' settlement. Then I come to more extracts, which are also official; one of them does not bear exactly on the point, but it will show at least the general inclination of the Government of the day. This also is a letter by Messrs. Goldsmid, Wingate, and Davidson to the Revenue Commissioner, dated 2nd August 1847. (Official correspondence on reserve survey published in 1869, page 4.) Referring to the field assessment, and allowing the ryot to relinquish any field, it is said, "The fixed field assessment for the term of 30 years introduced by our surveys, thus secures to the cultivator the full, advantage of a 30 years' lease without burdening him with any condition beyond that of discharging the assessment for the single year to which his engagement extends." It may be contended that it only extended to the field assessment, and that it could not be applied to any other assessment. That was the only reason why I said this was not exactly bearing on the point, but, taken with the others, it has its force. Then further, in the rules of settlement given in the same letter at page 35, the second rule says, "All cesses upon land have been absorbed in the new assessment;" then, even as late as 1861, the Government of the day thought that revised settlements would be the proper time to make any cess for local funds. The words are these, after alluding to the necessity of a net work of roads to secure the full benefits of railway accommodation, Government recommends that "local funds must be raised, and the revision of assessment appears to his Lordship in Council to be the most seasonable time for making such provision, so far at least as the agricultural population is concerned; his Lordship in Council is therefore pleased to direct that in future each superintendent of survey after fixing the assessment of a district, should add * * one anna on every rupee of revenue as a contribution to a local fund for the improvement of the internal communications of the district." (Bom. Gov. Selec. No. XCIII., new series, page 361.) So far, therefore, from the year 1838 to the year 1861, the language is clear enough, that during the running of the settlement, there was to be no cess imposed. Then as there was no legal enactment, what was done was this: the collectors adopted what I may call an ingenious method of collecting local funds without trouble; that is, the rule adopted was, that when an instalment of land revenue was offered, the officer, in taking the instalment, was first to deduct the amount of the cess, and then give credit only for the balance for land revenue, and if the ryot did not make up that sum at once, of course he came under those rules as to giving notice, and the additional interest, and selling up in two months, so that in this way this cess was collected; but even this some landholders resisted, and at last the Government was obliged to pass this Act. I submit Government had no right to pass this Act with regard to existing settlements; however, since it has been made legal by this Act in 1869, it is in force. The cultivators, of course, complain that they ought not to have been so treated. That is what I have to say upon the anna cess. Then again, there was a distinct promise that these local funds would be applied to strictly local purposes. I should not like to trouble the Committee any more upon the misapplication of the local funds, because you have already had evidence of that.

6719. Do you concur in the view expressed by the witness who gave that evidence?—Yes, of Mr. Nowrozjee Furdoonjee.

6720. Do you know whether in addition to the taxation which they pay, people are required in India to contribute services under certain conditions for the assistance of the Government?—Yes.

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Yes. That is what I want to put before the Committee. Section 17, of Regulation 12, of 1827, "strictly prohibited the pressing of coolies and begarees"; and it was made "the imperative duty of the magistrate to make instant cognisance of all such offences, and inflict punishment, &c. &c.," or the aggrieved was left to have a civil action. Section 18 makes it lawful for the magistrate, "on occasions of emergency, to compel for public purposes the services of tradesmen, &c. &c. &c., at a rate of remuneration not below the highest they may be in the habit of receiving." Chapter 7, of Regulation 22, of 1827, made provision for emergent occasions requiring the immediate march of troops, or when more than 200 infantry or 100 cavalry are marching through British territory. Rule 4, of Section 42, provided, "Within 10 days reporting the fact with the cause and extent of impressment, and the rates of remuneration allowed to the Governor in Council (and to the Suddar Fojdaree Adaulut)." In 1860, Section 374, of the Penal Code (Act 45), "Whoever unlawfully compels any person to labour against the will of that person shall be punished with imprisonment." By Act 17 of 1862, the clauses of 17 and 18 of Regulation XII of 1827 are repealed. So the existing law upon the point, so far as I can make out, is the above Section 374 of the Penal Code, qualified by Chapter 7 of Regulation 22 of 1827, providing for the emergent occasion of march of troops. If I am correct in the law, as I make out, then there is a large amount of illegal "practice" for forcing labour carts and provisions. There is a loud cry throughout the whole of the Presidency against it. My friend Mr. Nowrozjee has given you ample evidence on this point. I give only one case to illustrate the present state of the law (High Court Reports, Vol. IX., Part I., page 165). Dhori Kalan, having refused to hire his cart to a Government servant, was prosecuted (not on the ground of having violated any law authorising Government officials to demand such service, but) under Section 186 of the Penal Code, as "obstructing a public servant in the discharge of his public functions;" and punished with a fine of four rupees or simple imprisonment for seven days. The case coming before the High Court, they "ordered that the conviction and sentence passed upon Dhori Kalan be reversed, and that the fine if levied, be returned." This shows that there is no law by which a Government official can demand such service, or Dhori would have been prosecuted under it.

Tuesday, 15th July 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir George Balfour.
Sir Thomas Bazley.
Mr. Beach.
Mr. Candlish.
Mr. Cross.
Mr. Beckett Denison.
Mr. Dickinson.
Mr. Grant Duff.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Robert Fowler.
Mr. Hermon.
Mr. Lyttelton.
Sir David Wedderburn.

C. BECKETT DENISON, Esq., IN THE CHAIR.

Mr. DADABHAI NAOROJI, recalled; and further Examined.

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6721. *Chairman.*] WHAT is the particular head that you propose to speak upon to-day?—First I have to put in some Returns that were asked for from me. The first was a Comparative Statement of the Revenue and Expenditure of Travancore and British India (*handing in the same*, vide *Appendix*). Then there is a Statement of Details of Public Works in Travancore for 1869-1870, and for 1870-71 (*handing in the same*, vide *Appendix*). The third is the Settlement Report of Indapore; extracts that I intended to put in and I had not them ready, and I was to be allowed to bring them to-day (vide *Appendix*). Then there is a statement showing the present and proposed assessments for villages belonging to the Indapore talooka (vide *Appendix*). As the Committee's time is short, I am willing to put in certain statements in Appendix for the convenience of the Committee, offering, at the same time, to come back from India next year, and appear before the Committee to be cross-examined.

6722. In putting in those extracts from the Settlement Report of Indapore, are there any observations that you wish to make to the Committee thereon?—I wish to observe that the calculations are based upon the fallacious principle of taking the average of prices without taking into account the quantity of the produce, and also the circumstances and causes which produced rise in prices which are local and temporary; that all the principles upon which the enhancement is based are erroneous ones, and therefore it is unjust to the cultivators. The substance of my remarks I have given last time, and I was asked to put them in to-day.

6723. Do you mean to say that the calculation was not thrown over a sufficiently large number of years?—The calculation is thrown upon the best years out of the 30 years; and with regard to the reasons there given by Colonel Francis, I point out there (in the remarks I have put in for Appendix) that in those reasons he has particularly missed these two important principles in making averages; in fact, I may say generally, that this is a mistake made in all official statistics in taking averages, by merely adding up prices of a number of years or districts, without taking the quantity of either into account. This gives a false idea; for instance, in the Administration Report of the Central Provinces for 1867-68, you will find the average price for rice is given at *Rs.* 2. 12 *a.* per maund; but if the average is correctly worked out, by taking the quantities of each district into consideration with the prices of each district, it will be found that it is only *Rs.* 1. 8 *a.* per maund; in the Administration Report the prices of all the districts are simply added up and divided by the number of districts; but in some places there may be, perhaps, 100,000,000 tons of rice produced and sold at a rupee a maund; in another place there may be 5,000 tons of rice produced and sold at 5 rupees a maund; that will not give 3 rupees as an average.

6724. You mean that if there were perfect means of communication between all the districts of India, the cheapness in one district would be counterbalanced by the dearness in another, or the dearness in one by low prices in another?—That may be the effect where the communication is complete; but I mean, that as the averages are taken at present, and as important financial measures are adopted, such as enhancements of revenue, and so on, upon these averages, these conclusions drawn from such fallacious averages lead to very wrong and mischievous results.

6725. Mr. *Fawcett.*] Your contention, as I understand, would be this, that a rise in the price of agricultural produce may be caused by two circumstances, one of which indicates greater prosperity of the agricultural class, and therefore would show that their rent or their land revenue might be increased; but the rise of prices may be caused by circumstances which indicate great depression in the agricultural interest, and therefore, in this case, the rise of prices would rather show that the land revenue ought not to be increased, but rather decreased; for instance, supposing that, owing to an increase of the population of any country, the price of cattle rises, then agriculturists can afford to pay a higher rent, because the produce becomes more valuable; but, suppose that some disease happens to the cattle and half of them die, under those circumstances a rise of prices would not indicate greater prosperity in the agricultural class, but would indicate the reverse, and in that case would show that rent or land revenue ought to be reduced; and your contention is, that in revising these land settlements, the officers who have arranged them have not taken into account the rise of prices produced by famine and by circumstances which indicate depression to the agricultural interest, and the rise of prices which indicates increased prosperity to the agri-

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cultural districts?—Yes; and I have to add only one word more, that there is also the rise of prices that is occasioned by some local temporary causes, such as a quantity of railway works, building, or some public works going on where capital and labour congest, and consequently a rise of prices takes place, because the produce of other parts does not come in freely; these two kinds of causes require to be taken into consideration, before the enhancement can be made upon an equitable principle.

6726. *Chairman.*] But turning for a moment to this particular Settlement Report which I have in my hand, I see in the 148th paragraph these words, "Beginning with 32 seers in the last decennial period of the lease, but little fluctuation occurred during the earlier years, and down to so late as 1861-62, 27 seers was the ruling rate. The general rise of prices which has spread throughout the Presidency dates from this period. Its effect was felt here, 16 seers being the rate in 1862-63, and there has been but little change since. The average price for this period is 26½ seers"?—Yes; there is a fallacy running through the whole of it, just in that manner; he takes for granted that there is a general rise in prices, which is likely to continue, and the average that he has taken of those 32 seers is also fallacious, for the reasons that I have stated; and consequently the whole thing requires to be fairly put forward.

6727. Have you worked out the incidence of taxation proper on the people, as you have been already asked?—Yes; I have got an answer to that question in the words of Lord Mayo, and Lord Mayo also understands the word taxation exactly in the sense in which the Chairman wishes me to understand it, and, consequently, I thought that this would be the best answer I could give to the question, with two short remarks of mine, which I would read. I have got an extract here from Lord Mayo's speech of the 31st of March 1871. Lord Mayo said in that speech: "Mr. Grant Duff, in an able speech which he delivered the other day in the House of Commons, the report of which arrived by the last mail, stated, with truth, that the position of our finance was wholly different from that of England. 'In England,' he said, 'you have a comparatively wealthy population. The income of the United Kingdom has, I believe, been guessed at 800 millions per annum. The income of British India has been guessed at 300 millions per annum. That gives well on to 30 *l.* per annum as the income of every person in the United Kingdom, and only 2 *l.* per annum as the income of every person in British 'India.' I believe that Mr. Grant Duff had good grounds for the statement he made, and I wish to say, with reference to it, that we are perfectly cognisant of the relative poverty of this country as compared with European States; but, as a matter of fact, are the people of India heavily taxed? Figures are not always satisfactory, and calculations of this kind must be, to some extent, open to cavil; but still, as staticians accept the facts that I shall state, we may consider that they represent pretty fairly approximate accuracy. I have made, from reliable documents, a comparative statement of the incidence of Imperial taxation in India and in some European States, England excluded. I have deducted from the resources of the Indian Empire all those sources of revenue which cannot strictly be called taxation. I have deducted land revenue for the reason that it is not taxation, but is that share of the profits of the land which the Government, in its character of chief proprietor, has from time immemorial deemed it right to demand. The opium revenue is excluded, because no one in India pays it. I have also deducted contributions from Native States, the receipts received in the Army, Postal, Telegraph, and all the spending departments; the result is, that the revenue received from taxation proper in India amounts to 14¼ millions, from a population of 150 millions, which gives a result of 1 *s.* 10 *d.* per head per year. I have followed the same investigation with regard to five European States, some of which are not the richest, and I find that while Indian taxation is but 1 *s.* 10 *d.* per head per year, the subjects of the Sultan are paying 7 *s.* 9 *d.*; those of the Emperor of Russia, 12 *s.* 2 *d.*; the inhabitants of Spain, 16 *s.* 5 *d.*; Austria, 19 *s.* 7 *d.*, and Italy 17 *s.* It must be remembered, however, that a shilling bears a larger proportion to the income of a labourer in India than to that of a labourer in any of the countries mentioned, but still there is no such difference between the value of labour here and in Europe as is represented by the difference of taxation that I have described. Notwithstanding, the financial credit of our Empire is far better than that of any of those States to which I have referred. I have mentioned these facts to show that the term, 'crushing taxation' is wholly inapplicable to the countries subject to the authority of the Government of India. At the same time, I am far from saying that this happy state is not right; I believe it is. The greatest security to Government is given by the feeling sustained by the people that they are lightly taxed. And by avoiding as much as possible additions to the burdens of those who contribute to the interests of the State, we add much to the safety of our rule." Now, whether I agree or not with Lord Mayo's views, I am not going to criticise them. I take them for granted, which I understand to be that Indian taxation is only 1 *s.* 10 *d.* per head, and that therefore India is the lightest taxed country in the world. I go further, to meet completely the views of the honourable Chairman, and deduct as much as 10 *d.* as contributed by the well-to-do, leaving for the poor mass of the people only 1 *s.* a head. Now, after granting all this, I have to make one or two remarks, that the very fact that India, though so lightly taxed, yet taxes hard the intelligence of all great Indian statesmen to discover some "new modes of taxation," and add, if possible, another 1 *s.* a head, without "irritating or oppressing," is in itself a conclusive proof that there is in the condition of India and the Indian Administration something seriously and radically amiss and wrong; and that even after such extremely light taxation of only 1 *s.* a head, Lord Lawrence is reported to have said before this honourable Committee, only a few weeks ago, that many of the people were only able to half feed themselves; I do not know the exact words which he used. Now, the second remark I have to make is this: coupled with this, I may put this great financial fact before the Committee: The United Kingdom, out of its "resources" (I use Lord Mayo's word) obtains 70,000,000 *l.*, from which about 27,000,000 *l.* being deducted for interest on the Public Debt, there remain about 43,000,000 *l.* for the ordinary wants of Government. This amount is about 5½ per cent. of the income of the country of 800,000,000 *l.* The British Indian Government

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Government, out of its "resources," obtains 50,000,000 *l.*, from which about 8,000,000 *l.* being deducted for interest on public debt, railways, &c., there remain 42,000,000 *l.* for its ordinary wants; this makes 14 per cent. of the income of the country of 300,000,000 *l.*, so that the Indian Government is more than 2½ times more expensive than the Government of the United Kingdom as compared with their respective incomes, while the income of England is 13 times larger than that of India.

6728. You have expressed a wish to correct somewhat you conceive to be misstatements and erroneous inferences on the part of Mr. Laing and Mr. Maclean in regard to the exports and imports?—Yes.

6729. Will you indicate to the Committee the principal errors, as you regard them?—I have got one table of figures here which will show the difference between the exports and imports of the United Kingdom, Australia, and Canada, to show that the imports are, after taking various circumstances into consideration, in excess of exports from 10 to 25 per cent. (*handing in the same*). With regard to the United States, Mr. Maclean remarked here that the condition of the United States was similar to that of India, that the exports were very large compared with imports, just as is the case with India. I have prepared a statement to show that such is not the fact; that leaving alone the peculiarities of the United States, even taking the figures as they are given in Parliamentary Returns, the imports are in excess of exports (*handing in the same*). That is one point. Then, again, Mr. Laing was asked whether the excess of imports was not something like a tribute to England. He answered, that the excess of exports over imports in connection with one country may be repaid by some other country; but the question was for total exports and for total imports; and it is not a fact that the imports are actually equal to the exports, for now it is also tried to make out here (at least Mr. Maclean said) that all that India pays out of the country is just about equal to the opium revenue. I have here a table worked out from the year 1834 of all exports and imports (*handing in the same*). I have taken into consideration, as a principle, that when any country exports (and even by this Table it will be proved), its imports must be equal to exports plus some profits; otherwise no man or nation would export anything. Taking that into consideration, I have taken in this Table about 15 per cent. as addition of profits; and leaving the railway transactions entirely alone, as a matter of business between England and India, the result from 1834 to the present day is, that the exports, plus profits, are more by about 500,000,000 *l.* compared with imports. Now these 500,000,000 *l.* will amount very nearly to this, which I will state: the whole of the net opium revenue, which comes to about 141,000,000 *l.*, I may give up; the whole profits of commerce of 50,000,000 *l.* at 15 per cent., say 7½ millions, as I have calculated, I may give up also, because it is claimed that commerce is the creation of English rule. I deduct that, and even after deducting this whole profit, and after deducting the whole of the net opium revenue, there is still, from the year 1834 up to the present day, something like 200,000,000 *l.* more that are exported by India from its produce itself. Now if it can be shown by Government, or anybody, that the produce of India from 1834 up to the present day has increased so much that it has paid all these 200,000,000 *l.*, and yet the produce per head that was left to the people was still the same, then it would be proved that our condition at present is just only what it was in 1834. If it can be shown that a great deal more is added to the produce of the country since 1834 beyond these 200,000,000 *l.*, that will be considered as the fair result of a good administration, even not allowing any benefit to India from the profits of commerce. Now before 1834 I have not been able to get the exact figures. I have therefore depended upon the official testimony of the condition of India as it is from time to time given out. In 1834 it is well known, I think, that the condition of India, and the ryots especially, was very depressed, and the testimony of the times before 1834 will also show that the condition of India had been all along a deteriorating condition, owing to this very heavy drain from the country. I have here a statement of all this official testimony up to the present time, if allowed to put it in. Now, I do not mean to say that as long as the British rule India, there should not be some drain, because, if we desire, and I do heartily desire, that the British rule should continue long over India, there will be a drain inevitably. But I only say that the British rule is gold, sterling article; but even gold may be bought too dear or misapplied, and consequently I beg to submit to the Committee that, as the Administration is at present conducted, the cost of the British Administration, arising from the continual increase of European agency, causes a drain which India cannot stand, and which keeps it continually impoverished. It diminishes its capital, and therefore diminishes the strength of its labour; and as long as this continues nothing can ameliorate the financial or material condition of India. The policy of treating India as a drudge for England needs to be altered.

6730. In your comparison between imports and exports, have you taken into account the bullion imported into India?—Everything that is imported or exported, bullion, and every possible thing, such as military stores, and all Government stores; every thing is included. I may just say here that the bullion hitherto imported into India is hardly enough for its wants. And in addition to the deficit of 500,000,000 *l.*, England derives a very important benefit in the necessities of the English gentlemen in India, because, with the exception of, perhaps, meat, bread, butter, and native servants, and so on, every farthing that the Europeans earn there is naturally remitted, in one shape or another, for the support of their children or families, or for their clothing, and so on, which they require by habit; and this is an additional benefit to England, besides the 500,000,000 *l.* that I have actually shown as the difference between the exports and imports. Now what I say is this, that England would benefit fifty times more than it does now if we are enabled to consume more of the European manufactures than we are at present. We are at present hardly consuming more than 3 *s.* a head, perhaps. If we were only consuming 1 *l.* per head, you would have a trade with India worth 200,000,000 *l.*, almost equal to the whole exports that you now make to the whole of the world.

6731. Have you made any calculation of what portion of the total revenues of India must necessarily be spent in India on the administration

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of India, whether for the Army or Funded Debt, or on any other head of expenditure?—The difference is this: Government must have what it requires for its administration; the Committee has had plenty of evidence as to the various extravagant departments of Government, and the waste of money, and so on. I do not enter into that part; but what I want to do is to go to the fundamental evil, that whereas, in a native Government, whatever is given to a servant or official, every farthing of it remains in the country, and is part of the capital of the country, whatever is paid to a European, a great portion of it goes necessarily to his home; therefore it is so much deducted from the national capital and the national labour.

6732. Sir *G. Balfour.*] Have you been able to fix that amount?—Yes, in this way: these 500,000,000 *l.* give something like an average, beginning from 1834, every five years, of about 5,000,000 *l.* at that time, and during the last seven years the average of the deficit comes to something like an average of 25,000,000*l.* per annum.

6733. *Chairman.*] And the general inference that you draw, and wish to be accepted by the Committee, is that, taking a long course of years of the British administration, the ultimate result must be the gradual impoverishment of the people of India?—Yes, it has been so, and will be so as long as the increase of the European agency continues to that extent. It was said here that the drain was something equal to the opium revenue; if it were so, certainly India would be very thankful if it is able to save all that itself produces, leaving alone even the question of the profits of commerce. If it can get a share of those profits, then India will be more prosperous, and bless the English name.

6734. In order to save time, I will ask you as regards the employment of natives in the public service; do you accept what has been said by previous witnesses as a sufficient statement of your views upon this matter?—No, because there is a great deal said with which I differ, and therefore I am obliged to make this statement out. But as the Committee does not allow me to go through it, I give the substance of it briefly. In 1833 a clause was passed, which is well known to the Committee, as to the employment of natives without any reserve, and Mr. Macaulay then, on behalf of the Government, explained the motives and the objects with which the clause was introduced, and gave all the reasons that India should not be treated as old tyrants acted whenever they had a difficult man to be got rid of, that is, they administered to him a preparation of opium. "We shall," he said in that noble speech, "never consent to administer the pousta to a whole community."

6735. Will you come down to more recent times?—I am coming immediately to that. Then there is the Royal Proclamation, which is well known; and during all this time the law and all the solemn pledges given have not been fulfilled. This has been completely and very candidly acknowledged by the Duke of Argyll, in his speech of 11th March 1869, and I can now only refer to the speech and no more; and it resulted in the passing of the Clause 6 in Act 33 Vict. chap. 3, in 1870, the 6th Clause of the Governor General's Bill, in which rules were to be made in India for the admission of natives without being obliged to come here to get the Commissioners' certificate. This law has been now three years in existence; nothing has been done in accordance with it, and I am afraid that this will be one other dead letter in addition to other broken pledges. That is one thing. Then, leaving the question of the admission into the higher departments of all the services, as was often promised and not performed, I come now to the lower departments in the uncovenanted service. Sir Stafford Northcote sent out a Despatch in 1868, recognising that the natives had an inherent right to these appointments, that Englishmen having the door open to them here by competition, ought not to be introduced there; but, however, with regard to that Despatch also, I am afraid that it is a dead letter all these five years; and from certain Despatches which have come from the Indian Government to the Home Government in connection with the furlough allowance, and so on, I am afraid that the policy of the Indian Government is more to squeeze out the natives than to put more in; I mean in this way, a Return is given by the Indian Government of the number of places which can be filled by covenanted servants or military officers; of these, 1,302 such situations are pointed out which are now filled by Europeans, and I think about 221 which are filled by natives. Now, if these situations are all turned over to the covenanted service and to the military officers, the chances are, that instead of the natives getting more uncovenanted appointments, even these 221 will gradually slip through their fingers, and the process has already commenced; because, in Bombay there was one, Mr. Nana Moroji, third magistrate in the Bombay police, but though this gentleman has performed his duties to the utmost satisfaction, without ever having a word in public raised against his decisions, and though he is acknowledged as a most efficient officer, when a vacancy occurred of the second magistrate's situation, a young civilian, brought from the Mofussil, was brought to fill up that place, and Mr. Nana Moroji was not promoted. This was in accordance with the policy recommended by the Home Government, and I suppose by the Indian Government also, that all such situations should be made over to the covenanted servants and to military officers. In that case, of course, these remaining 221 situations that are even now filled by natives will be gradually squeezed out; so much for the uncovenanted service. Then, with regard to engineering service, when Cooper's Hill College was contemplated here, I wrote to His Grace the Duke of Argyll, addressing the letter to Mr. Grant Duff, of course, objecting to the opening of the college, and giving my reasons for it, that it was only a waste of power that any special engineering institution should be established. However, he was the best judge of that; I only expressed my opinions. The other objection I took was the burden upon India; that it should not be paid from the taxes of India; and the third was, that I stated four or five cases of engineers who actually passed the examination required by the Bombay Government to enter the assistant engineers' department; but, though they passed the examination and were fully qualified, they were never admitted to the dozens of situations that have been filled up afterwards for several years.

6736. We have all this, I think, on our notes of evidence from other gentlemen?—I was told that there would be no burden thrown upon India in that respect. I asked Mr. Grant Duff, in case the number of students proved smaller than it was expected

expected to be, who would pay the deficit. Of course I have not received any answer to that. But my chief complaint was, that a similar provision should be made in India for Indian engineering youth. In India, at present, with great difficulty, one appointment is guaranteed in Bombay, some hope is held out in Bengal, one or two asked by the principal of the Roorkey College, not sanctioned yet, I think, and none in Madras. I will only say, in a general way, though I have full particulars here, that every possible obstacle is thrown in the way of the advancement of natives in the Engineering Department of India. Consequently, that is the only reason why the natives do not take to the engineering line. Then, with regard to the medical service, there is a class of sub-assistant surgeons who are put on an unfavourable footing compared with the apothecaries, whose education is much inferior; here I have full particulars; and it is from the sub-assistant surgeons alone that any have dared to come to England and pass a medical examination here, and yet their position is vastly inferior to these apothecaries in the other department, whose education is much lower, and whose acquirements are much lower, medically, also. Generally we are very unjustly treated in every way.

6737. What have you to say about the Government of India scholarships which were discontinued?—These Government of India scholarships were granted at the request of the East India Association for the special purpose of encouraging native youth to come here to study for all the different liberal professions, and go back as pioneers of civilisation into India; this was the special object, and was expressed in the Governor General's resolution, published in the Government "Gazette," and the scholarships were established for that reason, not merely to enable native youth to come here and to be able to compete in the Civil Service. The ground on which these scholarships were discontinued is, that now, because additional facilities are being afforded to enter the covenanted service, these scholarships are unnecessary. All I maintain is, that the scholarships were created for an entirely different purpose, and ought not to have been discontinued. These scholarships have gone, and yet these facilities, I am sorry to say, are nowhere yet, now that three years have passed away. There were nine scholarships offered; these scholarships were worth 200*l.* each; each local Government was allowed to select one from the higher families, and one from the educated classes, and in the first year they were selected, and they came here and began their studies, some taking to law and others to engineering, just as their inclination prompted them; but at the very end of the first year the scholarships were discontinued.

6738. Did those gentlemen continue here?—They remained here for the time they were allowed to do.

6739. Were the scholarships discontinued without any general notification?—I have not come across any general notification, except what I have seen in his Grace's speech that they were not sanctioned, though announced in India in the "Gazette," and actually granted to several the first year.

6740. What is the present system by which any claims for exemption from Government rent on land are decided?—The chief defect in the system is, that a person has no judicial or legal redress in any claim that he has for exemption of rent; the Government is the judge in its own cause, and these persons were prevented by Section 4 of Act XXIII of 1871 altogether from having any recourse to civil courts; they have no redress in civil courts unless with special permission of Government.

6741. But, as far as my recollection goes, there never was a grant of this kind given, especially if, in the nature of a rent-charge or a jagheer, without the sunnad, and the conditions of that document were plainly stated on the face thereof?—Yes.

6742. Now, there is no question that a civil suit would lie against the Government on sunnads, is there?—I have cases in which there are these regular sunnads, and even with those sunnads they cannot go to a civil court; I will read the law if you wish.

6743. That is your objection, that no matter how granted, no claim will lie against the Government in the civil courts?—That is one great objection.

6744. I believe you wish to say something as to the race feeling between Europeans and natives at present?—I will say that also in a very short compass. Unfortunately it is now exhibited in a form which throws very much discredit on the British name, and that is, that whenever a European criminal is concerned, the jury almost invariably discharge him, and, in some cases, even contrary to the direct charge of the judge; well, this, of course, naturally enhances this race feeling, and produces a great deal of mischief. I have got here a statement of a few cases and of extracts from the reports made by the attorneys general of Madras and Bengal, if they are allowed to be put in. There was one question especially put to me by the Chairman last time, whether I had any more official extracts as to the feelings of the people. I had given one which did not quite satisfy him. I have two others, if I may be allowed to read them. One is from Lord Lawrence, and another from Lord Napier. It is a Minute of Lord Lawrence in 1864, in connection with irrigation; and he says, "India is on the whole a very poor country; the mass of the people enjoy only a scanty subsistence; they are impatient of taxation, except when it is of that peculiar nature to which they have long been accustomed. The tendency of new modes of taxation is to irritate, and even to oppress. We ought to avoid, so far as may be practicable, such fruitful causes of discontent." Lord Napier, in his Minute, dated 14th November 1870, on reduction of the military expenditure, says, "It appears to me that we never had less hold on the affections of the people than at present."

6745. Sir *G. Balfour.*] We are to take that as showing that he did not desire to see the military strength reduced?—Yes.

6746. *Chairman.*] As regards the financial relations between England and India, what do you wish to say to the Committee?—I will not trouble the Committee with any remarks of my own, as much valuable evidence upon this subject has been already given, in which the unfair and high-handed treatment of India by the Government of England has been pointed out. I may only say here, that leaving alone the complaint of all the heavy public debt that is put on India's shoulders for several wars, the least that the British Parliament can do is to guarantee that debt, and help India by the saving thereby made in interest, to clear off this debt in a reasonable time. The case with India is different in point

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of the effect of debt. When the people themselves are mostly the fundholders in any country, it is of no consequence whether the debt is paid off or not; but as in the case of India, the debt is largely held in a foreign country, the payment of interest becomes a drain upon the capital and labour of the land.

6747. Mr. *Fawcett.*] In mentioning the taxation of India, you did not include local taxation, did you?—No.

6748. Can you give us any estimate of the local taxation?—Yes; it is about 5,000,000 *l.*, if I remember right.

6749. Does that include all the forms of local taxation, municipal and provincial?—I think that is the total local taxation.

6750. Of course, that ought to be added to the statement that you have given?—Yes; I took only what taxation proper was taken for imperial purposes, as stated by Lord Mayo.

6751. In giving evidence, you assumed a case to show what a great gain it would be to England if the Indian people were well enough off to buy a pound's worth of European goods per head; you said it would lead to a trade of 200,000,000 *l.*; you said, if it were a pound's worth, instead of as now, three shillings' worth; but do they buy as much as that?—I have taken these 3 *s.* per head as representing the total exports from the United Kingdom to British India. What the people buy is, of course, necessarily less than 3 *s.*

6752. But then that includes Government stores; it includes the export of bullion, and everything else that makes up the export?—Everything is included in this 3 *s.*

6753. But I will put this question in order to get an idea as to the amount of the revenues of India that really go to England; have you ever formed an estimate of the amount of European produce which is imported into India, produce of such a kind that it can be fairly supposed to be consumed by the mass of the people, excluding bullion; anything that can be fairly supposed to be used or consumed by the people, anything which ministers to their wants or adds to their enjoyments?—Well, I have not actually worked it out; but I can very easily put in a statement of that; it must be something a great deal less than 3 *s.* a head.

6754. It is not 5,000,000 *l.* a year, is it?—Well, I am not prepared to say that. I have not worked out the figures; it will be very small.

6755. The point that you wanted to bring out, I understand, in making comparisons between the effects of a native Government and the English Government is this, that, taking an official in a native state, even supposing that he receives too large a salary, the people of that native state get at any rate this compensation, whatever it is worth, that the salary will be spent in the country, and therefore it is simply a transfer of wealth amongst the people, and not a loss of wealth?—Yes.

6756. Whereas, with reference to an English official this may happen: a man may receive 3,000 *l.* a year in Calcutta; he may live without any establishment; he may live upon 600 *l.* a year; he may save over 7,000 *l.* a year, return to England, after being in India for five years, with 40,000 *l.*, all of which he will spend in England, and not 1 *s.* of which will directly benefit India?—Yes, and the pension besides.

6757. If he has one?—Yes.

6758. Owing to the increased facilities of communication between England and India, is not what I have just described taking place on a much greater scale than it did formerly?—Yes, I think so.

6759. Men spend a shorter time of their lives in India; they produce the general impression that their only object in going out there is to make money as quickly as possible, and when they have saved sufficient, to return to England and spend it in England?—Yes. It is a triple loss of wealth, wisdom, and work to us.

6760. Therefore what you would say would be this, that the whole of this money that is possessed by these retired officials, the whole expense of the Indian Establishment in London, and many other things, represent a portion of the price which India is obliged to pay for the English rule?—Yes.

6761. Have you ever looked into this point to see how very much the food resources of the people, and the comforts of the people, are diminished in order to enable them to pay what is requisite to pay for enjoying what is described as the advantage of British rule?—That is a question to which I have paid most particular attention, and I say that the poorer people get a very small share of the production; they live on scanty subsistence, as Lord Lawrence says.

6762. What are the exports from India at the present time?—Cotton, seeds, indigo, rice, silk, tea; and in fact the price current of my firm contains, perhaps, nearly 70 different articles, or more.

6763. What is the aggregate amount of those exports?—The aggregate amount of the exports is at present about 50,000,000 *l.* a year, more or less.

6764. Would it not be correct to say that nine-tenths of those exports consist of products of the land, which might be consumed by man; such, for instance, as those that you have enumerated, jute, cotton, tea, silk, and other things; or if that estimate is not correct, what estimate would you give?—I think that at present the average of the last seven years makes nearly a deficit of 25,000,000 *l.*

6765. I do not refer to that; taking the whole of the exports, would it be a correct estimate to say that out of those 50,000,000 *l.* of exports, nine-tenths consist of products of the earth, which might be consumed by man?—I think the whole of it, nearly.

6766. Therefore, so far as the comforts of the people are concerned, as their food resources and the clothing resources are concerned, the case is this, that they export 45,000,000 *l.* worth of produce every year at least, which produce might be consumed by the people, or the land on which this produce is grown might yield other products, which might be consumed by the people; and in return for this great amount of the products of India, the Indian people receive the privilege of paying a tribute to ex-officials; the privilege of paying the salaries of the civil servants; the privilege of having to pay 14,000,000 *l.* or 15,000,000 *l.* for an army, and a very small modicum of European products which can in any way minister to their wants or add to their enjoyments?—Yes.

6767. Without entering into the inquiry what is the pecuniary value of the army to India, or its high-paid civil service, that is really a correct way of putting it, is it not?—Yes.

6768. You wrote to the Duke of Argyll, objecting to the establishment of this Cooper's Hill College, for two reasons; in the first place, that it might throw a charge upon the revenues of India;

India; and secondly, that it would deprive the natives of the chance of being employed as engineers?—Yes.

6769. The first of your complaints, that it would throw a charge upon the revenues of India, the Duke of Argyll made no direct reply to?—He replied, "All students will have to pay for the expenses of their education;" I took that to mean that there would be no charge upon India.

6770. You mean that in his opinion the college would be self-supporting?—Yes.

6771. But, subsequently, Mr. Grant Duff stated in the House of Commons that no charge would be thrown upon the revenues of India?—Yes.

6772. But it does not appear from his answer to the question put to him in the House, whether no charge was to be thrown upon the revenues of India, because he thought the college would be self-supporting, or whether at that time it was in contemplation to ask England to make herself responsible for any possible loss?—Mr. Dickinson's question was, "What will be the charge on the revenues of India of the proposed college for engineers; what the building will cost; what will be the annual cost of the establishment; and whether it is in contemplation to attach any and what retiring pensions in favour of professors or others employed in the institution." The answer of Mr. Grant Duff was, "There will be no charge on the revenues of India on account of the Engineering College; the fees will be slightly in excess of the charges, including interest on the buildings and plant, say on 90,000 *l.* There will be 11 professors and instructors on salaries varying from 700 *l.* to 300 *l.* per annum. Of these, nine will be entitled to pensions under the provisions of the Superannuation Act, and two will not be entitled to pensions. If my honourable friend would like the figures, here they are: Annual sanctioned charge for college, as per regulations of Secretary of State in Council, 18,350 *l.*; interest on buildings, &c., say 90,000 *l.*, at 4 per cent., 3,600 *l.*; total, 21,950 *l.*; fees, 150 students at 150 *l.*, 22,500 *l.*; difference, 550 *l.*" Upon this I wrote a letter to Mr. Grant Duff, saying that I objected even to this superannuation charge, but I received no answer to that also.

6773. Therefore, the condition of the case is, that the Government hopes that the college will be self-supporting, but that if it is not self-supporting, or if its financial position from any circumstances should become unfavourable, India will be then made responsible, and not England?—That is the conclusion that I draw.

6774. And, of course, England could not be made responsible without a Vote in the House of Commons on that Act, and that Act has never been passed, has it?—I think not.

6775. And, therefore, at the present time, India is clearly legally responsible for any loss that may occur?—As a matter of fact, it is all charged to India already. I have the account here in which it is stated.

6776. Looking upon the employment of natives more as a financial question than as a question of political justice between natives and Europeans, do you think that if the appointments were freely open and impartially open, as in the terms of the Queen's Proclamation to the natives, then any reduction in the salaries of civil servants might be made?—I would divide that question into two parts; first, supposing that the natives were paid equally with the Europeans, still the advantage to India would be very large, for there would be what you have already well described as to the saving that would be made to the capital of the country, and that would remain in the country. Leaving that alone, and taking appointments with salaries of above 300 rupees or 400 rupees a month, natives of equal efficiency and integrity can be got in their own country at a much lower salary than what is paid to Europeans, and I think they would be quite satisfied with such salaries; they would perform their duties with equal integrity and efficiency, and a great saving would be made in the economy of the administration.

6777. Then you do not hold the opinion that seemed to be implied in the evidence of Mr. Furdoonjee, that the present scale of salary should be maintained if natives were freely admitted to the Civil Service; but your idea would rather be to obtain two advantages at the same time; namely, that you would make the people of India feel that we were more completely just to them by throwing open appointments to them, and, at the same time, you would arrange the salaries rather with the idea as to what would attract natives who were sufficiently efficient and able for the appointments than what would attract Europeans, and in that way you would obtain a great saving to the finances of India?—There is no difference between my opinion and Mr. Noroojee Furdoonjee in this, that in principle I agree with him, that it is hard that a man should not be well paid for his work; but at the same time, I think that if a lower scale were adopted, natives would be found at a much lower scale competent to perform those duties. I am speaking of all those appointments that go above 300 rupees or 400 rupees a month.

6778. *Chairman.*] Do you happen to know what the number of students in the Cooper's Hill College is at present?—I do not know. From the fees I see that it would be about 28.

6779. Taking the annual charge, with interest for outlay at 22,000 *l.* per annum, the fees received in 1871–72 were 4,000 *l.*, the difference being 18,000 *l.*?—Yes, and the original cost is all debited to revenue. The whole expense has been above 100,000 *l.* by this time.

6780. Mr. *Fawcett.*] I understand that the intention of these nine sholarships, which were established for one year at 200 *l.* a year, was to enable natives of ability to enjoy the advantage of spending time in Europe?—Yes.

6781. It was not necessary that they should all enter the civil service, was it?—No; I can read the words of Sir Herbert Edwards, who first made this proposition, on which those scholarships were granted. He said: "To aid the natives, not merely to enable them to compete for the civil service, but to return in various professions to India, so that, by degrees, they might form an enlightened and unprejudiced class, exercising a great and beneficial influence on native society, and constituting a link between the masses of the people and the rulers."

6782. Then the latter part of the second reason for which they were established, namely, "to create a link between the masses and the rulers," without necessarily being civilians, was altogether ignored in the reason which was given to justify the abolition of these scholarships; they were abolished because it was stated that it was

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intended to admit natives of India directly to the Civil Service, was it not?—Yes, that was the way; but the Government of India, in its Proclamation, had used very clear language as to what they had established the scholarships for.

6783. Therefore this proposal to admit them direct to the Civil Service was no answer, or only a very partial answer, to the reasons which caused the scholarships to be established?—Not an answer at all.

6784. What compensation did the natives receive for the abolition of these scholarships; how many of them have been admitted direct to the Civil Service?—None; they are not yet admitted.

6785. Therefore the scholarships were abolished on account of a promise, of which promise not the slightest notice has been taken?—The clause has not been acted upon in any way. We have not yet got the rules of the Governor General. It was for that Clause 6 of the Governor General's Bill that these scholarships were abolished.

6786. Do you know whether one reason that was put forward for abolishing these scholarships was the ground of economy; that there had been too many deficits, and that the expenditure was so high that it was necessary to economise?—Well, I have not come across that reason myself.

6787. The administrator who so successfully managed the finances of Travancore was Sir Madhava Rao, was he not?—Yes.

6788. I suppose he would have been very glad to have been employed by the British Government?—I cannot say; I do not know.

6789. Was any proposal ever made to him to enable the British Government to enjoy some of the advantages of his financial skill?—I am not aware. I just know this much (I do not know whether it is correct or not), that it is stated that he had some hope of getting into Mysore; but I am not at all aware whether it is well founded.

6790. Do you know him?—I have seen him once.

6791. But it has never appeared in India that any offer was made to him by the British Government?—No; I have never come across any such statement.

6792. You have referred to the ways in which India is unjustly treated by England in financial relations; I suppose you mean by that that India is made to pay for many things which England ought to pay for?—Yes.

6793. Numerous examples have been given of that; have you any to add?—The very building of the India Office was, I think, employing money here for property to remain here and to be a burden to the finances of India; and there are other smaller items that I should not like to trouble the Committee with.

6794. If you have got them will you state them, because sometimes a small item illustrates a system more than a large item?—I think in this question with regard to the India Office building, when you look at the Colonies, England spends very nearly three millions in aiding them, one way or another, while India has had to pay every farthing that can be possibly brought in as having the least connection with India. In the Abyssinian war we escaped very narrowly, and had only to pay the salary of the troops on service in Abyssinia.

6795. Your contention is, when we build the Colonial Office here (and we suppose that we built a Colonial Office for the benefit of the colonies), England pays for it?—Yes.

6796. We build the India Office for the same reason, and India pays for it?—Yes.

6797. Can you suggest any reason why there should be a difference made in the two cases; why we should not, for instance, say to the colonies, if we think it is justice for India to pay the expense of building the India Office, "You enjoy the inestimable blessings of British rule; you have the great privilege of having a magnificent Colonial Office in London, and therefore we will ask you to pay for it." That is the kind of thing that is said to the Indian people; why is it not said to the colonies?—Not only the Colonial Office, but the whole Colonial establishment, I may add; and that is just the thing that I am most anxious to know about; why it should be so I cannot suggest.

6798. Mr. *Beach.*] You stated, in answer to the honourable Member for Brighton, that the expense of the army was a charge paid by India for the benefit of British rule; I want to ask you whether, when India was an aggregate of separate states, with a head, such as one of the Mogul emperors, a very large expense was not incurred for the army?—I am not at all prepared to go into the question of the army. I do not think that I gave any direct answer to that question; I do not think that I am competent to give any opinion upon it.

6799. We may assume that in any case, whatever Government existed in India, a large expense, or a considerable expense, must be incurred for the army?—But the difference would be this, between a rule by a foreign power and a rule by a native power. In the latter case all the expenditure incurred in the matter, however much the army expenditure, will still remain in the country, going from one hand to the other; whereas, in the case of a foreign power, a large part of that expenditure goes clear out of the country. The only question is, which I am not competent to answer, whether the army is now, as now kept up, and the amount of expenditure as now kept up, is a reasonable one or not, taking things as they are.

6800. Is it your view that a large amount of unnecessary money is spent on public works?—My view is that a large amount is wasted in the construction of public works by inefficiency, and I am afraid by a great deal of corruption; but of course I am not prepared to substantiate anything.

6801. Your view is not that works are undertaken which are not necessary, but that waste is incurred in carrying out the works?—Well, I am not prepared to say whether works are undertaken which are not necessary; I am not competent to answer that.

6802. Would it be the native view that if it were necessary to raise revenue, which of course it must be for purposes of Government, an import duty should be levied?—Well there are various views of different people; what they feel is that the incidence is already heavy enough for them, and they do not know how to pay more to Government; that is the general feeling.

6803. What I was alluding to would be an import duty, with a view of protecting native manufacturers?—Well, those engaged in manufacture, such as the owners of mills in Bombay, would very naturally wish such a thing, so that their

their manufacture may be protected; but I cannot say that that is the general view of the natives, or that I know anything particular on that subject. I can give my own opinion, not that of the natives.

6804. I was asking whether there was any general feeling in favour of it?—My own opinion is that the more free trade we have the better; that is my own personal opinion. Of course there is a variety of opinions; different natives look at the question from different points of view; some would rather save themselves from the salt tax, or other taxation, and get more from import duties; others would say, "No, let us be saved from import duties," each looking at the thing in his own point of view. I am not prepared to say what the general feeling would be.

6805. Mr. *Candlish.*] I understand you to tell the Committee that your view is that England should guarantee the Indian debt?—Yes.

6806. On what do you found that opinion?—I think it would be a benefit both to India and England; to India the benefit would be, that if a portion of its debt is paid off, the interest that is now remitted to a foreign country will be saved, and will be saved to the capital of the nation.

6807. But guaranteeing the debt would not pay it off?—I mean to say that if the debt is guaranteed, and still the same amount of interest that is now derived from the revenues of India be continued to be derived, and the difference between the interest to be paid as guaranteed debt and the interest which is now charged be paid off to sink the debt, it would be a very great advantage to India.

6808. Then what is your view of the advantage to England?—The English advantage would be this: it is often urged that India owes a great deal of money to England, and that England is at the mercy of India on account of England's large claim upon India; now, if all this debt is paid off England would be so much freed from what is described as being at the mercy of India on account of its debt, and India becoming better off will take more of your manufactures.

6809. Do you know the amount of the Indian debt?—I think about one hundred millions. I am not speaking of railways now.

6810. I mean the amount of borrowed money, borrowed for purposes of all kinds?—I was not proposing that the railway debt should be guaranteed, but I should like also the railway debt guaranteed. We should have the same advantage given to us as is given to some of the Colonies, and shall be thankful, and have to pay so much less interest.

6811. Can you tell the Committee the average rate of interest for Indian loans?—The public debt averages 4½ per cent.; the railway debt is guaranteed at 5 per cent.; and I think that the difference that has now to be made up by India, after deducting the traffic, is about a million and a half.

6812. The expenditure on current account would be a million and a half less, if England guaranteed the debt?—If the hundred millions of the public debt is guaranteed by England, the saving will be 1 to 1¼ per cent.

6813. And you would appropriate that to the repayment of the debt?—Yes.

6814. Sir *G. Balfour.*] I understood you to contend against the Cooper's Hill Engineering College, that India was burdened with a liability in which the administrators in India had no voice whatever as to the contract; that it was entirely a home charge created by the Home Administration, and increased by the Home Administration at its pleasure?—I do not think that I urged that reason in my letter; but with regard to that, I may say generally that in all the home charges here the administrators in India have no voice at all.

6815. You must be aware that that is not applicable with regard to a very large amount of expenditure incurred in England on account of stores; the stores are demanded by India, and sent out?—Yes. I mean only such charges as the Secretary of State incurs here on his own responsibility.

6816. Your argument would still hold good when I mention that the Cooper's Hill Estate has already cost 102,000*l.*, and that out of repayments by students we have received a very small sum?—Yes, only 4,000*l.*

6817. Then when I mention to you that the actual expenditure on account of the salaries of professors for the year ending 31st of March 1872 amounted to 10,296*l.*, and that the estimated expenditure for the year ending 31st of March 1873, of the same kind of expenditure, amounted to 17,140*l.*, or nearly 75 per cent. increase, that will tend to confirm your view?—I suppose that is the estimate originally of Mr. Grant Duff, sanctioned by the Secretary of State, of 18,000*l.* a year; the first year they spent less, as there were less professors and less establishment; but they have now complemented it, and brought it up to its full strength.

6818. Still you are aware that increases have already taken place in salaries at Cooper's Hill?—That I do not know.

6819. I understand you to say that Travancore was a native state which well deserved to be put forward as one to be imitated in the administration of the British provinces?—No, I am misunderstood there; my whole object in making the comparison is to point out the initial difference of the two kinds of rule. In a native rule a gentleman like Sir Madhava Rao can do a great deal more than under the British administration; he will not be able to carry on the finances to the same extent in British India under the present policy.

6820. But you mentioned the increased revenue of Travancore as a contrast with our comparatively stationary condition in the other Presidencies. You are aware that Sir Madhava Rao was educated at Madras; that he received his education from English teachers; was trained and brought up as an English student; that his intercourse with many European gentlemen at Madras tended greatly to enlarge his mind and to prepare him for the great administrations which he has carried on, and that almost all his instruction is purely British?—Yes; I know that he was one of the best alumni of his college.

6821. You are also well aware that Travancore was a very backward State?—Yes.

6822. You know of no State so peaceable and yet so backward?—I do not know that.

6823. Since Sir Madhava Rao has been there, the administration has been improving?—Yes.

6824. But, prior to that, for many years the improvements had been almost *nil*?—Yes, that is so, I know.

6825. Travancore is a State which adjoins the Madras Presidency?—Yes.

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6826. It has had free communication with it? —Yes.

6827. And the Rajah is subordinate to the Madras Government?—Yes.

6828. When I mention to you that the Madras Presidency has advanced in a greater degree than what Travancore has done, you would admit that good administration may be carried on as well in an English province as in a Native province?—I should be very glad to hear that fact about Madras, though such is not my impression.

6829. When I mention to you that the land revenue of Madras has increased from 3,592,000 *l.* in 1856-57 to 4,440,000 *l.* in 1871-72, you will admit that that increase of revenue is very considerable?—I should like to examine the figures; of course it is a considerable increase, but I am not prepared on that point.

6830. The Madras revenue has increased from, in 1856-57, 5,094,000 *l.* to 7,899,000 *l.* in 1871-72? —Of course I take those facts for granted, but I am not prepared to give any opinion on their character. I have not examined them.

6831. The Chairman asked you on one occasion what was the sum which you thought was a fair expenditure on account of British Administration in India; you did not answer the question?—I want the materials for it, and the materials needed are a complete list of European strength in every department of the service, and then I can fairly say what the cost should be.

6832. But you may take it, that whatever is required for the administration, was money that ought to be spent, and therefore we were anxious to ascertain, in yourpoint of view, whether we were spending more money for administration, or how much of the present money we could save out of present expenditure?—The present expenditure may be all very reasonable, as far as the administration goes, and yet to India it may be very heavy on account of the larger European agency; these are two separate points.

6833. I was very anxious to hear from you what you thought that the civil administration of the country ought to require?—I think what the expenditure of the administration ought to be, you are more able to judge than I am. I would not give any opinion, unless I had more materials at my command, which I cannot get; I tried very much to be prepared to answer that question, but I cannot; but that is taking it for granted that the administration expenses are reasonable ones; but the difficulty lies in the system of administration, in which a large cost is required to be paid by India to England; it is the remittances from India which is the pinch; the whole cause of all our misfortunes.

6834. I understood you also to say that we were spending more money in the general administration of India than we were justified in doing?—Yes, that is my impression; I think that the expenditure ought to be reduced at least 20 per cent. of the total expenditure; but I speak offhand; I am not prepared to go into the figures.

6835. Do you mean of the total expenditure, or only a certain portion of it?—I am taking the whole of that expenditure at 50 millions.

6836. And you think that 10 millions should be struck off?—Yes.

6837. What is the net revenue?—Forty-two millions, I think; and I think that nearly the same per-centage should be struck off there.

6838. Do you think that we could carry on the administration of India with 32 millions?—I am not prepared to answer positively; I would leave that to the Committee to decide.

6839. You mentioned also that it would be a great advantage to India if all the money given in salaries to the officers serving in India were spent in India; you quoted the instance of natives receiving money in the country, and spending it in the country, and you considered that that mode of spending money in the country would be a great advantage to India?—Yes; that is to say, the production of the country remaining in the country.

6840. And your advocacy of employing native agency was for the purpose of advocating its being spent in India?—It must be spent in India then.

6841. When I mention to you that the whole of the salaries paid in the Nizam's territory are spent in that country, and that probably no part of India is so impoverished, you see that no great result is arrived at from that principle?—There may be other serious defects in the administration of that territory which may cause that; but I am not prepared to say that.

6842. Is it not a notorious fact that the people in the Nizam's territory are worse off than in any other part of India?—I never heard of it.

6843. You mentioned that a large portion of the salaries of the European agency was sent home to England?—Yes.

6844. Have you any notion of what amount the pay of the Europeans in India receive?—No, I am very anxious to know that.

6845. And yet you are of opinion that a large portion of the money they receive is sent home? —That must necessarily be so; their pensions are enjoyed here, and a portion of their salaries must be spent here for the support of their children and families. I do not complain of that; but it is the incidence of the foreign rule that is the natural consequence of it, to which I refer, and which it is necessary to keep within bounds.

6846. Lord *E. Fitzmaurice.*] Did I rightly understand your proposal just now, with reference to the Indian debt, to be that the English Government should guarantee the debt at 3 per cent., and that the difference between that rate and the present rate should be used as a sinking fund?—Yes.

6847. Then there would be then no consequent diminution of taxation in India?—Not at present, till this debt is paid off.

6848. Can you state what you consider to be the average price of Indian Stock, taking it over any period of years?—I think it is generally understood to be at present about 4½ per cent. interest; on an average it comes to that; the 5 per Cent. Stock is at different rates, from 5 to 7 per cent. premium.

6849. Do you consider that the difference between the guarantee of the Indian Government and that of the English Government is so great as to compensate for the difference between 3 per cent. and 5 per cent.?—That is just the thing; one will be at the rate of Consols, and the other at the Indian rate.

6850. There are certain holders of Indian securities; they hold a security which, according to your showing, is at a premium, and they would no doubt have a choice; but do you think that they would avail themselves of a choice given them in the way of taking the 3 per Cent. Stock, or do you think that the difference would cause a depreciation

a depreciation in the value of the stock or not?—No; in either view it would be the same, because Government can borrow money at 3 per cent., or they may take it back.

6851. I quite understand that; but do you think that, if this change which you suggest was made, the practical result would be that people would ask to be paid off, or not?—Well, I cannot say; but the practical result would be that there will be a saving of interest to India.

6852. There will be a saving of interest, but no reduction of taxation?—According to my plan at present there will not, but prospectively there will be a great advantage to India; then there ought to be a great reduction of taxation, and it will be a great relief.

Mr. BECKETT DENISON left the Chair, which was then taken by Mr. AYRTON.

6853. *Chairman.*] The difference would not be between the 3 and 5 per cent., would it?—No, about $1\frac{1}{4}$ per cent., I make.

6854. Lord *E. Fitzmaurice.*] The reason I ask the question is this, because you must see, with reference to that plan, that supposing that the alteration of the rate of interest had results which caused a very large number of the stockholders to ask to be paid off, it would make a financial operation of the utmost difficulty on a very large scale; there is a considerable amount of stock in India at the present time at a higher rate than 3 per cent.?—Yes, the whole of it.

6855. If this alteration which you propose, coupled with a choice given to the holders of stock to be paid off, was considered by them to be likely to have results, or to have results not altogether favourable to them, the whole body of them might ask to be paid off; that would involve the Indian Government in a financial operation of very great difficulty; and that was my reason for asking the question just now, as to what you considered the feeling amongst stockholders generally would be with reference to such a proposal?—I say that there would be no difficulty, because Parliament having guaranteed it, it would be something like so much more consols.

6856. That was the reason of my question, whether you considered that the difference of the guarantee between the Indian Government and the English Government was equivalent to the difference in the interest?—As far as I can understand, it would have that effect.

6857. In fact, you mean that it would be accepted, and that the people would not ask to be paid off?—With reference to certain loans there are fixed periods, and they are not to be paid off before that time.

6858. I am not talking of those, but of the other part of the debt. I am asking you whether you think that the stockholders would be willing to accept this proposed change, or would be likely to ask in a body to be paid off, because that would involve the Government of India, or the English Government, in financial operations of very great difficulty. In this case, as I understand you, the alternative which you give might be accepted, but you do not think that that alternative would be accepted?—I feel sure that the English holders of these securities will not demand payment, because they will like to have the security in some shape or other. These are mostly investments for safe income; but of course, as to the English people, you are able to judge better than I can what their feelings would be.

6859. Do you consider that there is a feeling in India with reference to the debt, that there is now "a moral guarantee of the debt," an expression which has been used, I think, before this Committee, that though there is no actual guarantee there is a moral guarantee; do you think that that exists?—If you ask my own personal opinion, I feel that there is a moral guarantee, as far as Parliament is concerned. In the case of any difficulty, Parliament would be hard pressed by all these holders, who would say, "You have not managed the Government of India well, and therefore you have caused us this loss;" that is what the generality of the people may say to it.

6860. *Chairman.*] Is that what you mean by a moral guarantee?—I do not think that Parliament is legally bound to pay anybody for any portion of the Indian debt, but the English people, depending upon the good administration of India by the English Government, and by those whom they send out, would naturally contend that Parliament had not exercised its own power or control sufficiently well, and had thereby caused this loss to them, and therefore Parliament ought to recoup them. That may be urged; whether Parliament would accept such a responsibility or not would be a different question.

6861. Would it not be a complete answer to that moral claim, to say, "You have received a higher rate of interest, because you have not such a claim"?—It may be.

6862. Lord *E. Fitzmaurice.*] Have you considered the effect on consols, generally, of adding such an enormous sum as 100,000,000 *l.* to the National Debt of this country?—I cannot say, but I do not think there would be that necessity of going at once to borrow money, but that a great portion of the existing holders would exchange it.

6863. But if the English Government takes over the whole of the Indian debt as consols, it is 100,000,000 *l.* added to the debt of this country; do not you think that it very probably would have an effect in depreciating the value of stock?—It would have some; I am not prepared to say how much.

6864. Mr. *Lyttelton.*] Are you of opinion that the people of India, generally speaking, are becoming less able to bear taxation?—Yes, I think so; the railway loan and the expenditure for public works have given them some relief wherever it has gone, in consequence of so much capital having been thrown into those parts and works there constructed; but if the payments to England continue, this is drained underground, and the ability again begins to diminish.

6865. In fact you consider that the material prosperity and happiness of India is diminishing year by year?—Yes; that is my decided opinion.

6866. Is not that a very strong reason for cutting off at once the British connection?—No; if the British connection were cut off, I think it would be the greatest misfortune to India; but

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what should be done is this: if this British connection only could be carried on at such cost to India as would be reasonable, there would be enough saved in the country to go on adding a little to the capital. At present the British administration is such, that the capital goes on decreasing year by year, but if the European agency were largely diminished, and what is produced in the country was saved in the country, it would be otherwise. If, as is said, India only pays out as much as she gets from opium, India ought certainly to become a rich country in a short time; if it got all the benefits of a commerce of 50,000,000 *l.*, and paid only those 8,000,000 *l.* that it has received from China, it would make such rapid progress that, instead of 40*s.* a head that the income is now, you might make it equal to what it is in England, 30 *l.* a head.

6867. On those conditions alone you would expect prosperity?—Yes; but as long as the present conditions continue the drain will go on increasing, as we see from the year 1834, when it was 5,000,000 *l.* per annum deficit of imports, while it is now 25,000,000 *l.* per annum, taking an average of seven or eight years,

6868. Sir *D. Wedderburn.*] Do you think that that if that guarantee were given by the British Government, to which you have alluded it would induce a great number of natives to invest in the public debt of India?—The natives do not invest because the interest will not pay them, because the capital of the country is very small, and it fetches a much larger rate of interest than they could get in consols; but if prosperity increased and they had more spare capital, they would see the advantage of drawing their own debt to their own country.

6869. You do not consider that their unwillingness to invest in the public debt proceeds in any degree from a doubt of the security, but from their want of capital to invest?—I think both. In the case of some native princes, I know that they do not invest at all; not because they have nothing to invest, but for the other reason; but with regard to the British subjects, I do not think that that is the general feeling; it is more because they have very little capital to invest..

6870. But if this guarantee were given by the British Government, their idea as to want of security would be removed?—Yes, but I do not think that among the British subjects that idea exists much.

6871. But among the native princes does it?—They may say, "It is all the same whether it is the Indian Government or the British Government; if India is cut off from Britain, it is all the same."

6872. *Chairman.*] The interest is so low, that I understand you that the natives do not like to invest their money in these loans?—On account of the interest being so low.

6873. Which results from the good credit of the British Government in India, does it not?—There comes in that moral guarantee, as I think, that the good credit of the British Government is entirely owing to the general feeling that Parliament and the British Government will take care that the affairs of India are well administered; and the lenders of money hardly care to know what is going on in India.

6874. They care to receive their interest, and they have been accustomed to get their interest for a great many years, and they think that they will continue to do so?—Yes.

6875. Therefore the lower the rate of interest the less the natives would be disposed to invest? Yes, but because they have little to invest.

6876. Is it because they do not like so low a rate of interest for their money, or because they can get a higher rate of interest in India?—Yes, the scarcity of money enables them to make higher interest.

6877. They can get higher interest by investing it privately in India, so much higher that they would not consider it worth while to invest in the loan?—Yes.

6878. So that the effect would be that it would all become an English debt?—I should think that the effect would be nearly so; at the same time, if it goes on being sunk, India will in time be relieved of the whole debt altogether.

6879. But the effect will be that it will be an English debt?—Yes; in fact, it is mostly so now.

6880. Mr. *R. N. Fowler.*] What is the current rate of interest in transactions among the mercantile natives of India?—What is considered as current rate among merchants is 9 per cent.; but it is not always a very easy thing to get money at 9 per cent. In the transactions among themselves, the moneyed men make, even on landed property, or anything like the slightest risk, 12 or 15 per cent.; and the moneyed men are getting stronger in Bombay, because the capital seems to have somehow or other disappeared, and is a scarce article.

6881. Of course, the rate depends on the state of the market?—Upon the amount of capital in the country to circulate.

6882. *Chairman.*] Do you know what rate of interest is given in the rural districts?—The poorer cultivators pay as much as 20 or 25 per cent.

6883. What do the rich cultivators pay?—Whoever may borrow will have to pay very high interest.

6884. And do you know whether the yield of the land in proportion to the cost of the labour upon it is such, that the person cultivating can afford to pay a high rate of interest?—No, that is not my opinion; he cannot afford to pay it.

6885. Have you ever gone into a close account of the out-turn of paddy land, and the cost of labour, and what the value of the rice is?—I have gone into it in a certain way.

6886. Then you can state what is the cost of cultivating a beegah of paddy land, and what is the value of the crop, taking any part you please. Take the rice land in the neighbourhood of Bombay, for instance?—No, I could not state that. My test is of a more comprehensive and decisive character.

6887. Or the rice lands in Guojerat, which are much better. Can you state what the out-turn is of cultivating a beegah of land with rice?—I have figures, but I am not prepared to answer that now.

6888. You do not know what the net result is?—The net result is unfavourable, leaving a very small balance to live from hand to mouth; that is the impression that has been left upon my mind in inquiring into the figures of the actual cultivation.

6889. Have you ever heard the natives say that the best return for money is paddy, and next to that sheep, and next to that 12 per cent. interest?

interest?—It may be that they say that; I have not heard of it.

6890. Mr. *R. N. Fowler.*] What is the rate at which our Government lends to the ryots in the opium districts?—I do not know those particulars.

6891. But you say that India is a poor country. There is a great deal of wealth in a few hands, is there not; there are a great number of very rich people?—There are some; but the number is diminishing, in my opinion.

6892. There are a number of natives of enormous wealth?—There may be some very wealthy men, but the term, "enormous wealth," is a very comparative term.

6893. I am speaking of merchants in the large towns?—In Bombay I do not think there is one man worth a million; I cannot say that I can think of anyone just now who is worth a million in the whole of Bombay, where you may perhaps expect the wealthiest men.

6894. Is that the wealthiest city in India?—I cannot undertake to say that.

6895. Sir *D. Wedderburn.*] I gather that your opinion is, that an Imperial guarantee, so far from causing a greater number of natives to invest in the Indian Public Debt, would tend to diminish the number of native investors, because they prefer large returns to security of investment?—The *bonâ fide* investors for perfect security would hardly diminish in numbers, but there is a large amount of transactions always carried on in it which will always keep a certain amount of this debt in India in merchants' hands or in bankers' hands; and for trusts they will always invest very largely; all the bankers have always a certain amount of their investments in these Government securities; but as an investment proper, simply for the sake of getting interest without perfect security, if he found anything better, the native would not invest in them.

6896. Then in speaking of the Imperial guarantee, you draw a distinction between the money invested in guaranteed railroads, and what you called the Public Debt of India; why did you draw that distinction?—Simply because I think Parliament would be very averse to giving that guarantee, though on equitable principles they ought. I think we might ask it; they guarantee colonial railways, and I think Parliament might fairly give us that consideration and indulgence; and inasmuch as India is a very profitable possession to England, instead of costing, as the colonies do, something like 3,000,000 *l.* out of England's own pocket, there is a large addition made to England's national capital, by the number of Europeans that go out to India, and send their savings to this country.

6897. You said that you would be very unwilling to see the connection between India and England severed, because you consider that under the British administration, if conducted at a greatly reduced cost, India might become very wealthy?—Yes.

6898. Without entering into details at present, you consider that such a combination of conditions would be possible?—Yes, quite possible; why certain.

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6899. *Chairman.*] Do you wish to state anything with reference to the incidence of the salt tax upon the people of India?—Yes. At my last examination one honourable Member thought that I was exaggerating the pressure of the salt tax on the poorer classes of the people. With reference to this important question, I will lay before the Select Committee the testimony of the highest revenue officers and of the Government of Bombay itself. In the Report made to the Bombay Government by Mr. Pedder, the Salt Commissioner, dated the 10th of July 1870, occurs this important passage, containing the testimony to which I refer. He says: "In June 1867 the Government of India again mooted the question of the equalisation of the salt tax of Bombay with that of Bengal, and the principal revenue officers of this Presidency were once more consulted on the subject. This time the balance of opinion was distinctly opposed to a further enhancement of the tax. It was pointed out that, though the Presidency in general was prosperous, and the wages of labour had risen greatly in the preceding decade, the price of the necessaries of life had risen in a still larger proportion; that a succession of deficient harvests had produced much distress among the poorer classes; that though the construction of railways had lowered the cost of carriage of salt along the main lines of communication, this reduction had been at least balanced by the increased cost of carriage by carts or pack animals where railway carriage was not avilable; that every increase in the excise caused a still larger increase in the retail price of salt, as equal returns upon a larger sum invested in the wholesale purchase must be obtained; that an addition to the cost of a necessary of life tended to raise wages, already so high as to trench on the legitimate returns to capital invested in individual enterprise; that very heavy taxation, especially for municipal and local purposes, had been of late years imposed in this Presidency, independently of an increase of 100 per cent. to the salt tax within 10 years; that there were good grounds for believing that the different enhancements of the salt tax had greatly diminished the amount of licit and even of actual consumption; and that, finally, another enhancement would absolutely debar the future imposition of other taxation for local purposes. These views were embodied in the Government letter of 28th January 1868 to the Government of India."

6900. Upon that you can explain to the committee what are the views of the natives of Bombay as to why they cannot pay as much salt tax as the natives of the presidency of Bengal; I am speaking, not of the town, but of the Presidency of Bombay?—Because they are in a very impoverished condition, and they cannot earn sufficient for procuring all the articles necessary for their food and clothing.

6901. Is that a general view of the people living in the Presidency of Bombay, that they are in a more impoverished condition than the people living in the Presidency of Bengal; is that what we are to understand?—I do not know, compared with the people of Bengal, but speaking absolutely of the Bombay Presidency.

6902. The salt being nearly twice as high in Bombay as it is in the Bengal Presidency?—In Bombay the salt tax is at *Rs.* 1. 13. per maund, and in Bengal 3¼ rupees.

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6903. That is exactly double. Now, I should like to know if you have ever discovered what are the peculiar conditions of the inhabitants of Bombay which render them less able to pay a salt tax than the people of Bengal?—The revenue which the ryots, or cultivators of Bombay, pay to Government, is considered to be more than what the people pay in Bengal.

6904. Do you mean than the rent that the people pay in Bengal to the zemindars; if you are speaking of the ryotwarree system, you must compare it with the occupying tenants in Bengal who pay rents to their landlords; do I rightly understand you that the rent paid by the ryots in the Bombay Presidency is more than the rent paid by the occupying tenant in Bengal?—I do not know what they pay to the zemindars, but that is the belief that prevails. A question was put to me by one honourable Member with regard to the consumption and the value of salt, my answer to which will explain more fully the pressure of it. With reference to the questions that were put to me regarding the price and consumption of salt, I beg to state that from prices of produce given in the last Bombay Administration Report, page 363, the price of salt in different districts of the Bombay Presidency varies from *Rs.* 2. 4. to *Rs.* 4. 9. per Bengal maund of 82 lbs., or an average price *Rs.* 3. 8.

6905. Does that mean according to the district measured by the distance from the salt-pans, or the different quality of the salt which you know proceeds from white to black, by gradual transition in colour, which may alter its value, or is it a difference in the salt of the same standard of purity, measured by the distance from the salt-pans?—This difference does not arise from the difference in purity, but from the mere situation of the district. The cost of the consumption of salt in the Poona district is given in the Report of the Commission appointed by the Bombay Government in 1863, regarding the prices of food and cost of living, at 12 annas per annum for each man. At that time the salt duty was *Rs.* 1. 4. per maund; now it amounts to *Rs.* 1. 13., or an increase of 45 per cent.; consequently the enhanced cost of the consumption of salt for each individual amounts to *Rs.* 1 1. 5.

6906. Will you give us the earnings per month of the man thus described as consuming *Rs.* 1 1. and 5*p.* more in value of salt?—The earnings of that man per month range between 2½ rupees and 3 rupees. In 1871-72 the gross salt revenue in the Bombay Presidency amounted to 657,288 *l.* The population of the Presidency is 13,036,609; thus the consumption of salt comes to 1 *s.* per head, including adults as well as infants. Taking a family to consist of four persons on an average, the cost of consumption amounts to 4 *s.* per family.

6907. If you take a family of four people, suppose two are adults, and one a boy, and one a small child, do you think that they all consume that much?—I have taken an average. Taking the income of each family at 6 rupees per month, or 72 rupees per year, the per-centage of salt tax amounts to 2¾ on the income of a whole family, or nearly the same amount as was levied for income tax three years ago. People in better circumstances have been relieved from the burden of the income tax, whilst the poorest classes, who are least able to pay, are still subject to the enhanced salt tax. The Committee will be able to form an idea of the pressure of this tax on the poor from the fact that large masses of the people are able to procure a very scanty subsistence; that many of the people live on half diet, with scarcely any clothing; that their earnings amount to about 3 rupees a month per each individual, and that every farthing of the amount which these indigent people are obliged to pay for salt must necessarily press heavily on their scanty means.

6908. It makes a great difference, when we are dealing with small earnings, whether the monthly earnings are 2 rupees a month or 3 rupees a month. In the official paper that you read the other day you described a very high rate of wages that prevented people making any profit out of their capital; if that be a correct account of the state of things, we are now talking of the low rate of wages of 2 rupees a month, when we ought to be taking it at 4 rupees a month?—I am taking it here at 3 rupees a month.

6909. In an official paper that you read it was stated that the high rate of wages prevented people making any profit out of their capital?—Those were the opinions of the Bombay Government.

6910. But when you speak of those 2 or 3 rupees a month, are you speaking of that high rate to which wages have risen which renders the profits of capital little or nothing?—You will please remember that that remark applied to the year 1868, when the report was made by the Bombay Government, whose opinions were invited by the Supreme Government; since then there has been a considerable fall.

6911. Then now you are speaking of a later date of wages?—Yes; the wages have since declined. With reference to the police, in my last examination I was asked about the strength of the police force and the population of the Bombay Presidency. According to the Bombay Administration Report, the total number of police of all grades employed in the Presidency amounts to 16,877 for a population of 13 millions, showing a proportion of 783 persons. The following remark occurs in the Report for last year: "The numbers thought sufficient by the Police Commissioners have been much curtailed by subsequent reductions, and, in the opinion of all experienced officers, it is thought that the present numbers are below the wants of the country."

6912. Do you know what wages the policemen are paid?—I think 6 or 7 rupees a month.

6913. Have you yet given any opinion upon the income tax?—No, I have not given any opinion upon the income tax.

6914. Have you followed that subject very closely in India?—I have inquired into that subject.

6915. And what is your opinion of the position of people in the towns in India with incomes of 100 or 150 rupees a month; do you think that they suffer from any great weight of taxation in India?—I know the collector of income tax, in one of the reports which he made to the Government, represented very strongly the advisability of relieving the middle classes of the people totally from payment of the income tax, on the ground that it pressed very heavily on them; and his recommendation was, I believe, that all persons whose incomes were under 1,500 rupees should be totally exempted.

6916. Now, having given us your view of the taxation

taxation of people with incomes of 3 rupees a month, what is your view of the proportionate taxation in India upon a person with 3 rupees a month and the income of a person with 100 rupees a month; do you think that the person who has an income of only 3 rupees a month pays relatively very much more than the person on 100 rupees a month?—The person on 100 rupees could afford to pay without so great a pressure as the person on the small income of 3 rupees.

6917. But do you think that proportionably he could afford to pay the same amount of taxation to Government without suffering so much pressure; that is, assuming that the person who has 3 rupees a month pays his 2 or 3 annas to the Government, could the man at 100 rupees a month pay an equal proportion on his income with less suffering from taxation?—In proportion to the difference between these two scales he would feel the pressure according to his means.

6918. Now, as a question of fact, do you think that the people whose incomes are 100 rupees and upwards a month, have any sense of a pressure of taxation upon them at the present time in India, with reference to the Imperial taxation generally?—With reference to the taxation generally, the fact is that taxation has gone on increasing at different periods, and therefore the pressure has also increased in proportion; they feel that.

6919. Do you consider that they are as much weighted with taxation as the people with incomes of 3 rupees a month in proportion to their income?—They might not feel the pressure quite so much, but still there is the pressure.

6920. Do you think that it would be an act of justice between the one class of taxpayers and the other, if persons with an income of 100 rupees a month were to pay an income tax of two or three or four per cent.?—An income tax, as the Committee are aware, is open to such a number of objections that, independently of its pressure and weight, it is a tax that is held in abhorrence by the people of India, on account of its demoralising effects and tendencies.

6921. I am only asking now, as regards the justice of the tax as between one class of taxpayers and another; that is to say, all the people with incomes above 100 rupees a month, and all the people with incomes under 10 rupees a month, whether you think it would be just that people with incomes above 100 rupees should contribute to the public burdens a tax equal to 3 or 4 per cent. of their incomes, leaving the people on small incomes to bear the burdens that you have described as heavy and oppressive; whether, leaving them in that condition, it would not be just towards them, that all persons with incomes above 100 rupees a month, should contribute direct to the State a sum equal to 3 or 4 per cent. upon their incomes?—As a question of justice, I do not know exactly how that can be adjusted.

6922. If you were to put that question to me now, and ask whether I thought it just towards the people of this country, that those who earn 400*l.* as compared with those who earn 40*l.*, should pay from 2 to 4 per cent in income tax, I should not have the least hesitation in saying that I thought it right. I want to know what you think as to the justice of putting a direct tax on people who possess incomes ten times greater than the people who you say are oppressed by indirect taxation?—If it was absolutely necessary that there should be an income tax, then I think that the poor should be exempted and the well-to-do should be taxed; that is what I think. A great deal of evidence has been given before the Committee to the effect that there has been a great increase of wealth and an immense improvement in the condition of the people of the Bombay Presidency, that the cultivators were better off, better fed, better clad and comfortable, free from debt; that they had invested considerable sums of money in gold and silver ornaments for themselves, their wives, and their children, and that the ryots paid the land assessment with punctuality, and outstanding balances were very rare. This description might apply to the state of prosperity which prevailed in Bombay for a short time during an exceptional period. The American War gave a great impetus to the cotton trade, and enriched the mercantile and agricultural classes. But that state of prosperity has passed away. The inhabitants of Western India have again relapsed to their normal condition of poverty and want.

6923. Will you explain why this wealth has passed away?—Because it has been spent and consumed, partly in paying former debts that existed, and partly in indulging in luxuries and comforts of life. That state of things, I assure the Committee, has passed away, and the people have reverted to their normal condition.

6924. Do you mean that all this great influx of wealth that went into India when they sold their produce at four or five times the value, has all been dissipated in luxury and extravagance and speculation, and that there is no trace of it now remaining?—In the interior of the Presidency there is scarcely any trace.

6925. Not even in the accumulations of the copper pots remaining?—I will give the Committee an idea of the condition of the agricultural population such as I have myself seen with my own eyes. I have recently traversed the provinces of Guzerat and the Koncan, and have visited many villages. I have entered the dwellings of the ryots, and inquired into their circumstances and their means. I have examined their clothing, diet, and stock. I will give the Committee a description of their condition from my personal observation. There are four classes of cultivators in Guzerat. First, the pattidars, or farmers, who employ labourers to cultivate their lands under their immediate supervision. They are generally in good circumstances, and live in comfort. They form about one-tenth or one-sixteenth of the population. Secondly, Grassia, Brahmin, Banian, and other classes of landholders, forming about one-tenth of the agricultural population. They are in tolerably good circumstances, and earn sufficient for their maintenance and support. Thirdly, the Koonbees, Rajpoots, and Kachhias, who cultivate their own lands, and are just able to maintain themselves and their families so long as the season and harvest are good. They are in debt, but not to a great extent. They comprise about one-third of the population. Fourthly, Kolees, Bhoees, Waghrees, Doobras, and other castes, who comprise about one-half of the population, are barely able to procure a very scanty subsistence. Many of them are not able to maintain themselves with their families throughout the whole year. Many cannot earn sufficient to be able to

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provide decent clothes, bedding, and covering for their protection in the cold and rainy season. They are all more or less in debt. Many of them have no bullocks to plough their fields. Very few of them have two or three copper pots. Their utensils are rude, and made of clay, worth 2 or 3 annas each. A large majority of them live in small, wretched huts, with broken roofs, or thatched sheds. Many of them cannot afford a light or a bed. Their coverlet is torn and tattered; they seldom have a change of clothes; the wearing apparel of their women and children is coarse and wretched. Many of their children were naked.

6926. At what age?—At the age, say of 6, 8, or even 10.

6927. It is not an unusual thing in India for children at 6 years of age to run naked, is it?—There are many, particularly in the cold season, that would be very glad to provide their children with clothes to protect them from the cold, but are unable, on account of their means, to do so.

6928. Are you speaking now of the cold season?—My remarks apply even to the cold season. Most of them do not possess any silver ornaments, much less gold ornaments. Their necessities are so great as to compel them to borrow money at exorbitant rates of interest, ranging from 15 to 36 per cent., passing bonds in many cases at 25 and 50 per cent. premium. They live on coarse food and very famishing diet, consisting of coarse bread or bhurkoo, or porridge made of flour and chhas, or whey or flour and water. When they cannot get such food, they live on a wild creeper, called doree and other herbs, growing on the hedges. About half the number of villagers have cattle, the other half borrow cattle from their neighbours; and in return give their services as labourers in cultivating lands belonging to the lenders. Many who cannot borrow cattle are not able to cultivate their fields. Many ryots consume their limited supplies of corn in a short time after harvest, and if they cannot procure supplies from Bunnias even at 25 or 50 per cent. premium, they are compelled to live on half diet. Many are so poor and helpless, that they go to the fields where corn has recently been reaped, to gather any remnants that might be found, and if they cannot get anything, they are forced to have recourse to stealing corn at night from the barns. Many are obliged to live on wild fruits, or herbs growing in the jungle.

6929. In what district is that?—That is a description of the state of matters which I saw in villages in the vicinity of Ahmenabad, Khaiva, and of the Koncan district between Surat and Bombay.

6930. May I ask you what is the greatest age at which you have ever seen children going about adorned with nothing but gold waistbands and other gold ornaments?—In the towns or villages do you mean?

6931. Wherever you like?—In the hot season little children have no clothes up to about six.

6932. Have you ever seen them beyond that age dressed in gold?—Even in cases beyond that age; but in the cold season those who can afford to wear clothes do.

6933. But I am speaking of those who can afford to wear gold?—But the gold applies only at the cities, where the people are wealthy and can afford to give their children silver and gold ornaments; but even in cities they are not very common.

6934. Did you ever hear of humane Europeans going out to India and presenting their cultivators with clothes, which they looked upon as a great act of tyranny on the part of the Europeans in compelling them to wear them?—No.

6935. You never heard of the humane judge who threatened to put clothing on to the natives in Bengal, and they all jumped up to save themselves from his tyranny?—No, I have not heard of that.

6936. Mr. *Fawcett.*] I suppose what you want to convey is that the fact of children going without clothes in the hot weather would mean nothing whatever, it is the general custom; but the fact that these children of whom you speak were obliged to go without clothes, not only in hot weather but in cold weather, proves the extreme poverty of the people?—Yes.

6937. Sir *D. Wedderburn.*] I suppose you would take this district of Goojerat that you have mentioned as being a district where you would expect to find the people rather better off than the average?—Yes, Goojerat is considered the richest district in the Bombay Presidency.

6938. Mr. *Fawcett.*] This class that you have been describing I understand are the labourers who are employed by the comparatively well-to-do farmers?—Yes, and many of them have small lands and fields and cultivate them themselves.

6939. Does this description apply to many who pay revenue direct to Government?—Yes, this description applies to many who pay revenue direct to Government for the lands that they cultivate. In the Bhimthuree Talooka of the Deccan the number of cattle has decreased, owing to the gradual absorption of the old grazing lands for cultivating purposes.

6940. *Chairman.*] Do you consider that the evidence of an increase of wealth, or a decline of wealth?—Of a decline, and brought about by the short-sighted policy of the Government revenue officers, in taking away all the grazing lands in order to raise a little more revenue, and selling them to ryots for the purposes of cultivation. One great complaint with the agricultural classes is this, particularly in the Deccan, that owing to the scanty rains (it is frequently the case that the rains in the Deccan are scanty, and therefore they are not able to get sufficient produce), remissions are not made. There have been instances in which, owing to a very scanty fall of rain, the produce of the fields has been very small, and out of that small produce the cultivators were not able to pay the revenue due to Government. In such cases formerly liberal remissions were made, but latterly they have been totally discontinued, and remissions are not made.

6941. Do you know the principle upon which the Government proceeds in not making the remissions?—The principle, I believe, is, that there is a fixed assessment, and if the produce is more or less in any particular year, that is no matter for the Government; but the fixed amount of revenue should be paid every year without any abatement.

6942. In former times, when they made a remission for bad years, did they make an increase for good years?—No.

6943. Did they not indemnify themselves by taking more when the harvest was very abundant, for what they had given up when the harvest was less, before the rate was fixed to run over a series of years?—Not unless they had made a new

new assessment. And, again, for even small amounts Government authorities enforce the claim of Government by selling the ryots' lands by auction, and in that way many people are ruined; their lands are sold, and they are cut off from the means of procuring their livelihood. In a great many districts the cultivators are not allowed to cut firewood from the trees, though growing on their own fields, and permission is necessary from the revenue officers, and that permission is obtained in some cases with great difficulty, and in other cases it is not obtained at all without payment; and then the ryots are obliged to keep in repair the boundary marks on the fields, and if, owing not to their fault, but to natural causes, the boundary marks, for instance, are swept away, or are destroyed by others, they are prosecuted and heavily fined for not keeping the boundary marks in good and proper repair. These boundary marks are mounds of earth that are piled up and put up in the corners of the fields; they are of such a nature that they often give way, or are injured, or destroyed, without any intentional fault of the cultivators, and yet they are very often prosecuted, and heavily fined.

6944. Is it not a matter of great moment to preserve the boundary marks in the land where there are no hedges?—The revenue authorities insist upon their being preserved.

6945. Both as regards revenue and as regards ownership of land, to prevent confusion of rights?—Yes.

Friday, 18*th July* 1873.

MEMBERS PRESENT:

Sir George Balfour.
Mr. Birley.
Mr. Candlish.
Mr. Cross.
Mr. Charles Dalrymple.
Mr. Dickinson.
Mr. Grant Duff.
Lord Edmond Fitzmaurice.
Mr. Robert Fowler.
Mr. Hermon.
Mr. Lyttelton.
Mr. M'Clure.
Sir David Wedderburn.

S. DICKINSON, Esq., IN THE CHAIR.

Mr. NOWROZJEE FURDOONJEE, re-called; and further Examined.

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6946. *Chairman.*] WHAT is the next point on which you wish to offer evidence?—The subject of Land Revenue, assessment of land, and its pressure on the agricultural classes. It has been represented to the Select Committee that the land assessment in the Bombay Presidency is not only moderate, but exceedingly low. Mr. Massey declared last year before the Committee, that the rates were "very lenient." In fact, the examination of that gentleman produced an impression that the future income of the State would be compromised by the low assessment of land. With due deference to these officials, I regret to say, their opinions are incorrect. The rates at which the revenue officers of Government have recently assessed the lands in districts in which the 30 years' leases have expired, are not low, but very high, so much so, as to press heavily on the ryots. This I will endeavour to show. That able and zealous officer, Colonel Prescott, Superintendent of Revenue Survey and Assessment in Guzerat, in his report of last year upon the introduction of the Revenue Survey Assessment in the Unkleser Talooka of the Broach Collectorate, says: "Taking prices as a guide, almost all the villages in Unkleser and Hansote inhabited by the superior class of cultivators have been very generally assessed highly, and those inhabited by indifferent cultivators, such as Rajpoots, Mussulmans, and Bheels, have been very moderately assessed." Mr. Dadabhai Naoroji has in his evidence shown the fallacious nature of this guide. The exceptionally high prices which prevailed from 1860 to 1868, owing to the extraordinary impetus given to the cotton trade by the American war, should not have been taken into consideration in fixing the average price of agricultural produce in the Bombay Presidency. In fact, this great fault vitiates the result of the conclusion arrived at by all the survey and settlement officers. Colonel Prescott candidly expresses his misgivings regarding the continuance of high prices. He says: "The cultivators themselves say they are in debt, and I believe many of them are, and I do not hesitate to say that but for the intervention of the moneyed classes who, for a consideration, pay the instalments at a moment's notice, the whole revenue would not have been collected during the last three precarious years. It was, however, collected, and therefore we infer that it was paid without any difficulty at all. I cannot help thinking that prices reached their maximum a short time ago. * * * As long as the precious metals were pouring into this country to pay for cotton, so long prices of necessity remained high, but now that silver is going the other way a fall is imminent, and will continue till some turn of the wheel of fortune brings it back again to India. * * * As America gradually recovers her lost strength, we must anticipate a gradual fall in the price of this staple in the Liverpool market, and Liverpool rules the cotton world. If it is so, then more grain and less cotton will be cultivated, and the price of grain will fall." On the wrong basis to which I have just referred, the survey officers have made an excessive enhancement of the rates of land assessment in different districts ranging from 25 to nearly 100 per cent. For example, the assessment of the Indapoor Talooka was raised 53 per cent., a rate so excessive that Government have not been able to levy this heavy rate in 1868 and 1871.

6947. What do you mean by saying that the assessment was raised 60 per cent.?—Fifty-three per cent. more than the rate of the old assessment.

6948. Can you give us the old assessment and the new assessment?—Yes, I can give you the old assessment and the new one also. I have got before me here a statement showing the names of the districts and the revenue realised by Government in the year previous to the re-assessment, and the amount of the new assessment and the difference and the total increase.

6949. Sir *G. Balfour.*] But dealing with the same area?—The enhancement is chiefly attributable to the increase in the rate, and less to the increased cultivation over the area.

6950. *Chairman.*] Can you give the figures of the area of the old assessment, the area of the new, and the rise?—I have not the figures by me just now, except with regard to one district; but as to the other districts I have some of the reports, and I can give them. I will put in a statement showing the area of the old assessment and the present assessment, and the amount of enhancement.

6951. And the rate of assessment of different produces?—I will try if I can get that.

6952. Will you select the most extravagant talooka, and give those details as an Appendix? —Yes.

6953. Sir *G. Balfour.*] Will you specify in that statement the report that you get it from? —It is the report of the assessment of the Unkleser Talooka by Colonel Prescott, the revenue surveyor and settlement officer in Goozerat.

6954. When was it made?—Last year; I asked for these reports from the India Office, but was not able to get them; I asked them from the Bombay Government, and they would not give them to me. In 21 villages of the Iudapoor Tolooka the assessment has been enormously enhanced, namely, 75 to 149 per cent. In the Bhimthuree Talooka, owing to the enhancement of assessment by 73 per cent., the ryots were unable to pay the revenue, and many distress warrants were issued to recover the amount claimed by Government. In Duskroee Thasra, Kupperwunj, Pardee Mandvee, and other Talookas, many cultivators being unable to pay the enhanced rates were obliged to abandon their lands; and Government have attached and sold the lands of many ryots who could not pay the heavy assessment. In Duskroee Talooka, owing to the inability of the cultivators to pay the enhanced assessment, fields belonging to about 3,000 ryots were lately attached.

6955. Mr. *Candlish.*] How do you know that the circumstances to which you have alluded resulted from the inability of the old occupiers to pay the advanced rate?—From the fact that 3,000 ryots in one district, which I have mentioned, were unable to realise sufficient to pay the amount of the assessment.

6956. How do you know that?—From inquiries which I made on the spot, the prices realised by the sale of their holdings ranged from 2 rupees to 14 rupees per acre. In the Talooka of Dakore, in Kaira, the assessment was enhanced 50 per cent. in 1866, more than half the number of cultivators being unable to pay the increased rates, their fields were attached and sold by Government authorities.

6957. Have you been out on the spot?—No, but I was very near it.

6958. And how do you know this?—From information which I received in the very next district with which the people have connections, and they have fields also in that district.

6959. But you have been told this, or it is public rumour?—I was told by persons who held lands in that district, and whom I saw. In the Indapoor Talooka, owing to the inability of the ryots to pay the amount of the excessive enhancement of the assessment, there was a large balance of revenue, amounting to about 25,000 rupees, which could not be recovered from the ryots last year. In Soopa Talooka, the assessment has been raised in 17 villages at rates ranging from 31 to 100 per cent. Since the settlement of this district, prices of agricultural produce, on the basis of which this great increase was made, have declined more than 50 per cent.

6960. "Produce" is a very wide word; can you mention a few of the articles?—In one district I have got the rates that were current in 1865-66, and the present rates, and I will give them. In the district of Khaira the price of Bajri, one maund of 40 lbs. in 1865-66, was 3 rupees 4 annas, now it is 14 annas. Wheat was 4 rupees and 4 annas, now it is 1 rupee. Tooer was 3 rupees and 8 annas, now it is 1 rupee. Jagree was 8 rupees, now it is 2 rupees. Rice was 2¼ rupees, now it is 12 annas. Ghee was 30 rupees, now it is 13 rupees. Cotton was 30 rupees, and now it is 9½ rupees.

6961. Sir *G. Balfour.*] Is that a fair specimen of the prices both in that year and previous years?—That is a correct account of the prices which I gathered at the place.

6962. And we are to understand that that is a fair representation of prices generally in preceding years as well as subsequent years?—No, the prices have varied at different periods.

6963. Have they varied considerably?—The description that I gave that there is a decline of 50 per cent. during the last five or six years, applies more or less to all the districts.

6964. Then we understand that the 1865 prices are fair rates to take, with some slight variations, as representing the rates for previous years? —This was the period when the prices were highest.

6965. *Chairman.*] Do you say that the last assessment, the enhanced assessment, of which you are complaining, was made with reference to the prices of 1865?—They took into calculation the high prices that prevailed up to the time that the assessment was made.

6966. Sir *G. Balfour.*] You compared the 50 per cent. with reference to the former prices of 1865?—No; this was in the Soopah Talooka, which was assessed I think in 1868, and my comparison is to show the decline of prices between 1868 and the present year.

6967. How many years prices were taken in fixing the commutation rates at which the settlement of 1868 was made?—Prices were taken into account prevailing over 20 or 30 years.

6968. And if we take out the rates during those 30 years, we shall find that the settlement has been made in 1868 upon the average 100 per cent. more than the average that these rates give; is that so?—It was upon the average which was struck by the revenue officers, taking into account the enhanced prices of the exceptional period that I have mentioned that the assessment was fixed.

6969. And we shall find that the settlement having reference to those prices is at the highest proportion that you name?—The enhancement is at the rate that I have mentioned.

6970. Your comparison is not been made with the 1865 rates, but with the average rates of the whole of 30 years?—My comparison of the prices is between 1868 and the present time; I have shown how much decline there has been in the prices since the year in which the assessment was made.

6971. But we are talking of the previous assessments being based on commutation rates of 30 years, and your comparison of the ratio of increase is made between the rates in 1865 and to the rates at the present time?—No, I simply bring to the notice of the Committee the fact of this decline in the prices of 50 per cent. since the fixing of the rates of assessment in Soopa. In the Sholapore district the assessment of several villages has been enhanced from 100 to 300 per cent., so that it is impossible for the cultivators to pay the amount of these exorbitant rates. There are some grave errors in the calculations on which the settlement officers have estimated the value

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of the produce of fields. For example, in the Report of the assessment of Chicklee Talooka, paragraph 32, the cost of the cultivation of sugar cane per acre is estimated at 178 rupees 4 annas. From this calculation an important item, namely, the cost of irrigating the land, amounting from 90 rupees to 100 rupees, is omitted. The price of the produce, goor or jaggery, is estimated at 2½ rupees per maund, but as the price has declined to 1¾ rupees, the three years surplus or profit, estimated at 65 rupees, will be reduced to less than 120 rupees.

6972. What is the quantity of the produce?—The quantity of produce is 210 maunds per acre, a maund being about 40 lbs., I think. It appears from Sir George Wingate's Report that "the present assessment of a very large proportion of the Konkan villages is believed to be very burdensome;" it was more than 30 years ago that he expressed this opinion in his report. Notwithstanding this a new survey was made and the assessment of the districts of Rutnagherry and Suverndroog was recently enhanced. The result was utter impoverishment of the ryots and wholesale attachment of their lands by the Collector. In many cases cultivators have been summarily ejected by the revenue officers, and compelled to have recourse to expensive and ruinous litigation in order to recover their property or claims. In such cases the Collector not unfrequently harasses the ryots by vexatiously defending the suit, and dragging the suitor to the highest court of appeal. The conduct of the collector is thus described by Justice Melvill in a case reported in Vol. VIII. of the High Court Reports, pp. 107–109, "The mode of defence is almost invariably as follows: a suit being brought against the collector on account of some revenue exaction or some payment withheld, the collector puts in a written statement in which he commences by pleading the Statute of Limitations, whether or not there is the smallest ground for such a plea. He then proceeds to say that the suit is barred by Act 18 of 1850, which is an Act for the greater protection of magistrates and others acting judicially. Then follows a justification of the Act complained of by a reference to certain sections of regulations and Acts, which as often as not have nothing to do with the matter in question. After the settlement of issues, the Collector obtains as many adjournments as the court is disposed to grant, and finally, having put in little or no evidence, he leaves the court to arrive at the best decision it can with the aid of such books of reference as the judge can lay his hands on, and such knowledge of the details of the revenue administration as he may have acquired in the course of his own service as revenue officer." Again, in Guzerat a very heavy water cess is charged on lands irrigated from wells. It ranges from 9 rupees to 40 rupees per koss, or bag, for drawing water, and is imposed irrespective of the size of the fields. On small holders the cess presses very heavily. There could be no objection to this charge if the well or tank were the property of Government; but the cess is imposed in respect of wells which have been constructed by private enterprise, and on which no charge had ever been levied until the introduction of the revised settlement within the last 10 or 12 years. The Hon. Mr. Ellis, late Revenue Commissioner, N. D., has condemned the impost in these terms:—"I think that it must be admitted that the taxation of wells not constructed by the State is a deviation from the broad principles of the Bombay survey. All wells built hereafter by individuals will be free from taxation. It seems hard that wells similarly built by individuals, but before the advent of the survey, should be placed at a disadvantage, and subjected to heavier taxation for no other reason save that their owners were in advance of their neighbours in employing their capital in agriculture." Colonel Prescott says he has "never been able to recognise the right which the State claims to a higher assessment on land irrigated by wells constructed out of the hard-earned savings of the cultivators." In many districts the heavy assessment imposed on land, and the rigour with which it is exacted, without remission, throw the ryots entirely in the hands of the village Sowcars, and once in debt, he never can free himself. The heavy interest charged upon advances made to the ryot in money and kind absorbs the surplus that remains, after paying the assessment, and the ryot does not live upon his own produce so much as upon the advances made to him by his Sowcar. The systematic and indiscriminate operation of the civil courts aggravates this evil; in that the most usurious interest demanded by the plaintiff has to be allowed without abatement. Besides, owing to the change in the Law of Limitation, agreements for debt, &c., have to be renewed more often than was the case before. Three-fourths of the suits for small debts in all the civil courts of the county are instituted, not with a view to secure their payment, but to secure a renewal of the bond which would otherwise become time-barred.

6973. *Chairman.*] This is another subject altogether to which you are now going?—This is with a view to show that if the Committee thought proper to make a recommendation with regard to an alteration of the law, it would go some way to the relief of the ryots.

6974. Will you pass from that subject, as it is not within our reference?—I will only say that frequent renewal throws upon the poor ryots, first, the heavy burden of the stamps and other charges, and secondly, the charge of compound interest, each time that the renewal takes place. Besides these considerations, the indiscriminate sale of the ryots' property in land, and of his cattle, for arrears of revenue and under civil decrees, often for small sums, tends to confirm with Government sanction this wretched state of indebtedness. For the man who is thus sold out of his fields gives place to the auction purchaser, who in most cases of sales under civil decrees, is the Sowcar or money lender himself. Being unfit, by habits, to cultivate the land on his own account, he lets it to the ousted ryot, who becomes wholly his serf or his slave. The combined effect of all these causes is that excepting Khandeish there is not a district in the Deccan where the peasantry is not helplessly involved in debt to the Marwaree or Brahmin money lender. In the Ahmednuggur district more than half the land is virtually in the hands of the Marwaree Sowcars; and in the Mawall Talooka of the Poona district, Marwarees, and on a smaller scale, the Brahmins have the same hold upon the ryots. A properly framed insolvency law for the Mofussil, and the exemption of land and agricultural cattle and implements from sale, as also discretionary power to the civil courts in disallowing usurious rates of interest,

interest, will go a great way to remove this most unfortunate state of things. I will not detain the Committee on this subject, although it is one of a most important nature, but will put in a memorandum that has been prepared at Poona by the Savajanik Sabha (or people's association), by whom I have been deputed, giving full details, after careful inquiry, with reference to the condition of the agricultural and labouring classes, and the pressure of the land assessment in the Decan, giving a number of facts and figures (*handing in the same*).

6975. Sir *D. Wedderburn.*] What is the reason why Khandeish is an exception to the state of things which you have described as prevailing generally in the Deccan?—The peasantry are not so much in debt there.

6976. Is there any special cause for that?—No, I am not aware of any special cause. I will also put in a short memorandum showing the faults of the Revenue Survey and its shortcomings. In concluding this subject, I may be perhaps permitted to make a few brief suggestions for the consideration of the Committee in order to alleviate the pressure on the landholding and cultivating classes. The first is that Tuccavee advances should be made freely to the landholders and ryots by Government to enable them to purchase cattle, seed, agricultural implements, construct or repair wells, tanks, bhundaras, and to make other improvements.

6977. Mr. *Fowler.*] Have you any estimate to what extent those advances would go?—No, it would depend upon the circumstance of the work for which it is required. It may be small if required for the purchase of a bullock; or larger if for the construction of a well.

6978. But though individually small, would it not go to such an extent that a million or two might be gone before the Government knew where they were?—But they would be repaid; Government would get their money back with interest; and in fact there is a law which is still in force and which enables Government to make such advances, but the regret is that it has not been fully carried out; the advances have not been frequently made.

6979. *Chairman.*] You wish the Government to take the place of the Sowcar?—But they have recognised the principle, and a law has been passed, and it authorises Government to make such advances.

6980. Sir *G. Balfour.*] Is it not the fact that our experience has shown that all these advances have been the cause of the utmost wretchedness and degradation to the ryots?—No, not to my knowledge.

6981. Have we not in Madras diminished these advances to an enormous extent, from the bad results of the habit that we formerly followed there?—I am not aware of the state of things in Madras.

6982. Is it not the habit of the ryots to squander the money so advanced immediately that they get it?—No, I think not in the Bombay Presidency.

6983. Mr. *Fowler.*] What security does the Government get?—The Government gets the security of the land, and everything that the ryot possesses, and also the crops. In the second place I would suggest that cultivators should be exempted from payment of the extra cess imposed on lands irrigated from wells or tanks constructed by them, or by their predecessors. Thirdly, the removal of the prohibition to the ryots to remove earth and stones for building or other purposes, and to cut trees growing on their own lands. Fourth, the restoration of the village commons for pasturage. Fifth, the interest charged by Government to the ryots for overdue instalments of revenue should be reduced from 95 per cent. per year to 9 per cent.; the term for payment of revenue should be extended to four months, and the instalments should be four, and payable as formerly, in January, March, April, and June. Sixth, remissions should be made when crops are destroyed on account of drought, inundation, frost, or other calamity. Seventh, there should be reduction of the enhanced rates of assessment imposed on the recent resettlement of culturable lands. Eighth, the ryots' agricultural implements, cattle, and lands should be exempted from attachment and sale, as enjoined by the Elphinstone code. Ninth, bonds or conveyances by ryots should not be held to be legal unless executed in the presence of a competent Government officer, and the courts should have power to require proof of consideration, and to disallow usurious rates of interest. Tenth, the present law of limitation should be extended from three to six years. Eleventh, a well-considered insolvency law should be passed for the relief of the ryots. Twelfth, the ryots should be exempted from payment of the local cess during the currency of their leases which have not expired. Thirteenth, the power of making disbursements of the local funds in the towns and districts should be vested in committees, two-thirds of whom should be composed of members elected by the contributors. Now I will go to another subject very briefly, namely, the court fees and costs of judicial proceedings, to show how the stamp tax, and court fees, together with the other costs of justice, press on the people. This pressure is excessive, not only on the upper and middle classes of the people, many of whom have been utterly ruined by the action of the civil courts; but it falls with crushing severity on the poorer classes and the masses of the people. According to the statistics given last year to the Committee by Messrs. Harrison and Gay, the income from court fees amounted in cash and stamps for the whole of India to 342,290 *l.* in the year 1856, and in 1870–71 it amounted to 1,803,687 *l.*, being an increase of nearly a million and a half, or 550 per cent. in 14 years. It appears from the last Administration Report of the Bombay Presidency, that in 1871 all the civil courts disposed of 132,888 suits, of the aggregate value of 1,38,54,789 rupees. The bulk of these suits, viz., 122,000, were for sums under 200 rupees each. They, therefore, affected the poorer classes of the people. A very small portion of these suits, viz., one-seventh, were contested cases; the rest were amicably adjusted and withdrawn, or decided *ex parte*. Now, for all these suits the stamp fees amounted to *Rs.* 10½ lacs, and the other costs amounted to nearly the same sum; the total costs therefore came up to near 16 per cent. of the aggregate value of all the suits. To this a large amount must be added for pleaders' costs as between attorney and client; the proportion of costs will come up to near 25 per cent. In appeals and applications for review of judgment, the scale of fees is nearly the same as in original suits. This pressure is so heavy as to produce a disastrous

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disastrous effect on the middle and poorer classes of the people. I will adduce the testimony of a Government officer, Mr. W. G. Pedder, Officiating Commissioner of the Nagpore Division, who in his recent Report to Government on local taxation, makes the following observations:—"The practical effect of the Stamp and Court Fee Laws in the Nagpore Division is to add something like two-and-a-half lacs of rupees per annum to the debts of the impoverished and borrowing classes, and that so heavy a pressure of taxation upon those who can least afford to bear it, and who, if an almost universal consensus of opinion may be relied on, are rapidly going from bad to worse under our rule, is a most serious question, and one well deserving the attention of Government." Stamp duty is charged also in criminal proceedings. A poor man cannot make an application or complaint, or file an exhibit even in regard to a petty offence, unless he pay a stamp fee. Besides the heavy stamp and court fees on judicial proceedings a new succession duty at the rate of two per cent. has been imposed since 1870, on the amount or value of all the property in respect of which probate, letters of administration or certificate of heirship is granted by the courts. I will now give some evidence regarding the cost of administration in the Bombay Presidency. The total public expenditure in the Bombay Presidency in 1856-57, was 4,814,356 *l.* In the year 1870-71, it amounted to 8,266,178 *l.* being an increase of 100 per cent. in 14 years. With some exceptions, in every department, there has been an increase in the same or even a greater proportion. The army charges have been enhanced from 1,762,413 *l.* to 3,122,566 *l.*; judicial and police charges from 372,160 *l.* to 904,829 *l.*, being an increase of 300 per cent.; medical charges from 24,236 *l.* to 127,941 *l.*, or more than 500 per cent. It appears from the Bombay Administration Report that the expenditure for the realisation of land revenue, which amounted in 1864-65 to 34 lacs of rupees, has been inhanced to 69 lacs in 1869-70. In the short interval of five years there has been an increase of 35 lacs, or more than 100 per cent. In the Customs Department there was an increase from 6¾ lacs to 8¾ lacs, an enhancement of 33 per cent. Law and justice enhanced, in five years, from 36¾ to 50 lacs, being an increase of 13¾ lacs, or 35 per cent.; medical services from 5⅓ lacs of rupees to 11¾ lacs, or more than 100 per cent.; political agencies and foreign services from 7¾ lacs of rupees to 12 lacs, or more than 75 per cent. In 1858 there were two Revenue Commissioners, 13 collectors and magistrates, and 51 assistants and supernumerary assistants, in all 66 covenanted civilians, employed in the Revenue and Magisterial Department. This year 123, or double the number, of civilians are employed in the Bombay Presidency, at a cost of 14 lacs of rupees per annum. I will show to the Select Committee that a considerable reduction could be made in the Revenue and Magisterial Departments. The total cost of this department amounted to 39 lacs in 1870-71. (In this year there was an increase of 3⅓ lacs over the expenditure of the previous year.) The salaries of the Revenue Commissioners (3,500 rupees) are very high and susceptible of reduction by 1,000 rupees. Their assistants get more than 12,000 rupees. Then there is a large and highly paid Survey Department, consisting of eight superintendents and 40 assistants, with a large establishment, costing more than 7 lacs a year, a District and Talookdaree Settlement Department costing 2½ lacs; total nearly 10 lacs a year. The collectors and assistant collectors have been relieved of a good deal of the work which formerly devolved on them, such as granting remissions on inspection of the crops, inquiring into ryots' petitions, superintending the realisation of arrears, making Tuccaee advances, inducing the ryots to take up lands, superintending the collection of inland customs, excise, and transit duties, superintending the police, forest, and education departments, inquiring into Inams, cash allowances, &c. Consequently, if the revenue and magisterial functions are separated, as suggested by me, the Collectors will, I believe, be able to do the entire revenue work of their respective districts, with the assistance of the mamlutdars and district deputy collectors, and the services, of most, if not all, the covenanted assistants could be dispensed with without impairing the efficiency of the public service. In making the separation of the two departments the Collector might be allowed a moiety of the salary of the combined post of Collector and Magistrate, the other moiety to be appropriated towards the employment of magistrates on salaries ranging from 800 rupees to 1,000 rupees. If the Committee permit, I will hand in a Paper showing the financial effect of the separation which I recommend (*handing in a Paper*). In this statement I have provided for separate classes of judicial officers, namely, 12 district magistrates and 66 deputy magistrates of five grades. Although the scheme is based on the proposal to relieve the Mamlutdars of their judicial functions, yet no great reduction is made in their numbers nor their salaries, in order that these officers might be able to devote all their time and attention to their executive duties. This is a rough outline of the scheme which I venture to submit for the consideration of the Committee. It will show that the entire separation of the executive and judicial functions which I advocate can be effected with advantage to public interests; and that instead of involving any increase, it will effect a saving of about five lacs a year, or nearly one-fourth of the present public expenditure in the Land Revenue Department. This is exclusive of charges on account of revenue survey, land settlement and alienation, amounting to about 11 lacs a year, which admit of reduction to the extent of nearly one-half, or at least one-third. There are three alienation and settlement officers on salaries ranging from 700 rupees to 1,200 rupees each, with a staff of assistants and establishment. From 1856 to 1860 the cost of the Alienation Department, N.D., amounted to about 50,000 rupees per annum. During the last 11 years the cost has, on an average, amounted to about 23,000 rupees per year. In 1869, in reply to inquiries made by the Government of India, the alienation settlement officers reported that all inquiries and settlements of alienated revenues had been very nearly completed, and yet this department is continued from year to year, and its inquiries have been protracted, although two years ago the Government of India asked the Bombay Government to abolish the department and provide for these officers elsewhere as early as possible. These instructions have not been carried out. The revenue

revenue survey and settlement operations have been going on for several decades in the Bombay Presidency at a heavy annual charge, which amounted last year to 12 lacs of rupees, and are likely to continue as a permanent charge, unless Government take steps to bring these operations to a speedy termination, and relieve the agricultural and other classes of the people from anxiety and apprehension. The officers of this department are actuated with the desire of enhancing the land tax and filling the coffers of Government. The enhancements of land revenue and settlement which they have made since 1860 are felt to be very heavy and excessive, as I have already shown. The salaries of the commissioner and deputy commissioner of customs, 42,000 rupees and 18,000 rupees per year are very high, and could be reduced. The salary of the Inspector General of Prisons can be reduced from 1,500 rupees to 1,000 rupees per month, and of the Registrar General from 2,000 rupees to 1,000 rupees. In the year 1856 the number of superintendents and assistant superintendents of police was 18; the salaries of the former ranged from 500 rupees to 800 rupees per month. Now there are 34, or nearly double the number, and the salaries of the superintendents range from 800 rupees to 1,200 rupees. These appointments and salaries should be reduced to the former scale. I have already shown that the salaries of the Director of Education (2,500 rupees) and of the Education Inspectors (800 rupees to 1,500 rupees) are excessively high and admit of considerable reduction. The officers of the Forest Department are also paid very highly. Formerly this service consisted of one conservator and five assistants on small salaries. Now there are three conservators on 1,000 rupees each, three deputies on 700 rupees, and 13 assistants on 250 rupees to 350 rupees, and three sub-assistants. Only one Native, who was sent out from England a few years ago, occupies the higher grade; all the rest of the officers in this, as well as the Police Department, are filled by Europeans. The receipts from forests in the Bombay Presidency, including Scinde, amounted last year to 11 lacs, nearly the whole of which is absorbed by the working and establishment charges, which amount to nine lacs. This is also the case in the other Presidencies and Provinces as shown by the provincial budget estimates of the Forest Department, published last year by the Government of India. The total receipts of 1870-71 for all India were 46½ lacs, and the expenditure was 37¾ lacs. This year the expenditure has been enhanced to 44¾ lacs. I will put in a memorandum which will give the Committee some idea of the practical working of the Forest Department in the Bombay Presidency (*handing in a Statement*). In 1866 there were 130 covenanted civilians employed in the Bombay Presidency; now there are 174, being an increase of 44 civilians. The post of Collector of Bombay was formerly held by an uncovenanted servant on 1,500 rupees; now the salary has been enhanced to 2,500 rupees. In an Official Memorandum by Sir H. L. Anderson on the strength and supply of the Civil Service, annexed to the Select Committee's Report for 1872, page 651, that officer says, "The only representation made as to excessive numbers in the Civil Service has proceeded from Bombay, in which Presidency it may be admitted that, at the present moment, the service is overstocked. The Government of Bombay at the end of 1849, stated it had in its requisitions for 1870 and 1871, applied for 19 more civilians than it actually wanted * * The Bombay Civil Service is, at the present time, numerically stronger by about 20 than it ought to be." In the Bombay Budget for 1870-71, I find a charge of 1 lac of rupees for "Allowances to Civil Servants out of Employ," and in the Budget for 1871-72, there is a similar charge of 60,000 rupees. In 1856-57 the charges of collection of revenue amounted to 32 lacs. In the abstract of revenue appointments prepared by Mr. Gay, and inserted in the Appendix to the last year's Report, the aggregate amount of appointments and establishments for the collection of Land Revenue for the Bombay Presidency in the year 1870-71, is put down at 58,08,871 rupees, and the proportion of the cost of collection to the Land Revenue amounts to 16 per cent., a rate which shows the high cost of the ministration. In naval expenditure there is an increase of 2½ lacs in 1871-72. It includes the State Yacht establishment, costing 18,400 rupees a year. I will now say a few words with regard to the Budget system which has been in existence for some time in the Goverment of India. A Budget is prepared every year by the financial minister, in which the revenue and expenditure of India is given, and the proposals for expenditure in the course of the current year. That Budget used to be submitted to the Legislative Council annually, but last year that practice was discontinued on the ground that as there was no additional taxation to be imposed, it was not necessary to submit any Budget to the Legislative Council. But I submit that it is necessary to provide a check against the increase of expenditure. The expenditure, as the Committee are aware, has gone on increasing from year to year. It has increased from 32,000,000 in 1856 to 52,000,000, an increase of 20,000,000 during the time which has elapsed since the transfer of the government from the East India Company to the direct sovereignty of the Crown. The very fact of such an immense expenditure in this interval of time shows the necessity for a revision of the financial arrangements, and for imposing a check against the expenditure; that check, I submit, could be applied with better effect in India itself, than in this country, and therefore I beg to submit for the consideration of the Select Committee the advisability of recommending a well-devised plan for the preparation and submission of the Budget of British India by an independent and trained financier, and its being laid before a properly constituted Council. The Council as at present constituted is defective, inasmuch as the non-official element is very small, and not such as to be able to exercise a considerable influence in the deliberations of the Assembly.

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6984. *Chairman.*] That matter has been brought before the notice of the Committee; perhaps you will therefore pass to some other matter?—I will conclude the statement of my views in a few words, namely, by saying the Budget of India ought to be brought forward before a Council; the basis of that Council should be extended, and a number of properly elected representatives of the people should be appointed, not such as two or three Rajahs, as are now appointed in the Council, who are not British subjects, and

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who are not intimately conversant with the wants and feelings of Her Majesty's Native subjects, and who, moreover, being ignorant of the English language, in which the proceedings of the Council are conducted, are not able to understand and follow the debates that take place; but native representatives of a different class, fully competent, understanding the English language thoroughly, and not selected from the class of Rajahs, or tributary princes, but from British subjects, should be admitted into the Council together with a suitable number of European non-official members, and before such an extended Council the Budget should be brought forward from year to year, and each item on the revenue side and also on the expenditure side, should be carefully discussed, and after a full discussion should be voted upon and adopted, so that a check may be provided; and any proposed increase of expenditure may be cut down and kept within proper bounds. Unless that is done I see no hope of a good check being placed on the increase of expenditure. I submit that the very great increase of expenditure that has taken place is one of the defects of the financial administration, and one of the causes of the large deficits and the embarassments of the financial affairs of the British Indian Empire. This is a subject which deserves the careful consideration of the Committee. I now will take the liberty to say a few words with regard to the "Home expenditure," and the financial relations between England and India. I submit that this is a subject that should be duly considered by the Committee with a view to adjust these financial relations on a just and satisfactory footing. At present they are not so. I respectfully submit that with regard to the cost of the India Office Establishment, consisting of the Secretary of State for India in Council and their Establishment (150,000 *l.*), is charged to the Indian Revenues. This charge and a number of other charges, which I will presently mention, should be borne by the Imperial Exchequer, and not thrown on the Indian Treasury; for this reason, that England at present does not contribute a single farthing towards the maintenance of her supremacy over the British Indian Empire. From a Parliamentary Return, which was laid before the House of Commons, and printed by Order of the House on the 24th of February 1871, I find that the Colonies cost a net sum of 3,620,093 *l.* to the Imperial Treasury; and in that cost is included the cost of regular troops, naval charges, and of governors, justices, secretaries, hospitals, barracks, lighthouses, ecclesiastical charges, and a number of other charges. That being the case, as Great Britain is not subject to any charge on account of India, I submit that for the maintenance of Her supremacy over the British Indian empire, it is requisite, as a matter of fairness and equity to the Indian empire, that the cost of the India Office establishment should be borne by the Imperial Treasury in the same way as the cost of the Colonial Office is borne by the Imperial Treasury; and the contribution towards the expenses to the Mission to the Court of Persia, and towards the cost of her Majesty's Establishments in China, amounting in the one case to 12,000 *l.*, and in the other case to 22,422 *l.*, should also be borne by the Imperial Treasury; the mission, and the appointment of all the officers employed in Persia, are entirely in the hands of the Foreign Office in this country; the Government of India has no control over it, and yet India is made to pay the bulk of the cost of that mission; and in the same way the cost of the maintenance of the Royal Lunatic Asylum at Ealing, and the maintenance of lunatics at other asylums, amounting to a large sum, should also be met from the Imperial Exchequer, as also the cost of the Indian troop service and of the passage of troops, amounting to upwards of 330,000 *l.* a year; and the contribution towards the expenses of Her Majesty's ships employed in the Indian seas, amounting annually to close upon 70,000 *l.*, should be borne by England. England devotes several of her Navy for the protection of the Colonies, and for cruising and for the suppression of piracy and slavery, the protection of British commerce, and other purposes, without making any charge on the Colonies; and I submit that if, for similar purposes, she devotes a few vessels for cruising on the Persian Gulf or other waters, the expense should not be charged to the Indian Treasury, but should form a part of Her Majesty's Naval expenses. Then the payment to Her Majesty's Exchequer on account of disbursements in the War Office in respect of British Forces serving in India, including recruiting charges and pay of colonels, amounting to 510,000 *l.*, should also be paid out of the Imperial Exchequer. That will be a small contribution towards the military expenses of British India; but in consideration of the great advantages which England derives from the British Indian Empire, she may justly be called upon to bear these expenses that I have mentioned. They will not amount to a large sum, but they will afford a great relief to the embarrassed state of the finances of India; and on principle, if these expenses are defrayed by the Imperial Exchequer of this country, it will be an act of justice, and would be treating British India in pretty much the same way as England has been treating the Colonies; and also by not attempting to saddle any costs on the Indian Treasury other than what that Treasury may justly be called upon to pay, a great relief would be given, and much of the financial embarrassment would be removed, and also if arrangements were adopted for submitting the Indian Budget to Parliament at a suitable time when members have proper time to devote to it, some further check should be provided, and the budget should not be gone through as a matter of form, but in reality; all the items of expenditure incurred in this country should be carefully examined, and voted upon, so as to provide a perfect check on the part of Parliament over the expenses of the Indian Treasury in this country. I will not detain the Committee longer. In the testimony which I have given before the Committee, I disclaim being actuated by any hostile motives towards the English Government; in fact, I have been nurtured, and brought up under the English Government and it is my firm conviction that it would be a great calamity to India if the connection between India and England were severed. I am an advocate of the permanency of the continuance of that connection, and all my object in giving evidence is that such defects as can be shown to have existed in the mode of administering the finances of India should be pointed out and remedied, in order that the people of India may enjoy to a greater extent the inestimable advantages

tages which they derive from the British rule.

6984.* Sir *D. Wedderburn.*] In reference to your description of the state of debt and misery in which the ryots are, in many parts of the Bombay Presidency, and the Deccan in particular, is it not the case that one cause, at least, of that condition is over-population?—No, I beg your pardon; it is not over-population.

6985. You do not consider that the Bombay Presidency has increased in population of late years, and that that is one reason why the ryots are in a state of poverty and debt?—No, certainly not; over-population is not the cause,

6986. Has the population in the Deccan increased of late years?—Not much.

6987. It has, in some parts of India, very greatly increased of late years, has it not?—Yes, it has in some parts; particularly in the city of Bombay.

Mr. *Nowrozjee Furdoonjee.*

18 July 1873.

Tuesday, 22nd July 1873.

MEMBERS PRESENT:

Mr. Ayrton.
Sir Thomas Bazley.
Mr. Beach.
Mr. Bourke.
Mr. Campbell-Bannerman.
Mr. Beckett Denison.
Mr. Dickinson.
Mr. Grant Duff.
Mr. Fawcett.
Lord Edmond Fitzmaurice.
Mr. Robert Fowler.
Mr. Hermon.
Mr. Lyttelton.
Mr. M'Clure.
Sir David Wedderburn.
Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Mr. NOWROZJEE FURDOONJEE, re-called; and further Examined.

Mr. *Nowrozjee Furdoonjee.*
22 July 1873.

6988. *Chairman.*] Do you wish to give an explanation of an answer which you gave on the last occasion of your examination?—Yes, I will put in the figured statement, which the Committee wanted me last time to give, in reference to my evidence regarding the enhancement of assessment in the Bombay Presidency, showing the area of the land that has been assessed, the amount of assessment, and the proportion; it is taken from the assessment reports of the Government revenue officers, with one or two explanatory remarks (*handing in the same,* vide *Appendix*).

6989. Is there any explanation which you wish to make with reference to another answer?—In confirmation of my assertion that the exaction of the local fund cess from cultivators in the Bombay Presidency during the currency of the existing leases which have not expired, is in breach of faith, the Committee will be pleased to allow me to quote the testimony of the Bombay Government itself. The last administration report contains the following important declaration:—"The small sum received from the one-ann cess in the frontier districts (of Scinde) is explained by the fact that the settlement at present existing there, which will not expire till 1878, does not admit of the imposition of the cess, in addition to the land revenue, without a breach of faith with the cultivators."

Colonel ALLEN BAYARD JOHNSON and Mr. GEORGE WELSH KELLNER, re-called; and further Examined.

Col. *A. B. Johnson* and Mr. *G. W. Kellner.*

6990. *Chairman* (to Mr. *Kellner*).] THE Committee were very much struck with the apparent result of the statements which you made when you were last examined, that whilst there was a considerable decrease of the force of men in the army, there was a very large increase in the charge for the army during the last few years; and, therefore, it might be convenient if you would begin by explaining clearly what has been the nature and extent of the decrease of force, according to your view, and what for the same period has been the nature and extent of the increase of charge on account of the force, upon such basis as you may think most convenient to bring the matter clearly under the notice of the Committee?—Perhaps the expenditure may best be compared with that of 1863-64; the strength of the respective periods being also taken into account.

6991. 1863-64 being sufficiently distant from the restoration of order, and the change of the army system?—Yes. The expenditure of the present day could not be subjected to a closer test than by comparison with the expenditure of 1863-64, because that was a year of severe economy, and the total military expenditure was lower than in any year since the Mutiny, taking the charges in England and India together.

6992. Will you be kind enough to state what you make the charges in England and India together for the year 1863-64?—They amounted to 14,760,120 *l.*; the average strength of the European force during the year 1863-64 was 67,712 British soldiers.

6993. Exclusive of officers, and so on?—Exclusive of officers; and the strength of the Natives was 128,253. The European commissioned officers have in all cases been excluded from the returns of strength; for the soldier is the true unit of military expenditure. I propose, in order to get that unit, to take four native soldiers as equivalent to one European soldier, financially, for the purposes of comparison. The number 128,253 divided by four, gives 32,063; that will be equivalent to a total force of 99,775 men in 1863-64. The charges in 1871-72, in England and India together, amounted to 15,678,112 *l.* The force of British soldiers in the country, the average effective strength, was 58,437; and 115,196 Natives. Pursuing the same method of calculation, the native troops made a force equivalent to 28,799, and that gives a total strength of

87,236 men in 1871–72. By this comparison, the reduction in force is 12,539, or a little over 12½ per cent. of the strength in 1863–64. Then I find the cost per man in 1863–64. The total charge per man in 1863-64 was 147·93 *l.*; in 1871–72 the total charge was 179·72 *l.*; showing an increase of 31·79 *l.* per man, or 21·49 per cent. upon the rate for 1863–64.

6994. Now what would have been in due course the diminution of expenditure in the army, supposing things had remained as they were; and what has, in fact, been the increase on the same basis of price?—The decrease of expenditure can never correspond with the reduction of force, because any numerical reduction of force affects directly those grants only which provide for the soldier's pay, food, lodgment, clothing, and equipment, and not the grants for the staff, the departments, and general charges of the army. But setting aside this consideration, and supposing the conditions to have remained the same, the rate of expenditure for the diminished force would be about 12½ per cent. less than in 1863–64, and it would give a decrease of 1,853,871 *l.*, whereas there has been an increase of 917,000 *l.*; that shows an excess of about 2¾ millions to be accounted for, at the outside.

6995. Now, have you examined somewhat in detail the various heads of increase so as to be able to account for that amount in some general classified form?—Yes. I will endeavour to place the several items of increase in distinct groups of —(1.) Charges in England; (2.) Charges for improving the position of the British soldier in India; (3.) Corresponding charges for the Native forces; (4.) General charges for the administration of the army. In the first place, we take the charges in England, because the increase there is very considerable, and the items are only four to bring up the amount. The first is the charge for military stores. The increase in 1871–72 over 1863-64 on account of stores is 737,277 *l.*; 424,197 *l.* of this sum are for ordnance stores. The war *matériel* of armies everywhere at the present day is more costly than in the year 1863, and a large proportion of the outlay for stores in recent years was for the new pattern rifled guns, improved firearms, and equipment, for the British and Indian forces, expensive machinery for the manufacture of gun carriages, projectiles, small arms ammunition, and the like. The next notable item is on account of payments to the British Government for troops serving or having served in India; that is for non-effective as well as effective services, and the increase on that account amounted to 253,048 *l.* Then the charges for absorption of supernumeraries and gratuities to British officers on retirement from the service; also for education of Indian cadets, medical students at Netley, expenses of officers acquiring scientific knowledge, &c., &c., amounted to about 35,000 *l.* Then there are increased charges, amounting to about 100,000 *l.*, for furlough allowances under the operation of new furlough rules, which give increased rates of furlough pay. I may mention that the actual increase of charge on furlough allowances is very much more than 100,000 *l.*; but I have taken 100,000 *l.* as representing the increased charge resulting from the more favourable allowances received by military officers under the operation of the new furlough rules, as compared with the old rules. These four items alone account for 1,125,000 *l.* of the 2¾ millions. Then, the next group of items would include charges for the British army in India; and amongst these, first, is the extra 2 *d.* a day pay, with the additional 1 *d.* on re-engagement, of the soldier. That has been variously estimated. It was estimated at one-third of a million by General Broome, and subsequently it was estimated at 250,000 *l.*, but at the lowest computation it would be 200,000 *l.*; 2 *d.* a day is equal to 3 *l.* 1 *s.* for the year, and that multiplied by the number of British soldiers in the country, *plus* the additional pay for the second term of service, gives 200,000 *l.*; that is on the very lowest calculation. Then the increase of family allowances to British soldiers caused an increase of 22,500 *l.* The good conduct pay to soldiers at earlier periods accounted for 35,000 *l.* The improved scale of clothing accounted for 20,000 *l.*; then increased pay to paymasters, quartermasters, and riding-masters of the British service, 22,000 *l.*; then there were various little items of increase: for instance, the skeleton companies of Engineers, the conversion of one field and one garrison battery into mountain batteries, the addition of trained armourer serjeants to all British regiments in India, instructors of gunnery to each brigade of artillery, prizes for good swordsmanship to British cavalry corps, increased pay for the grooms of British cavalry regiments, amounted to 21,800 *l.* Then the additional cost of hill sanitaria for British troops, 25,000 *l.*; the recruit and convalescent depôt at Deolalee, 6,500 *l.*; the increased charges for musketry inspection, garrison instruction, gymnasia, army telegraphy, and soldiers' institutes, 13,000 *l.*; increased charges for barrack conservancy and supplies, 60,000 *l.*; and the improved scale of medical comforts, 10,000 *l.* All that would account for about 444,000 *l.*, as the additional charge for improving the condition of the British soldier in India. Then there are charges for the Native army, which constitute the next group; the good conduct pay to native soldiers at earlier periods than before, 57,000 *l.*; increased pay to Native commissioned officers of infantry and artillery, 35,000 *l.*; the appointment of second-doing-duty officers to Native corps, 28,000 *l.*; the reorganisation of the Madras Native Army and Bengal Sappers and Miners, 30,000 *l.*; cantonment batta to Native troops on furlough, 15,000 *l.*; compensation for dearness of provisions, 114,000 *l.*; and there are various other items which will be found in the detailed statement, bringing the total additional charges for the Native army to 328,410 *l.* Then there are certain general charges: for instance, the increased cost of transport, 235,000 *l.*; and in 1871-72, the charges for the Looshai Expedition, 133,000 *l.*, and the camp of exercise, 19,366 *l.* The increased pay to medical officers and veterinary surgeons, 23,500 *l.*; the increased charge for administrative medical staff, 11,000 *l.*; the revision of the subordinate medical department, 15,000 *l.*; increased pay to army warrant officers, 15,000 *l.*; abolition of half-batta rates of pay, 53,700 *l.* Then there were the transfer of the Lawrence Asylum, the Derajat Frontier Militia, the Viceroy's and Governor's bands, and the examiners of military and medical funds, amounting to about 38,000 *l.*; and the transfer of official postage (a formal charge on the Military Department, and a formal credit to postal revenue), of 45,000 *l.* These general charges amount to about 600,000 *l.*, and, with the previous groups of charges, bring up the total

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total to over two and a half millions sterling. There are other increments of charge in the Ordnance manufactories in India, in the purchase of army remounts, in staff salaries; and lastly, through the Staff Corps system of promotion by length of service, instead of by succession to vacancies within a limited establishment. The effect of this has been to raise the cost of the officer no less than that of the soldier. In the year 1862, the establishment of the Indian army consisted of 571 general and field officers to 3,410 captains and subalterns, the whole costing 1,803,400 *l.* On 1st April 1873, there were 1,340 general and field officers to 1,610 captains and subalterns, the whole costing 1,947,124 *l.* Thus, whilst the number of officers has fallen from 3,981 to 2,950, the aggregate cost has increased by 143,000 *l.*—a result due, no doubt, to the abnormal proportion of the higher ranks. The number of officers receiving colonel's allowances has declined from 186 to 172, but must increase in future years. In the present year, 1873, there are (beside local officers) 64 officers of the Staff Corps in receipt of the colonel's allowance, amounting to 71,992 *l.* per annum. It has been computed that the number will increase to 316 in the year 1882, and that in the year 1892 the number of Staff Corps colonels' allowances will rise to 513, at a cost to the State of 577,000 *l.* But with this increase of colonels' allowances there will necessarily be a decrease in the effective list of officers and in the amount of Staff Corps pay.

[*The Witness then handed in the following Statement:*—]

MILITARY CHARGES for 1863–64, compared with 1871–72.

	Increase.	
CHARGES IN ENGLAND.	£.	£.
Military stores - - - - - - - - -	*737,277	- -
Payments to British Government for troops serving or having served in India; for effective and non-effective services.	253,048	
Charges for absorption of supernumeraries and gratuities to British officers on retirement from the service, also for education of Indian cadets, medical students at Netley, expenses of officers acquiring scientific knowledge, &c. &c.	34,771	
Increased charges for furlough allowances under operation of new furlough rules, which give increased rates of furlough pay.	100,000	
£.	1,125,096	1,125,096
CHARGES FOR THE BRITISH ARMY IN INDIA.		
The additional 2 *d.* a day to British soldiers, with another 1 *d.* on re-engagement for second term of service.	200,000	
Increased family allowances to British soldiers - -	22,500	
Good conduct pay to British soldiers at earlier periods -	35,000	
Improved scale of clothing and compensation - - -	20,000	
Increased pay to paymasters, quartermasters, and riding-masters, of the British service.	22,000	
	£.	
1. A staff serjeant trained band-master to all British regiments in India.	4,000	
2. A pay serjeant to each garrison battery -	324	
3. Increased pay to syces of British cavalry regiments in Bengal.	1,800	
4. Instructors of gunnery to each brigade of artillery.	1,800	
5. Increased pay to serjeant majors of infantry.	300	
6. Trained armourer serjeants to all British regiments in India.	3,670	
7. A moonshee to each regiment of British cavalry and infantry.	2,124	
8. Prizes for good swordsmanship to British cavalry corps.	400	
9. Skeleton companies of engineers, with sappers in all three presidencies.	3,000	
10. Non-effective hospital serjeant to batteries, Royal artillery.	800	
11. Increased pay to hospital serjeants -	600	
12. The conversion of one field and one garrison battery into mountain batteries.	3,000	
		21,818
Carried forward - - £.	321,318	1,125,096

*Charges for Stores in 1871–72:

	£.
Commissariat - -	254,174
Clothing - - -	202,847
Medical - - -	55,512
Ordnance - - -	424,197
£.	936,730

MILITARY CHARGES for 1863-64, compared with 1871-72—*continued.*

	Increase. £.	£.
Brought forward - - -	321,318	1,125,096
Charges for British Army in India—*continued.*		
Additional cost of Hill Sanitaria for British troops - -	25,000	
The Recruit and Convalescent Depôt, Deolalee - -	6,500	
Increased charges for musketry inspection, garrison instruction, gymnasia, army telegraphy, and soldiers' institutes.	13,000	
Increased charges for education - - - - -	8,000	
Increased charges for barrack conservancy and supplies -	60,000	
Improved scale of medical comforts - - - -	10,000	
	443,818	443,818
CHARGES FOR THE NATIVE ARMY:		
Good conduct pay at earlier periods - - - -	57,000	
Increased pay to Native commissioned officers, infantry and artillery.	35,000	
Appointment of 2nd doing-duty-officers to Native corps -	28,000	
Reorganization of Madras Native army, and Bengal sappers and miers.	30,000	
Cantonment batta to Native troops on furlough - -	15,000	
Increased hutting money - - - - - - -	4,000	
Increased mess allowance to Native corps and battalions, Royal Artillery.	9,000	
Increased pay to Meywar Bheel corps - - - -	2,000	
,, Deolee and Erinpoorah force - - -	3,600	
Equipment of Huzara and Peshawur military train battalion.	750	
Command allowance of 180 *l.* for Native batteries - -	1,260	
Increased pay to dooly bearers with Punjab regiments -	2,800	
Revision of the Bombay corps of sappers and miners -	1,000	
Extra batta to Native troops on north-east frontier - -	8,000	
Formation of troop of cavalry at Aden - - - -	7,000	
Charges for education, travelling expenses, &c. - -	10,000	
Compensation for dearness of provisions - - -	114,000	
	328,410	328,410
GENERAL CHARGES.		
Additional cost of transport - - - - - -	235,000	
Charges of Looshai expedition - - - - -	133,317	
,, Camp of exercise - - - - - -	19,336	
Increased pay to medical officers and veterinary surgeons -	23,500	
Increased charge for administrative medical staff - -	11,000	
Charges for veterniary inspection - - - - -	6,200	
Revision of subordinate Medical Department - - -	15,000	
Increased pay to army warrant officers - - - -	15,000	
Abolition of half batta rates of pay - - - -	53,700	
Transfer of Lawrence Asylum to military charges - -	15,000	
,, Derajat frontier militia - - - -	14,000	
,, Examiners military and medical funds - -	6,500	
,, Viceroy's and governor's bands - - -	2,600	
Official postage - - - - - - - - -	45,000	
Volunteers - - - - - - - - - -	3,000	
Martial law - - - - - - - - - -	9,000	
		607,153
GRAND TOTAL - - - £.		2,504,477

Besides various increases, resulting from the general rise of prices throughout the country, or from temporary causes, or through the effect of the staff corps system of promotion, which cannot be precisely stated.

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6996. Now have you, in accordance with the wish expressed to you by the Committee, worked out the details of the more material items, showing the exact increase and decrease in a figured statement?—Yes; and I have endeavoured to meet the wishes of the Committee as far as possible. To have fixed a precise value to every measure affecting military expenditure, from the time of the Mutiny to the present time, and to throw the whole into the form of a balance-sheet, would be a work of extreme difficulty; in fact, it would be next to impossible. But I may mention that immediately on receiving the request of the Committee for these further details, I telegraphed to India for the detailed accounts of 1862-63 and 1863-64. Those detailed accounts existed in manuscript only. It was thought unadvisable to forward them, unless the Committee required them through the Secretary of State for India. We were therefore thrown upon such data as were available in the India Office. Colonel Johnson and I have been at considerable pains in preparing the statements which have been circulated amongst the members of the Committee. What we have endeavoured to show, is the average annual increase consequent upon the measures of re-organization and revision detailed in those statements; and to express the difference, in those particular items, between the charges of 1871-72 and the charges of 1862-63 and 1863-64. The statements are not so complete as could be desired, but we have done the best that we could with the materials at our disposal.

6997. Do you think that they are sufficiently complete to give a fair view of the course of increase and decrease, though they may not amount to arithmetical precision sufficient to make up a formal balance-sheet?—Yes; and they give the details as regards the principal grants, that is, the cost of the army, garrison, and administrative staff—grants always likely to be challenged—the pay and provisioning of the army, the medical services, &c.

6998. Will you kindly bring these various statements that you have prepared, distinctly under the notice of the Committee, to explain exactly what each of them represents?—The first series of statements have been marked A. A 1 is "A comparison of the expenditure in England and in India on account of the army in India, for the years 1862-63, 1863-64, and 1871-72, with the increase and decrease in 1871-72 compared with the expenditure in 1863-64."

6999. Does that result in the net increase which you have stated to the Committee?—Yes. In the statement which I have just made, I have endeavoured in a general way to account for that increase in 1871-72, compared with 1863-64, when the reduction of force pointed to a decrease of 1,853,000 *l.*

7000. Perhaps you might give a general total of the increase and decrease, showing the net increase?—The total increase is 1,881,436 *l.*, and the decrease 963,444 *l.*, giving a net increase of 917,992 *l.* over the total expenditure of 1863-64.

7001. Is it more correct to say that the total increase on some items of the account, and the decrease on other items, gives so much?—Yes. Statement A 2, exhibits the changes involving increase and decrease under Grants I., II., III., and IX.; those are the principal grants under which detailed information was requested.

7002. That is given for every year?—Yes; that is, the year denotes the period when these increases or decreases were initiated; but the amount expresses the average effect of each measure upon the annual charges of the army.

7003. Not the mere casual increase arising from the measure coming into force at any period of the year, but what may be called the permanent annual charge resulting from the operation?—Yes; the permanent constant annual charge. We have taken the period of 1871-72 compared with the two years when the expenditure was so low, that is, 1862-63 and 1863-64.

7004. Then it applies to Grants I., II., III., and IX.?—Yes; those are the grants where there is a large amount of the personal charges which were challenged. The statement that I have just given, gives you the general results.

7005. Mr. *Fawcett.*] Do these Tables bring out with sufficient clearness what India gets in return for this large increase of charge?—Yes; I think the statement which I have just given shows how the expenditure has increased, mainly, through the measures adopted for improving the efficiency of the British and Indian forces, and of the military administration generally.

7006. I mean on the face of your Table, do you think it shows or does it state what is the justification of those increased home charges?—No, I do not understand that I am required by the Committee to justify every increment, whether of Home or Indian military charges.

7007. *Chairman.*] Then have you a further explanatory statement showing the details under the several grants?—Yes, there are several such statements; A 3 is "Grant I. Army and Garrison Staff Comparison of Charges for 1862-63 and 1871-72." The next is A 4, "Comparison of Charges for Officers and Office Establishments, Bengal, in 1862-63 and 1872-73 respectively." The next is a similar comparison for Madras, that is A 5; A 6 is a similar comparison for Bombay. A 7 compares the Charges for all three Presidencies, giving the sum of the three. The object here was to show the actual increase or decrease for the officers, as distinguished from the ministerial establishments; and I think it will be observed that in every case the cost of officers has decreased, whilst the office or ministerial establishments have greatly increased. A 8 compares the average salaries of the staff of the Army in 1856-57, and in 1872-73, to show how the increase has occurred, not only in the staff salaries, but also in the military pay.

7008. This enables us to compare the old organisation with the new?—Yes. Statement A 9 gives "Grant II. Administrative Staff; Comparison of Charges for 1862-63 and 1871-72."

7009. What is the next account which you have prepared?—A 10. It gives you, in a little more detail, the charges for each of the Presidencies. "Army Charges: Grant II. Administrative Staff; Comparison of Charges in all three Presidencies in the years 1862-63 and 1872-73 respectively."

7010. That sets out the details somewhat the same for each presidency?—Yes; then the next statement is A 11, "Grant III. Regimental Pay and Allowances. Expenditure of 1862-63 compared with that of 1871-72." That gives you the cost of each arm of the service, with the average effective strength at both periods.

7011. Is that both for Natives and Europeans?—Yes, both for Natives and Europeans.

7012. What is the next Table?—A 12 gives a similar

a similar comparison : "Grant III. Regimental Pay and Allowances. Expenditure of 1863–64 compared with that of 1871–72."

7013. What is the next Table?—The next will be A 13, "Medical Service. Expenditure of 1863-64 compared with that of 1871-72."—(*The Statements were handed in,* vide *Appendix.*)

7014. Then have you prepared any further statement with reference to the Staff Corps, as wished by us?—Yes; these are returns of the Staff Corps and the local services of the Army. The first return is a "Disposition Return of Officers of the Indian Staff Corps and of the Local Services in the three Presidencies on the 1st April 1862;" that is B 1. B 2 is the "Disposition Return of Officers of the Local Service and General List, Indian Army, on 1st April 1873." B 3 is the "Disposition Return of Officers of the Indian Staff Corps in the three Presidencies, on 1st April 1873." B 4 is a "Statement of the Number and Cost of the Officers of the Indian Staff Corps, of those on the General Lists of Cavalry and Infantry, and on the Cadres of old Regiments, in the years 1857, 1862, and 1873 respectively." Then B 5 is a statement of the "Average Effective Strength of the European and Native Army in India, compared with the Established Strength in the years from 1862–63 to 1871–72." This is an abstract of the voluminous returns that I have put in; the Committee requested that I should make an abstract of them, and this is the abstract prepared in accordance with the request of the Committee. The next Statement, B 6, gives the Effective Strength of the Army in India, European and Native, on the 1st of May in each year, from 1862 up to the year 1872.

7015. Then this exhibits, as far as convenient in a short tabular form, a view of the condition of the whole European and Native forces in India during the last 10 years?—Yes. (*The Statements were handed in,* vide *Appendix.*)

7016. As you have already given an explanation of the Grants numbered I. to VI., will you be good enough now to give an explanation of what has taken place with reference to the expenditure, under Grant VII., for Barrack Establishments, Supplies, and Services?—This grant covers all expenses connected with the Staff and Establishments for the supervision of barrack-buildings, the cost of furniture, and other barrack supplies, and all charges connected with lighting, cooling, and conservancy. The strength of the executive establishments, exclusive of barrack serjeants, as they stood in 1861 and 1862, and now, is detailed in the following Table:—

Grades.	1861–62.	1871–72.
Bengal:		
Barrack Masters, 1st Class	20	18
Ditto 2nd "	14	14
Madras:		
Barrack Master	1	–
Barrack Masters, 1st Class	–	4
Ditto 2nd "	–	1
Bombay:		
Senior Barrack Masters	–	2
Barrack Masters, 1st Class	6	4
Ditto 2nd "	6	3
Ditto 3rd "	–	7
Total	47	53

The aggregate expenditure under this grant exhibits a material increase. Omitting 1861–62, a year of extensive changes in the organization of the army in India, the charges rose from 214,657 *l.* in 1862–63 to 285,922 *l.* in 1863–64, and on to 356,459 *l.* in 1864–65; and to 379,590 *l.* in 1868–69, when they attained their maximum. The total barrack charges in 1871–72 amounted to 336,349 *l.*, having been 285,922 *l.* in 1863–64. A portion of the increase is due to changes in the classification of barrack expenditure, which previously to 1864-65 were included in the Commissariat Grant. But there has also been a largely increased outlay, in all three Presidencies, for extensive renewal and repair of barrack furniture, owing partly to the abstention from replenishment of stock in 1862-63-64, partly to the necessity of adapting the fittings and furniture to the improved construction of barracks, partly to the provision of trestle cots, and a more liberal scale of bedding, and other barrack comforts; the cost in all these cases being enhanced by the general rise in the prices for labour and materials throughout the country. Then there has been an increased charge for the better conservancy of barracks, and for stores and apparatus for military gymnasia. The following figured Tables illustrate the variations in the several items of barrack expenditure from 1864-65, the defective compilation of prior years rendering it exceedingly difficult to extend the review further back:—

Executive Establishments.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1864–65	22,437	3,945	6,891	33,273
1865–66	20,394	4,107	7,130	31,631
1866–67 (11 months)	21,684	3,880	6,816	32,380
1867–68	24,285	5,998	7,970	38,253
1868–69	26,075	6,385	8,152	40,612
1869–70	25,758	6,761	8,165	40,684
1870–71	25,714	4,848	7,754	38,316
1871–72	24,359	5,119	7,423	36,900

It will be seen that the charges on account of the executive establishments attained the maximum in 1869-70; those for the preceding year, 1868-69, being almost as high. In 1865-66, the Bengal establishment was reduced by two 2nd class barrack masters, and the number of barrack serjeants has been since diminished by 10; towards the end of 1866-67, the Barrack Department of the Madras Presidency was reorganized and placed on the footing of the other Presidencies, causing the addition of three barrack masters of the first, and one of the second class, and an annual charge of 1,700 *l.*; but this extra charge was partly counterbalanced in 1870-71 by the retirement of the senior barrack master (a colonel of artillery), and the succession of a junior officer. The Bombay establishment was augmented at the close of 1867-68 by one third class barrack master and two barrack serjeants, in connection with the Overland Transport Service. On the whole, bearing in mind that half batta rates of pay have been abolished, that a larger number of commissioned officers of high rank are now in the department, that the pay of

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warrant and non-commissioned officers has been increased, and postal charges added to the burdens of every department of the military service, the present cost of executive barrack establishments contrast very fairly with that of earlier years.

7017. Mr. *Fawcett.*] It is obvious that before conclusion can be accepted, it is necessary very minutely to inquire into it, because we want to know why all these things have been increased?—It is one particular item, only the cost of the officers, that I now refer to.

7018. If you say that this contrasts very favourably with what has gone before, it means that the money has been well spent. We are not merely an Accounts Committee, but we are a Committee for inquiring into financial policy. You do not state any reason there; you say that several charges have been increased, and therefore the expenditure contrasts very favourably with that of 1862–63, but before you can prove that, you must justify every one of those increases?—I mean that it is favourable by comparison. I mentioned at the beginning of my examination to-day that the expenditure of the present day could not be subjected to a more severe test than by comparison with the expenditure of the years 1862–63 and 1863–64, because those were years of great economy. I say that in this particular item, viz., the cost of the officers of the Barrack Department, the expenditure of the present day contrasts very favourably, because it is only 3,000 *l.* more than the expenditure of those economical years; if you accept that as a fair standard, and consider the great improvements in barrack arrangements during the interval, the Government of India are not spending, in this particular item, more than they did then.

7019. *Chairman.*] Will you proceed with your statement on Grant VII.?—I will give an abstract of the subordinate establishments (including lighting, cooling, and conservancy):—

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1864–65 - -	44,036	13,726	13,158	70,920
1865–66 - -	50,530	16,745	15,839	83,114
1866–67 - - (11 months)	52,177	15,743	18,722	86,642
1867–68 - -	55,926	17,713	21,967	95,606
1868–69 - -	60,888	18,126	21,825	100,839
1869–70 - -	66,894	18,939	23,355	109,188
1870–71 - -	62,370	19,057	21,066	102,493
1871–72 - -	63,309	19,247	15,322	97,888

This abstract of the annual cost of subordinate establishments, including the regular barrack, conservancy, punkah-pulling, tattie-watering, and lighting agencies shows an increase of nearly 50 per cent. Charges which were at 70,000 *l.* in 1864–65, have risen to an average of more than 100,000 *l.* in recent years, the cost of the establishments for pulling punkahs and watering tatties exhibiting an advance of nearly 30,000 *l.* since 1864-65. It may be here explained that prior to the year 1870–71 the practice in the Madras Presidency was to allot a fixed sum annually to officers commanding regiments and batteries to provide for punkah-pulling establishments; but since 1870–71 the State has paid the actual cost of such establishments, as in the other presidencies. The increase in conservancy establishments is due to the entertainment of additional men and higher rates of wages, particularly for troops located at hill stations. The remarkable increase in the cost of pulling punkahs and watering tatties has attracted the attention of Government; measures of reduction have been adopted, and others are under consideration. The cost of establishments for lighting barracks has been considerably reduced by the employment of soldiers in cleaning and lighting the lamps.

Purchase and Repair of Barrack Furniture.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1864–65 - -	78,685	5,651	10,584	94,920
1865–66 - -	65,193	9,731	9,885	84,809
1866–67 - - (11 months)	48,141	9,947	19,912	78,000
1867–68 - -	57,141	6,313	27,999	91,453
1868–69 - -	59,109	6,845	27,189	93,143
1869–70 - -	39,854	5,820	29,469	75,143
1870–71 - -	31,384	4,538	23,686	59,608
1871–72 - -	42,737	5,466	18,898	67,101

In this comparison Madras stands prominent for economy, although it has a larger army to provide for than Bombay. The charges under this head are not susceptible of efficient check or control by the Military Accountant Department. All supplies of new and repairs of old furniture, though paid for by the Military Department, are effected through the agency of the Public Works Department, and the annual requirements have been determined at army head-quarters. The supply of furniture adapted for the modern description of barracks, the provision of new trestle cots, of requirements for soldiers' libraries, reading and recreation rooms, have likewise been creative of additional expense. The unit annual charge per soldier for barrack furniture in each of the three Presidencies is set forth in the following Tables:

	Bengal.	Madras.	Bombay.
	£.	£.	£.
Total expenditure for seven years from 1864–65 to 1870–71, inclusive.	379,509	48,844	148,725
Effective strength of troops for the same period.	252,622	82,521	79,216
Average cost per man per annum £.	1·5	0·5	1·8

Purchase of Bedding and Compensation in lieu thereof.

Years.	Bengal.	Madras,	Bombay.	Total.
	£.	£.	£.	£.
1864–65 - -	55,848	23,817	16,153	95,818
1865–66 - -	43,921	16,281	10,867	71,069
1866–67 - - (11 months)	30,944	2,703	17,414	51,061
1867–68 - -	33,281	6,054	11,742	51,077
1868–69 - -	28,243	4,640	29,427	62,310
1869–70 - -	28,015	3,289	15,871	47,175
1870–71 - -	30,040	6,701	9,517	46,258
1871–72 - -	35,361	6,053	10,190	51,604

These charges vary according to fluctuations in prices, the strength of troops, and the extent and periods of reliefs. Owing to the high price of cotton in 1864–65, the expenditure was at its maximum in that year; since then it has gradually subsided. The rise in 1867–68 in Bengal and Madras is due to the grant of compensation in lieu of bedding to men re-engaging under the new Enlistment Act of 1867; the extra expenditure on this account in Bombay

Bombay was included in the charges of the subsequent year (1868–69), which were further increased by the rise in prices, by extensive purchases of bedding from the surplus stock returned from Abyssinia, and by the grant of additional compensation consequent on a change in the date of issue of bedding to the troops. The causes which have operated in recent years to reduce the charges for bedding and compensation are: the importation since the year 1865-66 of blankets and sheeting from England for the troops in the Bengal and Madras Presidencies, the cost thereof being included in the Home accounts; reduced strength of troops; reduced prices, and the discontinuance in 1868–69, of compensation for bedding to soldiers re-engaging under the Enlistment Act of 1867. The following calculation, which gives the average cost of a soldier's bedding in each Presidency, taken over a period of seven years, exhibits an average charge per head of 0·9 *l.* in Bengal, 0·7 *l.* in Madras, and 1·4 *l.* in Bombay. A revised and uniform scale of bedding for the three Presidencies has recently been sanctioned, with the expectation of an annual saving of 19,000 *l.*

——	Bengal.	Madras.	Bombay.
	£.	£.	£.
Total expenditure for the seven years from 1864–65 to 1870–71, inclusive.	250,293	63,484	110,993
Effective strength of troops for the same period.	252,622	82,521	79,216
Average cost per man per annum £.	0·9	0·7	1·4

Supplies for Lighting and Cleaning Barracks and Hospitals.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1864–65 - -	12,052	10,570	6,746	29,368
1865–66 - -	16,568	10,936	9,329	36,833
1866–67 - - (11 months)	12,446	11,271	10,500	34,217
1867–68 - -	18,579	10,184	13,039	41,802
1868–69 - -	19,368	8,288	11,847	39,503
1869–70 - -	16,290	8,982	11,280	36,552
1870–71 - -	14,980	8,912	10,837	34,729
1871–72 - -	16,649	8,671	11,655	36,975

The cost of these supplies necessarily varies with the market prices of the day. The enhancement of cost in Bengal and Bombay since 1864–65 is equivalent to 41·0 and 74·0 per cent. respectively, while in Madras, the expenditure for 1871–72 evinces a decrease equal to 18·0 per cent., experienced for the most part since 1867–68, consequent upon a fall in the price of oil. Considerable improvements have been made in the mode of lighting the barracks; kerosene is much used, the extra cost of the oil and lamps forming items of increased expenditure.

——	Bengal.	Madras.	Bombay.
	£.	£.	£.
Total expenditure for the seven years from 1864–65 to 1870–71, inclusive.	110,284	69,144	73,580
Effective strength of troops for the same period.	252,622	82,521	79,216
Average cost per man per annum £.	0·4	0·8	0·9

It will be necessary to keep in view, in considering the average unit cost of light as it obtained at each of the three Presidencies from 1864–65 to 1870–71, the formation of reading, recreation, and billiard rooms for the use of the British soldier. The figures given above show that the charge per man for lighting in Madras and Bombay greatly exceeds the corresponding charge in Bengal.

Miscellaneous.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1864–65 - -	21,133	1,663	9,361	32,157
1865–66 - -	20,240	3,103	2,760	26,103
1866–67 - - (11 months)	27,821	3,198	3,720	34,739
1867–68 - -	32,913	4,066	5,132	42,111
1868–69 - -	31,325	7,458	4,399	43,182
1869–70 - -	31,723	8,115	4,909	44,747
1870–71 - -	35,311	6,748	3,865	45,924
1871–72 - -	35,592	6,524	3,765	45,881

From this statement it will be observed that with the exception of 1866–67 (a year of 11 months only), the aggregate expenditure has steadily increased, having risen from 32,157 *l.* in 1864–65 to 45,881 *l.* in 1871–72. The sanction of additional establishments for the supply of water to troops at certain stations in Bengal, and the issue of water filters for the use of barracks at all stations occupied by British troops have materially added to the miscellaneous charges.

——	Bengal.	Madras.	Bombay.
	£.	£.	£.
Total Miscellaneous expenditure for the seven years from 1864–65 to 1870–71 inclusive.	200,467	34,353	34,146
Effective strength of troops for the same period.	252,622	82,521	79,216
Average cost per man per annum £.	0·7	0·4	0·4

The following calculation exhibits the average annual cost per soldier under the head of barrack expenditure. On a review of the charges of the Barrack Department from 1864–65 to 1870–71, that is for seven years, it appears that the average cost per soldier is against Bengal and Bombay, and in favour of Madras. Nor is the difference in the cost trifling, being as 4·5 in Madras to 7·0 in Bombay, and 5·9 in Bengal, a difference not accountable on any theory of prices.

——	Bengal.	Madras.	Bombay.
	£.	£.	£.
Total Barrack expenditure for the seven years from 1864–65 to 1870–71, inclusive.	1,499,722	371,799	556,255
Effective strength of troops for the same period.	252,622	82,521	79,216
Average cost per man per annum £.	5·9	4·5	7·0

It seems more natural to look for the explanation in the vigilance or otherwise of the local administration. The Barrack Department in Bengal has been lately transferred in part to the

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Public Works Department, and further changes are contemplated which it may be hoped will conduce to the more efficient and economical working of the department, especially as regards the item of barrack supplies and subordinate establishments which imperatively call for careful supervision and rigid check.

7020. Now will you be good enough to give the Committee an explanation of the change which has taken place in regard to Grant VIII., for the Administration of Martial Law?—The expenditure under this grant includes the pay and allowances of officers of the Department for the Administration of Martial Law, and of their office establishments, together with the charges for Courts Martial and Military Prisons. A comparison between the appointments connected with the Administration of Martial Law in India, as they existed in 1861–62, and as they now stand, will be found in the following Table:—

Grades.	1861–62.	1871–72.
Bengal.		
Judge Advocate General - - -	1	1
Deputy Judge Advocates General - -	9	1
Deputy Judge Advocates - - -	- -	8
Madras.		
Judge Advocate General - - -	1	—
Deputy Judge Advocates General - -	8	1
Deputy Judge Advocates - - -	- -	6
Bombay.		
Judge Advocate General - - -	1	—
Deputy Judge Advocates General - -	4	1
Deputy Judge Advocates - - -	- -	3
Total - - -	24	22

During the years 1861–62 and 1862–63, the expenditure was compiled in a way that precludes comparison with the charges of subsequent years. But from 1863–64 to 1867–68, a gradual increase is perceptible, the charges between those periods having risen from 36,451 *l.* to 44,042 *l.*, due mainly to the promotion to higher ranks of the departmental officers. During the subsequent years, the expenditure was about the same as that of 1867–68, the increase consequent on the reorganisation of the department being met by a larger proportion of absentees on furlough under the new rules, and by reduction in the number of appointments. Whilst the aggregate disbursements in subsequent years varied very little, there is noticeable an increase in Bengal, and a decrease in Madras and Bombay. The increase was chiefly due to the reorganisation of the department under a barrister-at-law, as Judge Advocate General in India, on a salary of 5,000 *l.* a year. This necessitated an alteration in the designations of the then Judge Advocates General and deputy Judge Advocate General in the three Presidencies, to Deputy Judge Advocates General and Deputy Judge Advocates respectively. Further, the appointment of Deputy Judge Advocate General at Army head-quarters, Bengal was abolished prospectively. The other changes in the department were the abolition of one Deputy Judge Advocate General in Madras, consequent on the amalgamation of the command of the Northern with that of the Ceded Districts, and one in each of the Bombay and Madras Presidencies on the reduction of the divisional staff in 1870–71. Further important reductions in the staff of this department have been proposed, and these reductions have been carried out since. There is no longer a barrister at the head of the department; that appointment has been abolished, and the old arrangement reverted to. That will reduce the expenditure.

7021. Now will you be good enough to give an explanation of the change that has taken place with regard to Grant IX, for Medical Establishments, Supplies, and Services?—The charges under this grant comprise the pay and allowances of the supervising medical staff of the British and Indian establishments of medical officers on general duty in the country, of establishments attached to store depôts, and garrison and station hospitals, and the cost of medical supplies purchased in India. The classification of the accounts in 1862–63–64 precludes comparison with the accounts of subsequent years. Since the year 1863–64, the pay and allowances of regimental medical officers have been excluded from this grant, and compiled under Grant III. This accounts for the large apparent decrease, compared with the expenditure of previous years. The expenditure in Bengal exhibits, generally, a decrease, whilst that in Madras and Bombay presents a gradual increase, from 78,735 *l.* and 71,823 *l.* respectively in 1863–64, to 114,909 *l.* and 100,980 *l.* in 1871–72, excluding the expenditure transferred to Grant III. There has been considerable increase in the medical expenditure of the country, chiefly in the *personnel* items, since 1864–65. The causes of this enhancement are: higher rates of staff salary and pay to medical commissioned and warrant officers, and medical subordinates, accelerated promotion after fixed periods of service, reorganisation of the administrative staff (by which the number of medical officers in the country was greatly increased), increased pay to veterinary surgeons, the establishment of lock hospitals, more liberal pay to office establishments, the addition of postal charges, and other items of expenditure incidental to a new and rapidly improving system of sanitation. As a slight set-off against these sources of increase, may be mentioned the transfer of the cost of general hospitals to the civil department, the reduction of certain staff appointments, and the abolition of some of the medical store depôts. The rise in 1864–65, in all the Presidencies, is due to the revised and enhanced rates of pay sanctioned in that year to all medical officers. In that year also, the cost of hospital supplies obtained through the Commissariat was transferred to the grant for medical services. The expenditure in subsequent years will now be noticed under the principal headings. The cost of the supervising staff of the Indian Medical Establishment was as follows:

Supervising Staff, Indian Medical Establishment.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865–66 - -	8,053	5,310	5,244	18,607
1866–67 - - (11 months).	7,564	5,117	5,188	17,869
1867–68 - -	8,851	4,441	5,624	18,916
1868–69 - -	9,813	5,664	5,491	20,968
1869–70 - -	8,658	5,492	5,450	19,600
1870–71 - -	7,979	5,464	5,338	18,781
1871–72 - -	6,972	4,763	5,472	17,207

No

No changes occurred under this heading in 1865-66, as compared with the preceding year. The year 1866-67 included charges for 11 months only. The expenditure for Medical Services attained its maximum in 1868-69, in consequence of the re-organization of the administrative staff, whereby the salaries of the secretaries and statistical officers were improved; owing also to the inclusion of postal charges, and to an augmentation in the office establishment of the Inspector General of the Medical Department in Bengal. Since 1868-69, a decline in the charges is observable chiefly in Bengal, owing to the transfer of the statistical officer, and a portion of the office establishment, to the office of the Sanitary Commissioner with the Government of India. The slight variations in Madras and Bombay were due to ordinary and, for the most part, unavoidable fluctuations.

Districts (Indian Medical Departments).

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865-66 - -	91,164	50,834	33,817	175,815
1866-67 - - (11 months).	71,546	45,050	28,676	145,272
1867-68 - -	71,785	46,883	29,545	148,213
1868-69 - -	66,561	43,434	44,725	154,720
1869-70 - -	57,755	43,202	27,867	128,824
1870-71 - -	61,279	46,450	28,281	136,010
1871-72 - -	53,201	44,126	27,152	124,479

The expenditure under this head varies with the number of medical officers on general duty in India, the variations being more marked in Bengal and Bombay than in the Madras Presidency. The reduction in the charges under this head after 1867-68, was partly the result of the reorganisation of the administrative staff, by which the staff of the Indian Service was reduced, and that of the British Medical Service in India largely increased, in order to place the control of all the British Army Hospitals under charge of British medical officers.

Medical Store Depôts.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865-66 - -	10,279	3,463	8,186	21,928
1866-67 - - (11 months)	10,132	2,955	7,329	20,416
1867-68 - -	12,156	3,674	8,011	23,841
1868-69 - -	13,322	4,570	9,534	27,426
1869-70 - -	12,504	5,340	9,342	27,186
1870-71 - -	9,810	5,215	8,634	23,659
1871-72 - -	9,302	5,567	9,634	24,503

The charges of the Medical Store Depôts exhibit an increase in the case of the Madras and Bombay Presidencies, as compared with those of the year 1865-66, whilst in Bengal there is a decrease. It may be explained that the charge of a depôt in Bengal and Bombay is a substantive appointment; whilst in Madras (with the exception of the Medical Store Depôt at the Presidency) the charge of the depôt forms an adjunct, on reduced allowances, of some other substantive charge. The enhanced rates of pay admitted to medical officers and departmental subordinates have contributed to raise the expenditure in all three Presidencies. The decrease in Bengal in 1870-71, and 1871-72, was due to the abolition of the depôts at Saugor and Umballa. With these reductions, there still remain three depôts in the Bengal Presidency, one for the stations in the Lower Provinces, one for those in the North West, and one for the stations in the Punjaub. The saving by these reductions has been partly counteracted by the higher rank of officers, consequent upon the system of promotion by length of service for both commissioned and warrant grades. In the Madras Presidency, there has been a gradual increase, owing to the promotion of the medical and warrant officers, and to the grant of improved staff allowances sanctioned in General Order, Governor General, No. 370, of 1867. But the extension of railways has admitted of reductions in the number of medical depôts in this Presidency also. The depôts at Bangalore, Bellary, and Trichinopoly, were abolished during the past year, and those at Vizagapatam and Cannanore have recently been closed, thereby ensuring further reduction. As regards Bombay, the Medical Depôt at Ahmedabad was abolished in 1866-67; but there were increased charges by promotion, and by better pay to medical storekeepers and departmental subordinates.

Supervising Staff, British Medical Establishment.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865-66 - -	7,814	2,996	2,537	13,347
1866-67 - - (11 months)	13,852	2,718	1,919	18,489
1867-68 - -	8,741	7,254	4,070	20,065
1868-69 - -	8,392	5,479	4,893	18,764
1869-70 - -	9,716	5,608	5,111	20,435
1870-71 - -	10,571	5,451	5,273	21,295
1871-72 - -	9,596	5,311	5,361	20,268

The increase of charges, since 1865-66, was mainly caused by the appointment of an inspector general and a statistical officer, in lieu of the deputy inspector general who formerly presided over each of the British medical establishments in the Madras and Bombay Presidencies, by augmentation of the office establishment of the inspector general in Bengal, the appointment of an officer of higher rank as statistical officer, and the addition of official postage.

Districts (British Medical Department).

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865-66 - -	24,493	3,360	5,860	33,713
1866-67 - - (11 months)	18,951	2,168	2,413	23,532
1867-68 - -	35,985	12,459	9,820	58,264
1868-69 - -	37,354	18,699	12,485	68,538
1869-70 - -	34,730	17,349	14,784	66,863
1870-71 - -	38,687	15,562	13,527	67,776
1871-72 - -	42,514	18,369	15,302	76,185

The increased expenditure here observable was caused by the re-organization of the administrative staff, the financial effect of which measure will be seen in 1867-68, when the charges in Bengal rose from 18,951 *l.* to 35,985 *l.*; in Madras, from 2,168 *l.* to 12,459 *l.*; and in Bombay, from 2,413 *l.* to 9,820 *l.* There have been no further changes except the addition of official postage.

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postage. The fluctuations which mark the years subsequent to 1867–68 arose from variations in the rank and numbers of British medical officers on general duty in India.

General Hospitals.

Years.	Bengal	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865-66 - -	5,054	- -	864	5,918
1866-67 - - (11 months)	4,775	. -	1,819	6,594
1867-68 - -	2,591	- -	2,351	4,942
1868-69 - -	4.495	- -	2,379	6,874
1869-70 - -	7,261	- -	2,748	10,009
1870-71 - -	236	- -	3,269	3,505
1871-72 - -	- -	- -	2,703	2,703

In 1865-66 the General Hospital at Allahabad was abolished, as was the Depôt Hospital at Kidderpore in 1867-68. The increase in 1869-70, over the disbursements of the previous year, was due to the transfer of a charge from the Civil Department equal to 2,500 *l.*, being in the nature of remuneration paid to Drs. Brougham and Best; to better rates of pay allowed to medical warrant officers; and to the inclusion of the allowances of Drs. Lewis and Cunningham, who were employed on cholera investigations. The Military Department has been relieved of the cost of the Calcutta General Hospital, by its transfer to the accounts of the Civil Department. There was error in the Bombay compilations for 1865-66. The year 1866-67 included but 11 months' expenditure. The subsequent increase in that Presidency, from 2,351 *l.* in 1867-68 to 2,703 *l.* in 1871-72, was caused by higher rates of pay to medical subordinates.

Station Hospitals.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865-66 - -	22,606	1,772	1,089	25,467
1866-67 - - (11 months)	1,998	1,683	719	4,400
1867-68 - -	2,231	7,890	856	10,977
1868-69 - -	1,905	8,501	916	11,322
1869-70 - -	1,685	5,793	696	8,174
1870-71 - -	1,523	6,161	867	8,551
1871-72 - -	1,346	6,189	821	8,356

Charges connected with station hospitals whose establishments are constantly modified to meet the requirements of the time are necessarily of a fluctuating character. In 1865-66, the pay of doolee bearers attached to regimental hospitals, and that of medical subordinates attached to Convalescent and Miscellaneous Depôts, were compiled in Bengal under this head, but have since been charged against Grants III. and I. respectively. A gradual and material decrease is observable in Bengal, principally due to reductions in establishments. In Madras, a system of station hospitals obtains; there are no regimental hospitals, consequently the pay of all medical subordinates, compiled in other Presidencies under Grant III., is compiled in Madras under this grant. The low rate of expenditure exhibited in the two first years is the result of erroneous compilation. The actuals of the present year evince a considerable saving, as compared with 1867–68. The disbursements in Bombay were comparatively moderate, and do not call for special mark.

Miscellaneous.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865-66 - -	856	- -	1,454	2,310
1866-67 - - (11 months)	1,360	32	1,636	3,028
1867-68 - -	2,387	53	1,368	3,808
1868-69 - -	4,400	242	2,067	6,709
1869-70 - -	4,884	599	3,651	9,134
1870-71 - -	5,872	684	4,357	10,913
1871-72 - -	5,942	3,910	3,805	13,657

The Miscellaneous expenditure is also of an uncertain and fluctuating character. It will be observed that of late years the increase has been excessive; lock hospitals, analysis of potable waters, cholera camps, and allowances to increased numbers of students at the medical college, having helped to swell the expenditure; a glance at the above varying actuals will demonstrate how little the expenditure of one year can be accepted as a guide to estimate the next.

Medical Supplies.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865-66 -	81,122	34,566	30,738	146,426
1866-67 - (11 months)	71,757	36,659	45,044	153,460
1867-68 -	76,413	30,921	45,084	152,418
1868-69 -	72,757	30,729	47,159	150,645
1869-70 -	88,787	35,774	42,539	167,100
1870-71 -	80,503	28,640	38,316	147,459
1871-72 -	76,638	26,674	30,730	134,042

The charges for supplies, including the cost of medicines and stores purchased in India, diet for patients, medical comforts, hospital clothing and bedding, &c., exhibit no remarkable variations during the period under review. Although the number of British troops in the country has been reduced, it must be remembered that the scale of diet has been revised and improved, additional bedding has been sanctioned for British Army hospitals, and considerable expense incurred on lock hospitals and cholera camps. These items combined have served to counterbalance any saving in the quantity and cost of supplies. The mitigating or economic effects over all the series of years of the receipts derived from the sale of medical stores, hospital stoppages, &c., must not be lost sight of. Those receipts for the 10 years, from 1862–63 to 1871–72, amounted in round numbers to 390,000 *l.*, giving an annual average of 39,000 *l.*, which reduces the expenditure in 1871-72, for supplies, to about 12,000 *l.* On a review of Grant IX., including all its many and large heads of expenditure, it will be found that its aggregate charges represent a per-centage of 4·27 in 1861–62, and 3·60 in 1871–72, on the gross military disbursements for those years.

7022. Will you be good enough to explain what is the charge under Grant X., for Ordnance Establishments, Stores, and Camp Equipage?—This Grant is next, in point of magnitude, to that for commissariat services, and includes the entire expenditure in India connected with the ordnance administration, viz., the pay and allowances of commissioned, warrant, and non-commissioned officers, the wages of skilled European workmen, of native artificers and labourers, employed in the arsenals, magazines, ammunition depôts, and ordnance

ordnance manufactories throughout the country; also the cost of supplies purchased in India for the manufacture and repair of war *matériel* and camp equipage. The gross expenditure under this grant has increased from 356,873 *l.* in 1862–63, to 599,075 *l.* in 1871–72. The increase has occurred in the charges for ordnance *matériel*, the *personnel* charges being much the same as in 1862–63.

Personnel Charges.

	1862–63.	1871–72.
	£.	£.
Bengal - - - -	112,548	115,344
Madras - - - -	74,464	74,632
Bombay - - -	72,239	83,880
£.	259,251	273,856

An average of the charges *personnel* in the intervening years gives much the same result:—

	Average Annual Charges from 1861–62 to 1864–65.	Average Annual Charges from 1865–66 to 1871–72.
	£.	£.
Bengal - - - -	109,182	111,870
Madras - - - -	76,211	75,410
Bombay - - -	72,565	83,761
£.	257,958	271,041

The increase in the *personnel* charges is chiefly in the Bombay Presidences, owing to the employment of more commissioned officers (in place of warrant officers) as commissaries in charge of magazines, and the creation of a Snider ammunition factory at Kirkee, with skilled European workmen, and a considerable Native establishment. A similar result followed the establishment of the Snider ammunition factory at Dum-Dum, counteracting the saving by reduction of the arsenals and magazines in the Bengal Presidency. A statement of the European officers, engineers, and mechanics, employed in the Ordnance Department in 1861–62 and 1871–72 respectively, will be found in the Appendix of my printed report. The large reserves of ordnance *matériel* of all kinds remaining on the termination of the war of the Mutiny, obviated any considerable replenishment of stock in the years 1862-63 and 1863-64; the expenditure in those years cannot, therefore, be fairly compared with the expenditure in subsequent years. An examination of the outlay in the whole series of years, however, gives the following result:—

Matériel Charges.

	Average Annual Expenditure between 1861–62 and 1864–65.	Average Annual Expenditure between 1865–66 and 1871–72.
	£.	£.
Bengal - - - -	108,814	121,992
Madras - - - -	35,926	38,490
Bombay - - - -	24,996	64,027*
£.	169,736	224,509

*This average is exclusive of the year 1868–69, when the expenditure was abnormally augmented by the adjustments connected with the Abyssinian Expedition.

This Statement shows that the charges for ordnance *matériel* have increased by 12·1 per cent. in Bengal, by 7·13 per cent. in Madras, and by 156·14 per cent. in Bombay. An explanation of this remarkable increase is given further on, but some of the causes may be here mentioned in a general way, viz., modern improvements in army equipment and munitions of war; the arming of the British forces with the Snider, and of the Native army with the Enfield rifle; the extension of local manufacturing establishments, with improved and costly machinery; the increased cost of local supplies consequent upon the general rise in prices throughout the country. Then the expenditure of war *matériel* was increased in 1863-64 by the Sittana Expedition; in 1864-65-66, by the Bhootan campaign; in 1867-68-69, by the Abyssinian War. The expenditure fell in the next two years, but rose again in 1871–72, owing to increased activity in the several ordnance manufactories, and an exceptionally large outlay for local supplies to meet the demand for Snider and Enfield ammunition, for accoutrements, harness, and saddlery. The charges under the subheads of the Ordnance Grant will now be briefly reviewed.

Supervising Staff.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865–66 - -	10,255	9,942	4,553	24,750
1866–67 (11 months) -	8,512	9,162	6,672	24,356
1867–68 - -	10,572	9,337	6,863	26,772
1868–69 - -	11,051	10,049	7,959	29,059
1869–70 - -	11,238	7,702	7,736	26,676
1870–71 - -	10,898	6,400	7,867	25,165
1871–72 - -	10,287	8,897	7,019	26,203

It will be seen that the aggregate cost of the supervising staff gradually increased until 1868-69, when it attained its maximum. In the following years, there was a decrease, but the actuals of the year 1870–71 and 1871–72 are slightly in excess of those of 1865–66. The low rate of expenditure in Bengal in 1866–67 is due to the absence of the Deputy Inspector General on furlough, the discontinuance of the services of the warrant officer attached to the Deputy Inspector General's office on its amalgamation with that of the Inspector General, and a saving in contingent charges. The increase observable in subsequent years is attributable to the return of the Deputy Inspector General, the addition of official postage, increased travelling allowances on account of the Inspector General's tour, and the payment of office rent on the removal of his office into a private building. The decrease in the charges for 1870-71-72 was mainly due to the Inspector General having proceeded on furlough. In the Madras Presidency a considerable decrease is apparent in 1869–70 and 1870–71, as compared with previous years, due chiefly to the Inspector General having proceeded on furlough in the former year, and to the Deputy Inspector General having followed him in 1870-71. The return of the permanent Inspector General raised the charges in the following year. The gradual increase observable in Bombay is the result of promotion in the commissioned and warrant grades, the inclusion of official postage, and the removal of the Ordnance Office to a hired building at Poona.

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Arsenals, Magazines, and Depôts.

Years.	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1865–66 - -	63,002	43,390	50,198	156,590
1866–67 (11 months) - -	61,406	32,023	47,467	147,896
1867–68 - -	67,169	40,948	56,031	164,148
1868–69 - -	70,863	40,660	58,984	170,507
1869–70 - -	65,604	41,536	52,705	159,845
1870–71 - -	55,850	42,849	52,032	150,731
1871–72 - -	54,682	39,737	53,074	147,493

The *personnel* expenditure comprises the pay of all commissioned, warrant, and non-commissioned officers, and subordinate establishments attached to arsenals, magazines, and depôts, and necessarily fluctuates according to the number and rank of the officers present, and the establishment of artificers kept up. In Bengal the expenditure was on the increase to 1868–69, owing to the grant of higher pay to warrant and non-commissioned officers, the appointment of chief civil master armourers, an additional number of non-commissioned officers, and the addition of official postage. Since 1869, the charges have gradually decreased, consequent upon the measures of reduction adopted in the autumn of that year, whereby the magazines at Agra, Saugor, Mooltan, and Dera Ismail Khan were converted into ammunition depôts; the depôts at Delhi and Lucknow, and the siege-trains at Saugor and Mooltan were abolished, thus concentrating the duties of supply in three large and one small arsenal, and five ammunition depôts, in place of three arsenals, five magazines, and six depôts as before. In Madras, the depôt at Vizagapatam has been abolished, and slight reductions have been effected in the number of warrant and non-commissioned officers; but further reductions are practicable in the number of arsenals, magazines, and depôts. The same may be said of Bombay, where no reductions have as yet been carried out. It is a noteworthy fact that whilst the strength of the army in the Bengal Presidency is more than double that of the forces in Southern and Western India, the cost of the supplying agencies in Bombay is the same as in Bengal, and slightly more than the cost of the corresponding establishments in Madras.

	* Strength of Troops, European and Native.	Annual Cost of Ordnance Establishments.
		£.
Bengal - - - -	62,309	54,682
Madras - - - -	27,099	39,737
Bombay - - - -	22,695	53,074

* The strength is calculated by adding to the established complement of British troops half the complements of Native troops, but excluding native cavalry whose requirements from Ordnance establishments are comparatively few.

As the work of arsenals and magazines is for British and Native troops, it seems fair to assume that two Native soldiers are equivalent to one British soldier, for the purposes of this calculation; thus, whilst the cost of the ordnance establishment is 17*s.* 6*d.* per head (of troops) in the Bengal Presidency, it is 1*l.* 9*s.* in Madras, and nearly 2*l.* 7*s.* in Bombay.

Ordnance Manufacturing Establishments.

The Gun Foundry.—There is but one such factory in India; the charges have increased in the two last years, consequent upon the experimental manufacture of bronze rifled guns; the failure of these guns will necessitate a change in the machinery and plant, and probably also in the establishment; attached to the foundry, is a shell factory, where projectiles are now being manufactured on a limited scale for the 9-pounder muzzle-loading rifle gun. The future of this establishment must depend upon the description of guns and projectiles ultimately adopted for the British army. The *personnel* and *matériel* charges of this and the other ordnance factories in India turn upon the extent of the operations in each year, which are regulated according to the current requirements of the public service.

The Gunpowder Agencies.—There are at present three gunpowder factories, one in each Presidency; the recent addition of a third set of incorporating mills has considerably increased the working power of the factory in the Bengal Presidency, and although this has been attended with some increase of charges for labour and material, the rate and cost of production show a tendency to decrease. In the gunpowder agency at Madras, where the finishing apparatus in its complete form is wanting, the rate of production is more than in Bengal.

	Cost per Barrel of Gunpowder.
	£. s. d.
Bengal - - -	2 18 3
Madras - - -	3 2 6

The variations in the amount of charges in the several years in Madras, both *personnel* and *matériel*, are due to the rank of the commissioned, warrant, and non-commissioned grades, the number of workmen employed, and the extent of operations in each year. In the Bombay Presidency, the factory at Kirkee has only recently been completed, and operations have but just re-commenced after an interval of several years.

The Gun-carriage Agencies.—There are three gun-carriage factories, one in each presidency; the *personnel* charges have remained tolerably constant, making due allowance for promotion in the commissioned, warrant, and non-commissioned grades; the *matériel* charges have notably decreased in all three Presidencies, owing to the contraction of operations pending the final decision as to the new pattern of gun-carriages; the question of reducing the number of gun-carriage factories in India is at present under consideration.

The Small Arms Ammunition Factories.

Cartridge, bullet, and percussion cap factories have been maintained for many years past in all three Presidencies. The recent increase of expenditure, both *personnel* and *matériel*, is due to the organization and efficient equipment of establishments, in the Bengal and Bombay Presidencies, for the manufacture of Snider, Enfield, and other small arms ammunition. For the purposes of this

this manufacture, machinery of a special and costly description, with skilled European labour for working it, are necessary. Parts of the machinery are absolutely indispensable, however small or large the outturn required, and hence the economy of maintaining no more factories than will suffice for the requirements of the army. The small arms manufactory at Dum-Dum is capable of turning out 50,000 rounds of Snider ammunition daily, and a like quantity of Enfield ammunition, or a total of 100,000 rounds per diem, being about one-third of the quantity turned out at the Woolwich Factory. Reckoning upon 300 working days, the rate of production would be about 15 millions of Snider ammunition per annum. The annual expenditure for practice is about three millions, the regimental reserve (at 200 rounds per man) about six millions. Thus, the annual rate of production provides the ordinary requirements of the army and contributes six millions of rounds annually to the arsenal reserves, which at present amount to 20 millions of rounds of Snider ammunition (this includes the Snider ammunition lately sent from England). In like manner, the annual outturn of Enfield ammunition is sufficient to leave a reserve after providing for the requirements of the Native troops in the Bengal Presidency. The arsenal reserves already exceed 12 millions of rounds. The small arms ammunition factory at Kirkee is capable of turning out 35,000 rounds of balled and 7,000 rounds of blank cartridge per diem, a rate of production sufficient to leave an ample reserve after providing all the requirements of the British troops in the Madras and Bombay Presidencies. The grand arsenal at Bombay is capable of producing 14,000 rounds of Enfield ammunition daily. Under these circumstances, it was considered that the small arms ammunition factories at Dum-Dum and Kirkee would suffice for all three Presidencies, and the machinery intended for the factory at Madras was accordingly diverted to that at Dum-Dum. In suggesting the addition of the cartridge factory at Madras, it was intended that the bullet and cap factories should also be suppressed, but the bullet factory, with the laboratory and percussion cap factory for the manufacture of Enfield cartridges, is still retained at a cost of about 5,000 *l.* per annum. The further maintenance of this establishment is now under the consideration of the Government of India.

The Timber Agency.

The purchase of timber for the purposes of the Ordnance Department, formed part of the duty of the gun-carriage agency at Futtegurh and the arsenal in Fort William, until the appointment of a special timber agent in the Bengal Presidency with the pay and allowances of a third-class commissary of ordnance. Hence the increase of *personnel* charges in 1867-68. The decline in 1871-72 was caused by the absence of the timber agent on furlough, and the employment of fewer workmen consequent upon the diminished purchases of timber during the year. The *matériel* charges, in all three Presidencies, necessarily vary according to the value and quantity of the timber purchased, the purchases being dependent upon the ruling prices of the day, and the requirements of the Ordnance Department.

The Saddlery and Tannery Agency at Cawnpore was established in 1856-57 on a limited scale, the requirements of the force then maintained in the Bengal Presidency being, for the most part, obtained from England. With the subsequent increase of European troops, and the increasing capability of the agency to supply leather equipments, the local charges have gradually increased, but the army in India has been made comparatively independent of supplies from Europe. Excepting the year 1867-68, when the charges were abnormally increased by supplies for the Abyssinian Expedition, the cost of the *personnel* of this Agency was about 4,000 *l.* per annum up to the year 1868-69 inclusive. The subsequent expansion of the operations of the Agency, with a corresponding diminution in the indents for leather accoutrements on England, has had the effect of still further increasing the local charges in recent years.

Fire Engine Department (Bombay).

The slight increase in the cost of the Fire Engine Department in 1867-68 as compared with previous years, is due to the grant of increased rates of pay to the lascars, and the sanction of an engine establishment for the Poorundhur sanitarium. At the close of 1869-70, orders were issued for the introduction into the Bombay Presidency of the system, obtaining in Bengal and Madras, of entrusting the care and management of fire engines to regimental authorities, and the establishments in Bombay were accordingly discharged at the end of the year.

Camp Equipage Department.

Years.	Madras.	Bombay.	Total.
	£.	£.	£.
1865-66	4,892	4,492	9,384
1866-67 (11 months)	4,256	4,113	8,369
1867-68	6,248	4,550	10,798
1868-69	4,516	4,769	9,285
1869-70	4,537	4,877	9,414
1870-71	4,478	4,747	9,225
1871-72	4,979	4,790	9,769

In Bengal there are no separate establishments maintained in the Ordnance Department for the care of camp equipage, an establishment of lascars being attached to regiments for the purpose. The expenditure in the other presidencies exhibits but little variation, with the exception of the year 1867-68, in which the charges in Madras are high, contrasted with other years. This would appear to be the result of erroneous compilation, as there is nothing to warrant any increase in that year. The expenditure in 1871-72 exhibits an increase as compared with the charges in 1865-66, the result of the appointment of an additional warrant officer, and an increased Native establishment in Madras. In Bombay the increased expenditure is mainly due to the pay of the lascars having been increased.

Harbour Defences (Bombay).

The increase observable in the expenditure in 1867-68, as compared with previous years, is owing to the higher rank of the officer in charge, and increased pay to non-commissioned officers. In 1870-71 the permanent incumbent proceeded on furlough, and an officer of junior rank was appointed in his place, causing a decrease in that year. The separate appointment in connection with the harbour defences has been lately abolished.

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Charges of Matériel (including all Stores and Ordnance Supplies).

Years.	Bengal.	Madras.	Bombay.	Total Gross Charges.	Less Receipts.	Total Net Charges.
	£.	£.	£.	£.	£.	£.
1865-66 - - -	115,728	29,537	44,715	189,980	76,796	113,184
1866-67 (11 months) -	92,103	36,171	41,708	169,982	70,270	99,712
1867-68 - - -	138,786	38,952	110,452	288,190	99,147	189,043
1868-69 - - -	127,831	37,115	217,906	382,852	346,487	36,365
1869-70 - - -	128,975	53,366	84,934	265,275	248,319	16,956
1870-71 - - -	108,683	39,800	101,286	249,769	199,025	50,735
1871-72 - - -	141,836	35,092	148,290	325,218	187,422	137,796

This statement exhibits the outlay for ordnance *matériel* of all kinds from 1865-66 to 1871-72, and although the expenditure in connection with the manufacturing establishments has been incidentally noticed in the preceding remarks, it is desirable to present the entire *matériel* expenditure in one view. The expenditure must needs vary according to the requirements of the public service from time to time, and these are determined upon the well-considered suggestions of the responsible departmental officers. In the earlier years, 1861-62-63, when, owing to the ample reserves in hand, purchases were limited, and when the army was in course of reduction, the expenditure was naturally on a reduced scale, being about 120,000 *l.* per annum. In 1863-64, the expenditure rose to 163,000 *l.*, owing to the replenishment of stock having become necessary, and to the war charges in connection with the Sittana expedition. In 1864-65, the expenditure was still higher, viz., 212,000 *l.*, for further replenishment of stock and the expenses of the Bhootan campaign. There was a decrease in the next two years, but the expenditure of 1867-68 amounted to 288,190 *l.*, or more than double that of 1861-62-63, and exceeding the expenditure of 1865-66 by 98,210 *l.* Of this increase, 23,058 *l.* occurred in Bengal, 9,415 *l.* in Madras, and 65,737 *l.* in Bombay. Much of the excess expenditure in Bengal and Bombay was due to the extensive purchases of local stores to replace supplies to the Abyssinian expeditionary force. The renewal of camp equipage, of which the reserves had fallen much below the regulation complement, caused an additional outlay of 32,700 *l.* in Bengal and Bombay over the actuals of 1865-66. The slight increase in Madras is owing mainly to the purchase of saltpetre for the gunpowder agency, for which no expenditure was incurred in 1865-66. In 1868-69 the expenditure was 382,852 *l.*, being 94,662 *l.* in excess of that of the previous year. The increase in Bombay, amounting to 107,454 *l.*, was due to the replenishment of stock issued for the Abyssinian expedition, and also to the re-purchase of stores which were returned on the termination of the campaign. In Bengal, on the other hand, there was a decrease of 10,950 *l.*, owing to a smaller outlay for camp equipage after the expenditure of the previous year. The slight decrease in the Madras Presidency may be said to be due to ordinary fluctuations. As a natural consequence, the expenditure in 1869-70 (265,276 *l.*) exhibits a considerable reduction. The decrease in Bombay was 134,972 *l.*, the previous year's expenditure having included Abyssinian transactions. There was a slight increase in Bengal (1,145 *l.*) and Madras (16,252 *l.*), the latter being due to the manufacture of a larger number of tents to meet increased demands. In 1870-71, the charges (249,769 *l.*) were less by 15,507 *l.* than those of the previous year. There was a decrease in Bengal and Madras of 33,859 *l.*, due to less expenditure for camp equipage and local supplies. There was an increase of 18,352 *l.*, due chiefly to the purchase of stores for the harbour defences at Bombay and Aden, and partially to increased disbursements for the purchase and repair of camp equipage. In 1871-72, the expenditure rose to 325,218 *l.*, exceeding that of the previous year by no less than 75,449 *l.*, the result of an increase of 33,153 *l.* and 47,004 *l.* in Bengal and Bombay respectively, and a decrease in Madras of 4,708 *l.* Of the increase in Bengal, about 27,300 *l.* occurred in the item Local Supplies to Arsenals, Magazines, and Depôts, and was due chiefly to payments for stores returned by other departments; and 10,000 *l.* in the item Local Supplies to Manufacturing Establishments, but there were minor savings in other items. The increase in Bombay is due chiefly to larger supplies of local stores to arsenals and magazines, to meet the demands of other departments, and more extensive purchases of timber, the expenditure on these accounts having amounted to 142,121 *l.*, against 89,989 *l.* in the previous year; there were savings, however, in other items.

7023. Will you be good enough to give an explanation of the change that has taken place in Grant XI., for Ecclesiastical Services?—This grant comprises only the charges sanctioned by the Government, from time to time, for spiritual ministrations to British soldiers of the Presbyterian and Roman Catholic Churches. The charges of the ecclesiastical establishments of the Church of England are separately exhibited in the civil accounts of the Indian Government. The charges for Presbyterian clergymen have fluctuated with the number of Highland regiments in India. Those for Roman Catholic places of worship, which include lighting and other expenses, and allowances for the priests, exhibit but little change during the period under review, for although the number of British troops in India has been reduced, increased grants-in-aid have been made for spiritual ministrations at the new hill stations and elsewhere. It will be seen, however, that the gross expenditure under this grant declined from 25,448 *l.* in 1862-63, to 20,640 *l.* in 1871-72.

7024. Will you be good enough to give an explanation of the operations under Grant XII., for Education?—The expenditure under this grant comprises the pay and allowances of the supervising staff of regimental schools, and the cost of educational establishments and orphanages maintained for the children of soldiers in the hill sanitaria and plains of India. The military educational staff appointments in 1861-62 and 1871-72 respectively, are given in the following Table, and indicate a small increase.

	1861-62.	1871-72.
Bengal.		
Superintendent, Army Schools - - -	1	1
Assistant - - ditto - - - -	0	1
Madras.		
Superintendent, Army School - - -	0	1
Bombay.		
Superintendent, Army School - - -	1	1
Assistant - - ditto - - - -	1	1
TOTAL - - -	3	5

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The expenditure for the first two years was not compiled correctly, whilst that shown subsequently included arrear charges properly belonging to prior years. As regards Bengal, it may be explained that prior to 1867-68 charges on account of the Lawrence Military Asylum, though debitable to the Military Department, were audited and passed in the Civil Department, and the disbursements were not always debited to the year in which they were made; hence, the expenditure exhibited in any one year represented rather the sum adjusted between the Civil Military Departments than the sum actually paid. This circumstance accounts for the excessive fluctuations observable prior to 1867-68. The subsequent comparative uniformity of charge followed naturally on the audit of a military disbursement by the Military Account Department. In 1869-70, a revised and increased scale of salary was laid down for the Superintendent of Army Schools in Bengal, a full surgeon was appointed to the Lawrence Asylum (previously held as an additional charge), and arrear expenses to the amount of about 1,400 *l.* were brought to account. The increase in Madras, in and subsequent to the year 1867-68, was chiefly induced by the appointment of a Superintendent of Army Schools, who went on furlough at the end of 1870-71. In Bombay the rate of expenditure was very irregular over the whole series of years, the increase subsequent to 1865-66 being due chiefly to the assistance granted by Government to the Bombay Educational Society on behalf of the Byculla Orphan Asylum. The enhancement of expenditure in 1867-68, 1868-69, and 1870-71, was caused by the inclusion of arrear changes in those years, and the presence of a larger number of children at the aided institutions. The rise in the expenditure for military education throughout India, from 17,288 *l.* in 1862-63 to 34,711 *l.* in 1871-72, is the result of the liberal encouragement afforded by the State for the supervision of regimental schools, for Roman Catholic and other orphanages, for the Lawrence Military Asylums, and for the promotion of educational efforts generally.

7025. Will you now proceed to Grant XIII., for Sea Transport Charges, and state what has happened in reference to that grant?—This grant comprises the expenditure, in India, for transport of troops proceeding to and from England, or moving in course of relief between the different ports in India; also the cost of medical comforts, bedding, and special clothing supplied for the use of troops at sea. The expenditure in 1861-62 and 1862-63 was not debited against this grant, and, indeed, appears to have fallen out of the military accounts altogether. In those years also, the reliefs between England and India were on a very limited scale. In 1863-64, it was arranged to relieve annually a brigade of artillery, one regiment of British cavalry, and five regiments of British infantry, and there was a consequent rise in the charges for transport until 1867-68, when the Overland Troop Transport Service was organised. The employment of these transports has obviated to a considerable extent the chartering of private vessels; and as the expenditure on account of the transport service occurs for the most part in England, there has been a considerable diminution in the charges for sea transport in India. But in order to a correct appreciation of this growing branch of the public expenditure, it is necessary to review the charges for transport in England and in India together, for the years prior and subsequent to the organisation of the Troop Transport Service. The following statement exhibits the total charges for transport by chartered vessels:—

Years.	Charges for Sea Transport by Chartered Vessels		Total.
	In England.	In India.	
	£.	£.	£.
1863-64 - -	174,357	286,855	461,212
1664-65 - -	182,244	354,853	536,827
1865-66 - -	280,417	340,945	621,362
1866-67 - -	272,901	295,638	568,539
1867-68 - -	159,048	161,191	320,239
1868-69 - -	145,359	179,302	324,661
1869-70 - -	53,465	149,510	202,975
1870-71 - -	49,850	112,563	162,413
1871-72 - -	19,828	70,212	90,040

The working charges of the Government Transport Service were as follows, exclusive of the cost of construction, which amounted to 1,032,028 *l.*:—

Charges for Government Troop Transports, excluding Cost of Construction.

Years.	In England.	In India.	Total.
	£.	£.	£.
1867-68 - -	{ 3,885 / 144,735 }	33,064	181,684
1868-69 - -	276,295	172,739	440,034
1869-70 - -	224,730	115,445	340,175
1870-71 - -	264,927	80,212	345,139
1871-72 - -	258,089	42,615	300,704

The total expenditure for sea transport by chartered vessels and Government transports, in England and in India together, were—

Years.	Chartered Vessels.	Government Troop Transport.	Total.
	£.	£.	£.
1863-64 - -	461,212	- -	461,212
1864-65 - -	536,827	- -	536,827
1865-66 - -	621,362	- -	621,362
1866-67 - -	568,539	- -	568,539
1867-68 - -	320,239	181,684	501,923
1868-69 - -	324,661	449,034	773,695
1869-70 - -	202,975	340,175	543,150
1870-71 - -	162,413	345,139	507,552
1871-72 - -	90,040	300,704	390,744
£.	3,288,268	1,616,736	4,905,004

On examination of the last statement, it will be found that from the years 1863-64 to 1866-67, or before the institution of the Government Transport Service, the expenditure for sea transport in England and in India together averaged 546,985 *l.* per annum. The expenditure from 1867-68 to 1871-72 gives an average of 538,057 *l.* per annum; but if to this be added a charge of 8 per cent. for interest and depreciation on the cost of constructing the transports, the average annual expenditure will be 620,619 *l.*, or more than 13 per cent. in excess of the expenditure in the years prior to the establishment of the Government Transport Service.

7026. In this do you take into account the additional three months of maintenance included in the sea transport as compared with the Red Sea transport?—No.

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7027. But somebody has to pay for those three months?—India has not to pay for that, because the arrangement with the British Government is that India should pay the troops and feed and care for them, from the time of their leaving England up to the time of their return to the English shores. If a regiment be carried home in six weeks instead of four and a-half months (as before) the time gained is in favour of India.

7028-29. So that you save both ways?—Yes, India maintains the relieving and relieved troops at sea for shorter periods, than when the reliefs were effected by sailing ships round the Cape of Good Hope.

7030. That would amount to six months?—It would be about that.

7031. That does not appear in this Statement; that when they went over sea by the Cape, say for eight months, the maintenance of the troops was included in this cost; now they are only maintained for two months?—No, the Statement compares only the payments for transport by chartered vessels and by the Government troop ships, the cost of rationing the troops on the voyage being included in both cases. The comparison is between actual payments for specific services, and does not take account of the duration of the voyage, and the other considerations that surround the question.

7032. In the contract the maintenance of the troops was included?—Yes.

7033 They were maintained eight months under the old system as included in this charge, and the two months under the new?—Yes.

7034. Therefore, to make an equal comparison, you would have to add six months maintenance of the troops, if you were taking it as a mere question of cost to one Government or other; it does not come into the comparison, but it is a fact notwithstanding?—No doubt it is an important fact, taking the duration of the voyage by the two systems of transport, as far as India is concerned.

7035. As far as somebody is concerned, either England or India; one is the cost of transport plus six months of maintenance, to compare it fairly with the actual cost of the other?—(Colonel *Johnson.*) India has the absolute benefit of the troops in her own garrison towns when in India. (Mr. *Kellner.*) And India maintains the troops for shorter periods than before, on the outward and homeward voyage. But on the other hand, the rates of freight by the old sailing ships were, as a rule, lower than the present rates of steam vessels; and it may be assumed that the Government would now, in any case, on military grounds, effect the relief of troops between England and India by steamers rather than by sailing ships. Then again, the advanced sanitary opinions of the present day require more liberal accommodation for troops than formerly. So that the practical question, as regards cost, is, whether it be cheaper to effect the reliefs by Government transports, or by private steamers with a scale of accommodation in accordance with modern sanitary requirements; this would involve a nice calculation, for which the needful data are not immediately available. But there are, of course, other besides financial considerations in determining the relative advantage of maintaining a well equipped Government transport service, or depending upon steam companies and shipowners for the hire of steamers as required. To resume the subject of reliefs. The present arrangements for the annual relief of European troops serving in India include one brigade of artillery, one regiment of cavalry, and four regiments of infantry, involving an annual charge for the transport (both ways) of just double that force, in addition to the cost of transport of invalids and time-expired men returning to England, and of the drafts for regiments in India. The increase in the transport charges is due also to the late reductions in the European force in India. Thus, in 1865-66, seven light field batteries were broken up, and two British infantry regiments sent home. Another infantry regiment followed in 1866-67, two regiments of cavalry and two of infantry in 1869-70. A brigade and five batteries of Royal horse artillery returned to England in 1871. All these changes, being irrespective of the annual reliefs, necessarily increased the expenditure. The state of trade, and the prevailing rates of freight, affected the cost of transport by chartered vessels. The fact of no artillery batteries having been relieved in 1863-64 accounts for the low expenditure in that year. The next lowest figure is that for 1867-68, owing to a considerable decrease in the number of drafts from England consequent upon the reduction in the strength of cavalry and infantry regiments in India during the previous year. Then, again, the European and Native troops in British Burmah and Aden are relieved every three years, increasing the charges for sea transport in the years in which the reliefs occur. These circumstances account for the variations in the expenditure for sea transport charges, and partly also for the charges having increased, notwithstanding the reductions in the European force in India. A closer investigation of the increase is now being made, and for this purpose the annual charges will be tested by the number of troops carried by sea, in each year, between England and India, and between the several ports in India, British Burmah, the Straits Settlements, and Aden. All the needful data are not immediately available, but are in course of collection, and will be exhibited in the Appendix to my book. Meanwhile the following Table will show the number of troops conveyed to and from England in 1864, 1865, 1866, and 1867, by chartered vessels, and from 1867-68 to 1870-71 by the troop transports:—

Years.	Number Conveyed to India.	Number Conveyed from India.	Total.
Round the Cape by Chartered Vessels:			
1864-65	6,747	8,814	15,561
1865-66	5,383	8,863	14,246
1866-67	7,768	6,503	14,271
By the Troop Transport overland route:			
1867-68	9,603	8,409	18,012
1868-69	10,891	6,766	17,657
1869-70	–	–	24,482
1870-71	10,169	9,513	19,682

So far as the returns may be relied upon, the average rate per head of troops in the years 1865, 1866, and 1867 was 21 *l.* A return made to Parliament in May 1871 gives a rate of 19 *l.* 4 *s.* per adult passenger for the year 1867-68, but the rate would be higher by the inclusion of expenditure in India, interest on capital, and insurance.

7036. Mr.

7036. Mr. *Fawcett* (to Mr. *Kellner*).] Have you made any estimate of what the real average cost is each year with the troop ships?—I am endeavouring to do it now from returns that I have at the India Office.

7037. Mr. *Fowler*.] As regards troop ships, for taking out the troops to India, are they paid out of the English revenues?—Out of the Indian revenues.

7038. But they are under the orders of the navy, are they not?—Yes; there is a department of the Admiralty which manages them.

7039. Then the system is, that the money is paid from the Indian revenue to the Admiralty, and the Admiralty spends it?—Yes.

7040. *Chairman*.] Now, if you please, we will go to Grant XIV., for Miscellaneous Services; what has been done under that grant?—The expenditure under this grant is liable to considerable fluctuation, embracing, as it does, casual and extraordinary charges, not strictly appertaining to the other grants. A comparison of the expenditure from year to year is therefore difficult, irrespective of the difficulties presented by the various methods of classification observed, prior and subsequent to the year 1865–66. The principal charges are on account of compensation for dearness of provisions and forage in the Madras and Bombay Presidencies; the corresponding charges in Bengal being separately exhibited under the Commissariat Grant IV. It will be seen from the detailed statement in the Appendix of my printed report, that these items of charge have fluctuated very considerably, ranging, in the Madras Presidency, from 200,447 *l.* in the famine year, 1866–67, to 88,367 *l.* in 1870-71; and in the Bombay Presidency from 114,347 in 1865–66, to 78,742 *l.* in 1868–69. These results are entirely due to the rise and fall in prices, and fluctuations in the strength of troops. As the subject of compensation to Native troops for dearness of provisions has been examined under the Commissariat Grant, it is not necessary to enter into further details here. In 1868–69 the charges on account of the Sanitary Commission were transferred to the Civil Department, which relieved this grant to the extent of about 15,000 *l.* On the other hand, the effect of the order obliging officers to qualify in the higher standard of examination in the Native languages, as a condition of continuing in the service, was to increase the Moonshee allowance. Considerable changes were incurred also in the years 1870–71 and 1871–72, in the purchase of land required for the extension of the military cantonment at Morar, of land at Beejapore, for the lines of the 4th Goorkahs, and of land at Raneekhet and Chukrata, besides compensation for land at other places. New charges have also arisen, viz., the cost of the Derajat frontier militia, compensation for payment to purchase regimental retirements, charges on account of the Torpedo Committee, and loss by exchange transactions. The actuals of the past year (1871–72) aggregated 433,740 *l.*, but included extraordinary charges to the extent of 152,653 *l.* on account of the Looshai expedition, and the Delhi camp of exercise. Excluding these extraordinary charges, there would remain 281,087 *l.* against an average annual expenditure of 449,676 *l.* between the years 1865–66 and 1867–68, and of 361,585 *l.* between the years 1868–69 and 1870–71, the decrease being due chiefly to more favourable seasons, and a consequently diminished expenditure on account of compensation for dearness of food to troops and cattle.

7041. Now will you be good enough to state what changes have taken place in Grant XV., for Volunteer Corps?—The capitation allowances to volunteers, with the staff allowances of European commissioned and non-commissioned officers attached to the different corps of volunteers, are included under this grant. It is only after the year 1865–66 that the charges will admit of comparison. In that year the number of volunteers in India aggregated about 1,135 men, and the expenditure amounted to 4,140 *l.* Since then the strength of the force has more than doubled; there is a tendency to further increase in numbers, and the actual expenditure during the year 1871–72 amounted to 6,951 *l.*

7042. What has been the expenditure under Grant XVI., Rewards for Military Services?—This grant includes the expenditure connected with good service pensions to European commissioned officers, annuities and gratuities for meritorious services and for the Victoria Cross to European non-commissioned officers and men; also, the Order of British India and Order of Merit pay to Native soldiers. During the years 1861—63, the expenditure under this heading was not separately exhibited. A considerable decrease is observable in comparing the expenditure of 1863–64 with that of recent years, the expenditure having fallen from 18,770 *l.* in 1865–66, to 10,102 *l.* in 1871–72. The percentage of expenditure under this grant on the gross military disbursements was ·14 in 1863–64, and ·08 in 1871–72, notwithstanding that the extension to India of the practice obtaining at home of granting good service pensions involved an extra annual charge (in India) of nearly 3,500 *l.* The decrease in the expenditure under this grant occurs chiefly in the Order of British India and Order of Merit pay, owing to the diminished number of holders of these distinctions, and to the transfer to the Pension Establishment of several recipients whose allowance is included under Grant XVIII., Military Pensions.

7043. In Grant XVII., for Retired Officers, what has been done?—The expenditure under this grant comprises the pay of retired officers resident in India, and necessarily fluctuates with the number of officers present in the country. In the year 1862–63, there were 52 retired officers of the Indian army in India, and the expenditure amounted to 29,720 *l.* In the year 1871–72, there were only 39 retired officers, and the expenditure amounted to 12,236 *l.*

7044. With regard to Grant XVIII. for Military Pensions, can you state what has occurred?—This grant comprises the expenditure in India on account of pensions to European and Native commissioned, non-commissioned officers, and men, and medical and army warrant officers; pensions for wounds, and family pensions to the heirs of deceased Native soldiers. The expenditure necessarily fluctuates with the number of pensioners, the annual rate of invaliding, reductions in the strength of the Native army, the employment of troops in the field, &c. The expenditure exhibits a steady decrease since the year 1862–63, when it stood at 648,585 *l.*; that rate of expenditure was the natural result of the extensive reductions in the Native army, whereby the pension list was abnormally augmented; there was but little change in the gross expenditure for military pensions up to 1865–66, but the actuals of later years show a marked decrease; in 1871–72 the expenditure fell to the minimum of 567,359 *l.*, the per-centage on the

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total army expenditure being 4·72, against 5·18 in 1862-63; a large portion of this decrease however is due to the transfer to the Civil Department of certain pensions formerly debited to military services, and also to the exclusion from the military accounts of the pensions payable to Native troops of the Hyderabad contingent from the revenues of the Berars.

7045. As regards Grant XIX., for Widows' Pensions and Compassionate Allowances, what has occurred?—The expenditure under this grant is on account of pensions and compassionate allowances to the widows and children of European officers. The actuals of the past year (1871-72) amounted to 18,449 *l.*, being slightly in excess of the expenditure of 1863-64, namely, 17,421 *l.* The low rate of expenditure for the years intervening between 1863-64 and 1870-71 is due to the adjustment in the home accounts, and omission from the Indian accounts, of payments to widows admitted to Lord Clive's Fund prior to the passing of the Indian Government Act of 1858.

7046. By which that fund was abolished and absorbed into the general revenues of India?—Yes.

7047. With regard to Grant XX., for Superannuations, Pensions, and Gratuities, what has occurred?—This grant includes the expenditure on account of superannuation, pensions, and gratuities to uncovenanted servants employed in the several offices of the Military Department. The disbursements are small, and call for no special remark except that those exhibited for the first two years of the series are incomplete, owing to the defective system of classification in force at that time. The actuals of the past year amounted to 19,473 *l.* against 15,699 *l.* in 1863-64, 20,051 *l.* in 1864-65, and 20,151 *l.* in 1865-66. The comparatively larger amounts for these years are due to the revision of office establishments in the Military Department, by which a large number of *employés* was transferred from the Effective to the Pension Establishment.

7048. Those are the whole of the grants for the army?—Yes.

7049. They contain amongst them the whole of the expenditure?—The whole of the charges in India. In the general statement that I have put in to-day, I have brought together the charges in England and India, to present to the Committee, at one view, the whole of the charges on the revenues of India for military services.

7050. *Chairman* (to Colonel *Johnson*).] Will you be good enough to state when the first practical step was taken to introduce the system of the staff corps into India?—In replying to the question of the formation and organisation of the Indian staff corps, I ask permission to refer to my evidence of 2nd May, Question 3192, in which I promised Sir George Balfour to trace the connection between a letter written by Lieutenant Colonel Norman to Sir C. Wood, and the formation of a commission presided over by General Lord Hotham, whose Report took into consideration the establishment of a staff corps as a means of providing for the efficiency of the Indian military, and, to a certain extent, Civil Service. In reply to Sir George Balfour's question, I said that I was unable to state with any certainty what the exact connection between the letter, the formation of the commission, their Report, and the issue of the Royal Warrant might be. Since then I have gone into the matter. The question of the best mode of supplying officers for the detached duties of the public service had long before 1857 been frequently discussed. The evils of the system hitherto in force of withdrawing officers, not permanently, but for unlimited periods, from their regiments was fully admitted; limits had been laid down as to the number of officers who might he withdrawn; the number of regimental officers had been increased throughout the army for the purpose of this supply, and the question of forming a separate and detached staff corps for the purpose had often been discussed. I have been unable to trace the actual Minutes of the Court of Directors in which such a measure is mooted, but I have no doubt of the fact that the idea had been entertained. Any how, up to 1857 nothing had come of it, and the mutiny broke out when the old and vicious system was in full, and even aggravated, force. In that year the Court of Directors sent a Despatch to Lord Canning, dated 25th November 1857, instructing him to appoint a Commission. (I have taken these earlier facts almost entirely from a Parliamentary Paper, dated 1859, which was submitted on the organisation of the Indian army, a large bulky Blue Book.) In that year, 1859, the Court of Directors sent a Despatch to Lord Canning, dated 25th November 1857, instructing him to appoint a Commission to inquire into the proper organisation of the army in India. One of the points on which special inquiry was ordered to be made was, How can the demands for European officers for staff and detached employment be best provided for without injuring the efficiency of regiments. Lord Canning did not appoint a Commission, but caused inquiry to be made by circular. This was done, and a large body of information collected. (The whole of that information I may say is in the Blue Book of 1857.)

7051. What steps were taken after that?—In the meantime, in July 1858, Her Majesty had formed a Commission (of which the Secretary of State for War, General Peel, was Chairman) to report on several points, first, on the terms on which the army of the East Indian Company was to be transferred to the Crown, what the force should be, and how it should be maintained and organised. Though the point was not specially referred to them, the Commission in their Report drew attention to the injurious system referred to already. They say, "The evil has arisen from the number withdrawn from staff and other duties and civil employment." They add, that for the remedy of this evil various schemes have been suggested, viz., first, the formation of a staff corps; second, the system of seconding officers who are on detached employ according to the practice on the line army; third, placing the European officers of each presidency in general lists for promotion. On these points a further reference, it was suggested, should be made to India. The Commission, I should add, in reporting on the alteration of an Imperial or local European army, had been divided, the majority being in favour of the former; and in respect to the question, how officers were to be supplied for permanent Indian duty, that is, as I understand it, for the duty now performed by the staff corps, they considered that "regulations could be drawn up for retaining in India officers of the line army, whose services might be required by the local Government, and that officers of the line would undoubtedly qualify themselves for employment in India, if such employment

ment and all the advantages attending it were open to them." This Commission, I may add, had before them the information which, as I have already said, Lord Canning, in furtherance of the instructions of the Court of Directors had procured in India, "supplemented by a Minute of his own." At the same time, a Committee in the Punjaub, consisting of Sir John Lawrence, Sir H. Edwards, and, I think, Colonel Cole, recommended a staff corps, taking as their basis the suggestions to that effect by General Sir John Jacob.

7052. What was the next step taken?—The Report of the Royal Commission was reviewed by the Political and Military Committee of the Council of India, who, in June 1859, submitted their opinion thereon to the Secretary of State. With respect to the staff corps question, they expressed their agreement, generally, with the views of Lord Canning, which were expressed in the Minute I have referred to, which was briefly to second officers withdrawn from civil duties. Lord Canning had already (*i.e.*, in July 1859), called on the Military Finance Commission, sitting in Calcutta, for their opinion as to the practicability or otherwise of forming a staff corps; they submitted in the following year their views on this and cognate points. They proposed to form very large corps of all arms, between 4,000 and 5,000 strong, composed of each branch of the army, European and Natives, and to withdraw officers therefrom for detached duties of all kinds on the seconding system, their absolute removal from the corps, following a certain term of separate duty. From the date of this Report it is probable that it did not reach England till the latter half of 1860, but it is clear that during the year 1858-59 and 1800, the question of forming a staff corps for India had received very much consideration there and in this country. Meanwhile, it appears that the Secretary of State had been giving the matter his personal consideration, and sought the opinion of Lieutenant Colonel Norman, the Deputy Adjutant General of the Bengal Army, then at home on furlough. By Sir C. Wood's desire, this officer, whose administrative capacity and practical experience in all military duties of all branches of the service in peace and war, were notoriously of the highest order, submitted in considerable detail his views on the various points connected with the amalgamation of the Imperial with the Indian Army. They will be found at pages 180 to 191 of the Parliamentary Return of 24th May 1860.

7053. Will you state shortly what his recommendations were?—In them he recommends the system of having an unattached list, which though generally shadowing it out, still differs in some important particulars from the staff corps, as it was subsequently formed. Lieutenant Colonel Norman's letter was dated February 1860. Later in the same year a committee was appointed for the purpose of preparing suggestions as to the various detailed measures which it might be advisable to take for effecting the amalgamation of the European forces of the Indian army with the general army of the Crown. A memorandum of several of the points which appeared to demand the committee's attention was furnished to them, to which, however, they were desired not to confine themselves. The committee consisted of Lieutenant General Lord Hotham, Lieutenant General Sir C. Yorke, Lieutenant General Clarke, Brigadier General Russell, Colonel Sir P. Melvill, Lieutenant Colonel Wetherall, and Lieutenant Colonel Norman. The second of these points referred to the establishment of a staff corps. The committee submitted their report in August 1860, and laid down the rules they would propose for the formation of a staff corps, or list for India.

7054. Have you got the rules which they laid down?—I will furnish them; one member, Colonel Melvill, of the Bombay army, attached a note to the report, dissenting from the remainder of the committee as to the advisability of forming a staff corps in the manner suggested, and proposed as an alternative, the formation of three unattached lists, the nature of which he sketched out at some length (*see* page 212, of Pear's collection). In January 1861, a Royal Warrant was issued, forming the Bengal, Madras, and Bombay Staff Corps, following in most particulars the recommendations of the committee. This Royal Warrant was given effect to in India in April 1861. How far the Secretary of State was influenced in his views by those held by Colonel Norman, Lord Halifax only can say with authority; nor can I pretend to say what special weight Colonel Norman possessed with the committee, of which he was the junior member; but I may say that public opinion in India generally, ascribes to him, and I believe justly, the credit of having taken a very leading part in bringing into working order an army, the main part of which had been disorganized for four years; one of the principal measures employed being the formation of the staff corps of 1861.

7055. Now, can you state the precise basis that was adopted for forming the Staff Corps?—Yes; with respect to the exact organization of the Staff Corps, I should observe that it is very difficult to keep the question separate from others which, though apparently closely connected with, are independent of it; as for example, the questions of the organization of the Native army, the disposal of unemployed officers, the abolition of a great European force, &c.

7056. There are two totally different questions there; one is the formation of a permanent establishment, with the principles of permanent administration; and the other is the temporary question of dealing with the officers then in India and in an abnormal state, resulting from the utter disorganisation of the army?—Yes.

7057. Was there any attempt at separation between the organization of the Staff Corps as an institution in itself, and the indemnity that might have to be given to the officers then in employ in India under the old system?—The Staff Corps, on its formation, was employed solely with the object of officering the Native army, and of providing officers for the other civil and military requirements of the Indian administration.

7058. What were they principally?—There is no actual code or *résumé* of Staff Corps rules brought up to date.

7059. But what I want to know is this: the corps is formed; it would seem to consist of certain elements, namely, of the number of persons to be in it, their relations to one another, and their mode of payment, and ultimate retirement; can we get the rules relating to that?—I give the rules as I go on. The Staff Corps was formed expressly for the supply of officers of the Native army of India, and for those appointments of different kinds, political, civil, &c., held by officers, and comprehended under the general name of staff employment. There were thus two

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great divisions of employment for officers of the staff corps. 1st. Purely military, as in regiments of the Native army, and army departments. 2ndly. Various civil appointments, as political, public works, and so on. Appointments coming under those heads could only be held by staff corps officers, that is officers who joined the Indian service for continuous service in India. I would say here that when I speak of the Staff Corps as implying Indian service, I include the local service, that is officers of the old Indian service who have not joined the Staff Corps, but who are equally eligible if otherwise qualified for Indian staff employment. The officers eligible for admission to the Staff Corps on its first formation were officers of the British and Indian armies then on staff employ in India, and not having the substantive rank of colonel. Staff employ was interpreted to mean civil and political appointments of every description, and appointments in all public offices and departments, appointments on the general and personal staff, the appointments of commandant, second in command, and adjutant of irregular and local corps, and of adjutant, interpreter, and quartermaster of existing local European and Native corps. It was added that so soon as the proposed changes in the organization of the regular Native regiments shall have come into operation, the whole of the officers who will be personally attached to them will be on staff employ. Officers so employed and desirous of entering the staff corps were, if they had held their appointment for a year or upwards, admitted at once without further probation; so also were those who had served permanently on the staff within the past three years. Those who had held them for less than a year were to be admitted only after passing the probationary period and test to be thereafter laid down. Government claimed the right of rejecting the application of officers whom they did not deem in all respects fit for the Staff Corps. Six months was allowed for officers to make their election. The future conditions of admission to the staff corps were that the officer should be below the rank of regimental field officer; have served three years with a regiment, of which two must have been in India, and have passed the prescribed test in Hindustanie. (The obligatory period of regimental service in India was later held to include the year's probationary service with a Native corps.) An officer fulfilling these conditions, and having obtained the consent of the Commander in Chief, and the certificate of his commanding officer, that he had efficiently performed his regimental duty for the specified period, might then be appointed, on probation, for a fixed period, his permanent admission being dependant on his passing the prescribed tests for the branch of the Indian service for which he may have been selected. During this probation the officers may at any time withdraw, and return to their regiment in which, during their probation, their promotion is going on, without prejudice to their interests. When permanently transferred to the Staff Corps their names, of course, ceased to be borne on the strength of their original regiment; meanwhile their vacancy was filled in their corps by promotion or appointment, the officer so promoted or appointed becoming supernumerary on the candidate for the staff corps returning to his original corps. (I do not think that has occurred twice or three times during the whole time that the Staff Corps has been in force.) The promotion in the Staff Corps was regulated as follows: Ensigns, when permanently transferred to the Staff Corps, to have the rank of lieutenant; other officers took with them their regimental rank; officers of 12 years' service, of which four must be in the Staff Corps, to be captains; after 20, of which six in the Staff Corps, majors; after 26, of which eight in the Staff Corps, lieutenant colonels; five years' service in the Staff Corps as lieutenant colonel giving the brevet rank of colonel. On the first formation of the corps, past service was permitted to count in the case of officers admitted at once, as if it had been performed in the Staff Corps, but only one step could be given at once; two years being required to elapse before the second was given. As thus: A captain of 26 years' service entering the Staff Corps on its formation, entered as major, and not as lieutenant colonel; he only became lieutenant colonel after two years' further service, or 28 years in all; notwithstanding that, on his entrance, he had fulfilled the full staff service of eight years qualifying for promotion. Officers of the Staff Corps are, however, eligible for brevet rank, and take their places on the general gradation list in common with the rest of the army; those holding military appointments taking military command according to their army rank, whether as respects the army at large or as amongst themselves. Exchanges were permitted between officers of the British line and Staff Corps, if under the rank of field officers, provided they were of the same rank, and the exchanging officer was qualified for admission to the corps. I may mention here that the names of officers entering the Staff Corps continued to be borne, for the purposes of regulating promotion, on the cadres of the Native regiment to which they originally belonged, but an officer exchanging from the Staff Corps into the British line was removed from the cadre, and promotion made in his room. Officers entering the Staff Corps cannot claim any particular class of employment, as the Government of India reserves a discretional power to employ them in such manner as they may think best. No change was made in the system under which certain appointments were made by the Government and others, or nominations to them by the Commander in Chief. The Government reserved the right of employing Staff Corps officers in any Presidency, but ruled that appointments to the Native line regiments of any Presidency should only be made from among the officers of that Presidency.

7060. Does there not seem to be a very remarkable difference in the organization of this corps and the army in India; was not the basis of the Indian army, that no person could be appointed to rise to a rank or position unless there was a position vacant in the army for him to take, was not that the basis of the organization of the Indian army?—The change was, that whereas formerly all promotion had been by succession, thereafter it became promotion by length of service.

7061. Was not the very basis of the Indian army that no person could have any rank or position except by virtue of an office under the establishment; that is to say, that a person could not be a captain unless there was a captaincy for him to take?—Quite so. They got promotion, by succession, to a vacancy in a fixed establishment.

7062. There must be a vacancy?—There must be a vacancy or they could not succeed.

7063. And

7063. And therefore the measure of the promotion and the complement of officers was the sanctioned establishment, and the vacancies occurring in that establishment; was not that so?—Quite so.

7064. Then, under the new system, it was proposed to entirely abolish that, and to have officers attaining rank, without any reference whatever to their having any duties to perform; was not that so. An officer went into the Staff Corps, and if he was there a certain number of years, he rose from rank to rank; but there was no guarantee that there were any duties for him to perform corresponding with that rank; is not that so?—No: For instance, now, no officer is admitted to the Staff Corps except when there is an actual vacancy in the Staff Corps, and on its formation the number of appointments to be filled was far greater than the number of officers admitted to the Staff Corps.

7065. But I am speaking of the promotion; being once admitted, was he not promoted, without reference to the question whether he had any duties to perform corresponding to the rank which he is to receive?—Yes; but at the same time provision was made that if an officer remained three years unemployed he was put on half pay.

7066. But if he was employed under this system, in what was formerly called a subaltern staff office, he might, under those rules, as you have read them to us, be a major?—Yes.

7067. Or even a colonel?—Yes; only there is a discretionary power as to how to employ officers of certain ranks. Under the old system you would not have appointed a field officer to a subordinate position in the Commissariat, for instance.

7068. Under the new system, he gets a higher rank without there being any vacancy in the higher rank, which was not the case under the old system?—Just so.

7069. There was no classification of captains' appointments, and majors' appointments, and colonels' appointments in the new Staff Corps, so that a person could not be captain, major, or colonel unless there was an office vacant which entitled him to that position?—Yes.

7070. Therefore, he was getting rank and pay without any reference to the duties to be performed?—Yes.

7071. You stated that no one now enters the Staff Corps unless there is some vacant appointment in the Staff Corps to take up; but was that the state of things when the Staff Corps was first established, or was anybody allowed to go into the Staff Corps without reference to the actual vacancies then existing?—The rule was not laid down; but, as a fact, it was not necessary that it should be then; because, as I have said, the number of appointments was far greater than the number of officers, under the early rules, qualified to enter the Staff Corps.

7072. Mr. *Fawcett.*] But does the fact, that a person is only admitted to the Staff Corps when there is a vacancy, depend on practice, or on a distinct rule, which cannot be disobeyed?—A distinct rule.

7073. Who passed that rule?—The Secretary of State, in concert with the Government of India.

7074. Mr. *B. Denison.*] What determines the number of officers to be selected for staff appointments?—There is nothing to determine it, except the number of positions that there are to be filled; there is no fixed establishment.

7075. *Chairman.*] The number of appointments that officers may hold, in fact?—Yes.

7076. Mr. *Fawcett.*] But there is no rule which regulates the number of persons in the staff corps, or civil employ and military employ?—No rule.

7077. Therefore, that being the case, it gives unbounded opportunity, does it not, to admit as many people as you like. Suppose that a Secretary of State suddenly wanted to admit 30 additional men into the staff corps, there would be no difficulty in India in finding 30 different employments, for instance, in the public works, so that it is in fact in the discretion of the Secretary of State?—Yes, it is left discretionary; the discretion being the good of the public service.

7078. What they suppose to be the good of the public service?—Yes.

7079. Mr. *B. Denison.*] Take the Bengal Presidency; now, are there actually a greater number of officers in all employments than there were in the old days, when there were 74 regiments from which they were all drawn?—No.

7080. Under the old system, the maximum number of officers would be 74, multiplied by 26, to a regiment; that would include the whole fund of officers from which the Government had the selection for staff appointments. The number of agents, with their complements; 74 only represent from the Native infantry.

7081. Of course, it would be plus the artillery and cavalry?—Yes; the Secretary of State in 1864, speaking of the system of promotion, wrote: "The system of promotion by length of service introduced into these corps was the only system suited to their position and circumstances. It was impossible to fix any number of establishments for these corps, inasmuch as the requirements of the service, and the number of staff appointments, must vary from time to time;" that is the principle on which the system of promotion by length of service, rather than by succession, was established.

7082. *Chairman.*] Does any discussion arise as to the practice and the possible effect of taking officers into the staff corps up to the rank of a field officer, as regards the relation of officers so coming in to those who have been already serving in the Staff Corps for many years, and who entered in the beginning, as was originally intended, as ensigns or lieutenants?—No, I do not see how that would affect it.

7083. If a captain of six years' standing were examined, and went into the Staff Corps, would he not expect to be given an appointment to which a junior officer, who had been in the Staff Corps for 10 years, would naturally expect to succeed, and how would those relative claims be adjusted?—Practically that has been put an end to by a later rule that no officer shall enter the Staff Corps of more than seven years' service.

7084. Is it now the system that he enters it at the bottom?—If he enters it before seven years, which he must do, he enters as a lieutenant, and then of course he takes his position according to his length of army service.

7085. Then he supersedes a certain number of officers already in the corps?—Yes.

7086. But not many?—Not many; but he only supersedes them in the way in which he has already superseded them, as a senior lieutenant in the British line.

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7087. They may by particular study have fitted themselves for the particular service they entered into which he has not chosen to go, but he enters it later, and supersedes those who are his juniors?—But they were his juniors before he entered it, in the army.

7088. Mr. *B. Denison.*] You spoke just now of exchanges being permitted between officers of the Staff Corps and officers in British regiments. Do you know to what extent those exchanges have taken place?—At first there were several from the officers who joined the new line regiments. I mean officers of the Indian army who had gone into the new line regiments; but the number that exchanged otherwise has been very small.

7089. What place did these officers take in the Staff Corps?—They took exactly the position that their rank gave them in the gradation list. There is no going down; there is no fixed establishment; you cannot go to the bottom; it is army rank as much as any; more, in fact.

7090. There was always a restriction, was there not, as to the number of officers who could be taken away from the European regiments for the Staff Corps?—You mean under the Company; yes, the same restriction that there was with the native regiments; the officers of the old European regiments doubled the officers of the native regiments.

7091. That rule, I suppose, is most strictly adhered to under the present system, that there must always be a full complement of officers with the regiments?—That is a matter of discipline which the Government of India does not interfere with, unless some case of gross scandal requires it; the Commander in Chief looks after that.

7092. As a matter of practice, are there a considerable number of officers taken from the European regiments for staff appointments?—The only appointments which they can hold, are limited appointments in the Army Staff; that is the Department of the Adjutant General, the Quartermaster General, and personal staff.

7093. *Chairman.*] Except for those, they have to leave the active service of the line to go into the Staff Corps?—Yes.

7094. What furlough rules were made on the establishment of the Staff Corps?—With some trifling modifications, the furlough rules of 1854 were adopted as the furlough rules of the Staff Corps, 20 months being substituted for 15 months as the period during such leave for which appointments might be retained. The Indian pension list was adopted for the Staff Corps for officers entering it from the old Indian service. Those from the British line are to receive, after service in India: 20 years, 191 *l.* 12 *s.*; 24 years, 292 *l.*; 28 years, 365 *l.*; 32 years, 456 *l.* 5 *s.* The periods of service, include the proportion of leave of absence laid down in the furlough regulations, namely, two years in 20, three years in 25, four years in 30. Subsequently, in two additional pensions were added, namely, after 35 years service, including five years furlough, 600 *l.*; after 38 years service, including six years furlough, 750 *l.* No difference is made in respect to this between leave of absence taken in Europe or elsewhere in or out of India, or whether it be on sick certificate or on private affairs. The pay of the Staff Corps was fixed at unemployed pay:—

	Monthly in India.			Daily out of India.		
	Rs.	*a.*	*p.*	*£.*	*s.*	*d.*
General Officers	1,295	5	–	1	5	–
Brevet-Colonel and Lieut.-Colonel	827	14	–	1	–	–
Major	640	14	–	–	16	–
Captain	364	1	6	–	10	6
Lieutenant	225	12	–	–	6	6

pending the establishment of rates of remuneration for the several staff appointments. The succession to colonels' allowances or off-reckonings was provided for in the Staff Corps, according to the seniority of officers as lieutenant-colonels in the Staff Corps. A certain proportion of the senior officers were to receive colonels' allowances, the number being eventually one for every 30 officers on the Staff Corps; but it was ruled that this number could only be filled up as the establishment of colonels on the old footing diminished, so that the aggregate number of officers receiving colonels' allowance at one time should never exceed the regulated number of colonels' allowance for each presidency. But to commence this limited establishment it was ruled that officers after serving 12 years as substantive lieutenant colonels, and having 38 years service, were to be placed in receipt of the allowance in such numbers as to complete the fixed establishment of one to every 30; when that number was complete the off-reckonings would only be allowable by succession in order of seniority. Provision was made for a half-pay list for the staff corps for officers of the staff corps who did not wish to retire, but who were unable to return to India, and officers removed from the effective list of the staff corps, having served three years therein in India, and not entitled to pension, are to be placed on a half-pay list on the same rate of half-pay and on the same conditions as officers of similar rank in the British army. Such officers gave an effective step in their cadres, but were eligible to return to effective service without however coming again on their cadre list; the cadres being, you understand, the body in which the local officers who did not join the staff corps remained and got their promotion. Unemployed general officers of the staff corps were only permitted to draw Indian pay, or 1,295 rupees, for three years from date of promotion; after that period they were restricted to 1 *l.* 5 *s.* a day "out of India" pay. It was further provided that officers of the staff corps under the rank of major general, whom the Government may not see fit to employ in any capacity, shall not draw pay for more than four years; one year on the Indian scale and three years on the out of India scale; after that period they are to be placed on half-pay, or such pension as they may be entitled to. Her Majesty reserved the power of removing officers from the effective list of the staff corps through the Secretary of State for India.

India. In framing the staff corps, the equal rights of Indian officers, who might not join the corps to hold appointments, were secured appointments on the general staff being held by officers of either service, British or Indian, staff corps or local. As admission to the staff corps was a matter in a great degree of selection, and was governed by certain rules for finding that selection, there was necessarily a good deal of discussion as to the individual claims of persons desirous of entering it; I mean as to whether the appointments they had held, or the periods for which they had held them, qualified for admission, and so on; it would be tedious to give any *résumé* of the very numerous rulings on these minor points, particularly as they were of a purely temporary character, having no kind of application now, and in no way affecting the principle of the staff corps system. The main point insisted on, and which did actually guide all admissions, was that no officer should be finally appointed to the staff corps who had not already served in a staff appointment within a certain period, and who had not qualified in the languages; though complicated at first by the several classes of officers from whom the staff corps was to be formed, the ultimate source was to be Her Majesty's land forces serving in India, and it was in this view accordingly that the conditions of admission were laid down. I think that I have now given a summary which includes all the points of any importance in connection with the establishment and maintenance of the Indian staff corps.

7095. Now will you be good enough to state what changes have taken place since the formation of the staff corps?—It was, of course, quite impossible to lay down at the outset what the strength of the corps should be; as that must, of necessity, depend on the number of employed local officers not belonging to the staff corps. As their numbers diminished, those of the staff corps must correspondingly increase. The number of officers who entered the staff corps on its formation, that is, the number shown on the 1st January of the succeeding year 1862, was 1,338, as follows: General officers, 3; lieutenant colonels, 29; majors, 312; captains, 588; lieutenants, 406; making a total of 1,338. The number of Indian officers not of the staff corps on the same date was: cavalry, 306; infantry, 2,523; total 2,829; or a grand total of 4,167. The proportion of the staff corps officers to local did, however, increase in a remarkable degree; but this point will be dealt with later. Early in 1864 a very important step was taken in connection with the corps in the laying down of the tests to which candidates for admission to the corps are to be subjected in the Military Department. These were followed, a little later, by tests for candidates for civil employment. These rules laid down the procedure to be followed by an officer desirous of entering the staff corps.

7096. Was there any rule by which an officer could qualify himself, and then be presented to the Government as a person qualified, so that he would have any moral right to be put in the staff corps; or was it competent to the governors and other civil authorities in India to select any one they pleased and give him an appointment, and then give him a time within which to qualify himself to hold that appointment, notwithstanding any number of persons who had already qualified themselves?—Admission to the staff corps is now conditional on this, that there is no other officer qualified to hold the office that is vacant.

7097. Was that so at that time?—No; and I must say that no officer has a right to claim, absolutely as an indefeasible right, admission to the staff corps.

7098. If an officer now qualified himself by special study to enter the staff corps, can he do that of his own accord, and if so, what becomes of him?—No, he cannot enter in that sense of his own accord. Perhaps I had better mention the mode in which he would act; the first step an officer has to take to enter the staff corps, is to pass a certain test in the languages, which is called the language test. He would then apply for an appointment to the Commander in Chief, who, I presume his character being good, and on his furnishing certificates of health and character from his commanding officer, would put him on his list to appoint to the first vacant second doing-duty-subalternship in a Native regiment, either cavalry or infantry.

7099. Supposing he wished to go into the civil employments held by military men, what would he do then?—He would apply then to the civil department in which the line of appointment that he wished to take rested.

7100. Is there any rule laid down or published, which gives him any moral guarantee whatever that his application will be granted; has the Government pledged itself in any way, that if he makes such an application and has fulfilled all the requisite qualifications, he will have any preference and will be considered in any way; or is he merely in the position of an applicant?—He is merely in the position of an applicant; but on the other hand, it is an application tempered by the fact that there is a considerable want of properly qualified officers to take up the Indian appointments.

7101. Is it the fact that, notwithstanding that there may be any number of applicants, it is quite competent to the Commander in Chief, or the Civil Governor, to take any officer he pleases out of the Queen's officers and give him the appointment for which there are so many applicants, though the person to whom it is given has no special qualification at all, leaving him to qualify at some future time?—No, he cannot get the appointment until he has actually passed every qualifying test.

7102. Not even temporarily?—He must first of all pass through a Native regiment, and be in it a year, without being appointed to the simplest civil appointment which you are referring to, as I understand.

7103. May he not be appointed to the Native regiment, without having any qualifications to hold his appointment until he qualifies himself?—Yes; the only qualification that he requires is, that he shall show that for two years he has been an excellent regimental officer, that he has passed his examination for promotion, that he has taken the trouble to study and pass in languages.

7104. But is it necessary for him to pass the test of any languages before he can hold the office temporarily?—Yes, before he can hold the shade of a staff corps appointment, he must pass in the higher standard of the language test, which is really a sufficiently stringent examination.

7105. But was it not the practice of certain persons to appoint officers on condition that they would

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would qualify themselves in six or 12 months?—Not in regard to languages, I think.

7106. Are you quite sure about that?—Yes, I am quite sure of that; during the mutiny there was of course a very great demand for officers of every sort to command and serve these regiments that were hastily raised; in fact the condition of passing with regard to many of these officers could not be insisted on; the time was urgent, the necessity for the services was extremely pressing; when the Staff Corps was formed these officers were all of them holding appointments which had been decided to rank as staff corps appointments as qualifying for admission to the staff corps; those officers who had not been passed were granted a certain time in which to pass.

7107. But are we to understand, then, that no person can be nominated to an office belonging to the Staff Corps, or to the Staff Corps, unless he has fulfilled the special qualifications that are requisite for the office to which he is appointed?—Yes, except that the Governor General may have a certain proportion of his aides-de-camp unpassed officers; but for the public services they require special qualifications, and they must be fulfilled.

7108. Will you kindly go on with your statement?—The changes which have taken place in the constitution of the staff corps are, so far as its present *personnel* is concerned, very considerable; but in all other respects, very trifling. It was ruled in 1862, that the right to retire on the pension of their ranks under the regulations of 1796 was not applicable to the Staff Corps; but officers declaring that they had been misled on this subject were permitted to revert to the old local service, in which, of course, the privilege still existed. The regulations of 1796 were regulations by which officers who had fulfilled a certain number of years' service might retire on a given rank, notwithstanding that they had not attained it, but staff corps promotion gave that rank within the number of years; consequently, if this rule had not been abrogated, the system of pensions which has been laid down would have been set at nought, and they would have claimed the pension of a higher rank than they were entitled to under the rule of 1796, of having fulfilled a certain number of years' service. In 1862 the rule regarding the succession to off-reckonings was issued; it was then laid down that the senior officers of the staff corps who had attained the rank of colonel, and had served not less than 12 years in the substantive rank of lieutenant colonel, should succeed, according to seniority, as lieutenant colonels to the reserve of colonels' allowances, available under the operation of the measures for regulating the succession to colonels' allowances of those who did not accept the general retiring scheme of August 1861. Staff Corps officers holding any staff appointments were exempted from the Queen's regulation, which compels an officer to vacate it on promotion to a certain rank. In 1864 it was ruled that officers should only be removed from civil appointments by the Government of India, or by the presidency to which they belonged, and not by the local Government, who might possibly object to having unemployed officers on the finances. In 1864 the test order and the regulations for probationary service were laid down.

7109. Was the relation of the staff officers to the other officers a subject of inquiry?—Yes, there was a commission appointed, of which Lord Cranworth was president, to report on the general question of whether by the formation of the Staff Corps the Parliamentary guarantee had been infringed in any particular; the commission considered that one measure involved infringement, viz., the suppression of regimental officers by the promotion of their brother officers under the Staff Corps Rules. On another point the commission was doubtful, namely, the regulation by which 12 years is made the period of service in the grade of lieutenant colonel. The Secretary of State, in view of directly remedying the first by the grant of brevet rank to all Indian officers alike, placed all in respect to army rank on precisely the same footing, and thereby removed all supersession or the possibility of it.

7110. What year was that?—In the year 1864 all Indian officers were placed, in respect to army rank, on precisely the same footing.

7111. You mean all the officers of the old army of the East India Company?—Yes, and all officers serving in India. Notwithstanding this decision, an address to the Queen was moved and carried on 2nd May 1865, praying that Her Majesty would be pleased to redress all such grievances complained of by the officers of the late Indian armies, as were admitted by the commission on the memorial of Indian officers to have arisen by a departure from the assurances given by Parliament by 21 & 22 Vict. c. 106 (the Henley Guarantee), and 23 & 24 Vict. c. 100; accordingly, a commission of seven general officers, presided over by Sir John Aitchison, was appointed by Her Majesty, to inquire whether the measures taken by the Secretary of State on Lord Cranworth's Commission Report had been effectual and sufficient. The commission reported that, as regards the first of these, the measure had not been sufficient, as the names of staff corps officers had been retained on the regimental cadres to regulate promotion, a measure which Lord Cornwallis's Commission had declared to be no infringement of guarantee.

7112. Mr. *G. Duff.*] That was carried against the Government?—Yes.

7113. By a vote in the House of Commons; the Government opposed the address?—Yes; I have already said that Sir John Aitchison's Commission considered that the grant of brevet rank was not sufficient. The second commission considered that though for officers promoted since 1st January 1862 twelve years' service for colonels' allowances was a fair period, yet for those promoted prior to that date 10 years should be the term allotted for succession to the allowances. There were other points, but I refer to these two as being those only having connection with the staff corps. On the report of Sir John Aitchison's Commission, Lord Cranborne, then Secretary of State, declined to remove the names of the staff corps officers from the regimental cadres, but, instead, threw open the staff corps to the whole Indian army, without probation, or qualification, or restriction of any kind. That is, it was accepted as a fact that equality of army rank did not remedy army supersession, unless there was at the same time an equality of pay. Further, all limit as to the number of colonels' allowances was removed, and they became a certainty to every officer of the old Indian army who attained to 12 years' substantive rank as lieutenant colonel. Simultaneously, two additional pensions of 600*l.* and

and 750 *l.* a year were added to the pension list, attainable after 35 and 38 years respectively.

7114. *Chairman.*] Then the result of Lord Cranborne's arrangement was to make the whole army move on with the efflux of time, without reference to its having any duties to perform?—Practically the whole army; very few remained local; that is to say, very few did not join the staff corps. It was decided in the same year that officers joining the staff corps under this order would not be liable to be placed on half-pay upon any grounds other than such as would have justified their removal from the effective strength of the army had they not joined the staff corps. In 1868 the new furlough rules were introduced, which, however, are not applicable solely to the staff corps, but to the local service, and to those of the British line holding certain positions. In the same year it was decided that, on special and purely public grounds, no officer should be admitted (except by exchange) into the staff corps whose service exceeded seven years, or thereabouts, or whose rank was higher than that of subaltern. I do not think that there are any further changes affecting the constitution of the staff corps. There are possibly several of minor importance, such as the retention of appointments during prolonged absence, and such like, which, however, have a purely temporary and indeed personal effect.

7115. (To Mr. *Kellner.*) Now can you state how many officers were thrown into this new system by Lord Cranborne's order?—I find that in 1866 there were 1,485 officers in the staff corps.

7116. In the year before, how many?—One thousand four hundred and three. Then in 1867, they were 2,197; and in 1868, they were 2,401—being about one thousand in excess of the number of officers in 1865.

7117. That would show practically the operation of the order?—Yes.

7118. (To Colonel *Johnson.*) Then all these officers were suddenly given a scheme of promotion and pay who had never received or ever dreamt of receiving it?—The staff corps was framed without any idea of such a swamping as it received in 1866. The staff corps as framed, is the staff corps of the future.

7119. Has any rule been laid down now by which the appointments shall be classified, and by which promotion, and salary and retirement shall be dependent upon the duties performed; because you have described to us a system which has no reference to duties performed?—Any officer who is unemployed for a certain time, except those brought in without qualifications in 1866, is liable to be removed if he is unfit for the performance of his duty.

7120. That is, if he is doing no duty; but the question really has reference to the particular duties performed; a person may remain in subordinate employments now with a comparatively small salary, and yet with the efflux of time he may rise to high rank and have a high retiring pension when he goes away?—Yes, it is quite possible; but if you take really the relative number of field officers (those are the officers spoken of always as officers of high rank), it is not greater than you will find in the Royal Artillery at the present day, or it will not be.

7121. Is there any rule by which the ultimate pay and retirement shall depend upon the service that the person has done, and the actual salary that he has received in the appointment that he has held in the public service?—No.

7122. Then the two things are entirely separated, because they are not based one upon the other?—The salary is based on the work done, but not the regimental pay.

7123. Nor his promotion?—No.

7124. Nor his retirement?—Nor his retirement.

7125. Therefore, if this were presented as a parallel with the civil employment of any office in this country, a man who would remain a second-class clerk, for instance, in the India Office, if he retired at the end of 30 years, if he was not promoted, would only get the two-thirds, or whatever proportion it might be, of his salary as superannuation, as a second class clerk; but according to your view, although a second-class clerk, when he retired he would receive the rank and retiring pay of an Under Secretary of State, for instance?—Having performed the whole services which the Government requires of him for that period.

7126. Having performed inferior services?—But that always rules the pension system in the military service; a man might be a lieutenant for 26 years and then get the pension of a lieutenat colonel.

7127. In the old system he could not go from an ensigncy to a lieutenancy unless there was a lieutenancy vacant; he could not go into any other rank unless there was vacancy in that rank, and could not get any retiring pension except in that rank in which his service was?—His length of service ruled it there, and not the rank.

7128. What was the length of service in the regular army when he did not get anything by his rank?—I can't tell you that, but he gets exactly the same now; the pension rules are absolutely untouched; they are not affected in the slightest degree by the formation of the staff corps.

7129. Do you mean whatever his rank in the staff corps, he will get the same pension as formerly?—Whatever his length of service is. It is by service that the promotion is regulated, not by rank.

7130. Do you think that the new system has a tendency to keep officers in India, so that they may retire with better pensions than under the old system, at the higher rates of pension for the staff corps?—If you mean the two new rates, 600 *l.* and 750 *l.*, it could not possibly operate in that way as regards officers of the staff corps or the local service, because the higher pension of 750 *l.* a year falls in exactly with the period at which they are entitled to their colonels' allowances. But those two additional pensions were given for the future to induce officers who will hereafter attain their colonels' allowances by succession only, and not by length of service, to retire at an earlier date, and so to get rid of them before they are too old; to prevent them holding on for off-reckonings, in fact; and the same applies to the artillery in the present day.

Friday, 25th July 1873.

MEMBERS PRESENT:

Mr. Ayrton.	Mr. Beckett Denison.
Sir George Balfour.	Mr. Dickinson.
Sir Thomas Bazley.	Lord Edmond Fitzmaurice.
Mr. Beach.	Mr. Robert Fowler.
Mr. Birley.	Mr. Hermon.
Mr. Bourke.	Mr. Lyttelton.
Mr. Campbell-Bannerman.	Sir Charles Wingfield.

THE RIGHT HONOURABLE ACTON SMEE AYRTON, IN THE CHAIR.

Colonel ALLEN BAYARD JOHNSON and Mr. GEORGE WELSH KELLNER, re-called; and further Examined.

Col. *A. B. Johnson* and Mr. *G. W. Kellner.*

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7131. *Chairman* (to Colonel *Johnson*).] HAVE you any statement to make in reference to your evidence on the last occasion?—In my answer to Question 7058 I said, "There is no actual code or *résumé* of Staff Corps Rules brought up to date." Since I said that, I have received from India the Military Rules and Regulations, which have just been completed, and I should be glad to put in Chapter 1st, Section 4, which gives all the rules and the tests now existing. (*The same was handed in*, vide *Appendix.*)

7132. Sir *C. Wingfield.*] You say that under Lord Cranborne's Despatch of 1866, all officers in the local lists were allowed, without any qualification, to join the staff corps; and you say that previous to that time there was a limitation to the number of officers in the staff corps who could rise to colonels' allowances; that is to say, 1 in 30?—Yes.

7133. When these local officers were admitted under Lord Cranborne's orders, why was it necessary to withdraw that limitation?—On the formation of the staff corps the rule for the attainment to colonels' allowances was, that there should be a limited establishment of the latter to which officers should succeed as vacancies occurred. To create this limited establishment, in the first instance, officers after serving 12 years as substantive lieutenant colonels, and 38 years' service in all, were to be placed in receipt of the colonels' allowances until the regular establishment of 1 in 30 of the whole was complete.

7134. Therefore it was clearly intended, on the first formation of the staff corps, that the number of colonels and colonels' allowances should not exceed 1 in 30 of the strength of the staff corps?—Yes.

7135. Was it not clear at the moment that the local officers were admitted *en masse* in 1866, that limitation of 1 in 30 was abandoned; why was it not enforced in regard to them?—In attempting to redress the grievances that Lord Cranborne's Despatch was intended to meet, it was difficult to avoid embarrassment, from the circumstance of the two bodies of officers being under different conditions of service; and the question arose how they were to be treated in regard to the succession to colonels' allowances. It had been already arranged that officers of the staff corps should succeed according to seniority, at the rate of 1 in 30; but bringing in those who came in in 1866, they would have to be placed above the officers who had already come in under certain specific conditions of succeeding by seniority.

7136. That is to say, some would?—Yes; that is to say, there would be extensive supersession of officers who had entered the staff corps under certain conditions. It seemed necessary, therefore, to revert to the temporary rule which was made at the commencement of the system of colonels' allowances, and put all on the same footing of succession in 38 years.

7137. But these local officers admitted in 1866 were still local officers under a limitation as to the number who could rise to colonels' allowances?—Yes, a number fixed with reference to the reduction made in the number of colonels.

7138. What was the number?—Fifty-eight colonels' allowances, I think, in the infantry; but I am not quite sure.

7139. So that they have got an enormous boon in joining the staff corps?—No doubt, a very great boon.

7140. With regard to those officers who still are on the local lists, what is the rule with regard to their promotion to colonels' allowances?—Exactly the same.

7141. They also rise without limitation in numbers?—Yes.

7142. You have seen the correspondence of General Broome and General Hannyngton, and subsequently Sir Henry Durand's conclusions on reviewing the controversy between those two officers. Sir Henry Durand says, that in the year 1882 there will be 500,000*l.* paid for colonels' allowances, and in the year 1892 nearly a million. Have you formed any opinion upon that?—No, it is so entirely an actuarial question, that I do not consider myself competent to form an opinion of any real value upon it. According to General Hannyngton's calculation, there will be 513 staff corps officers drawing colonels' allowances in 1892, receiving 577,059*l.*, that is allowing for proportion

proportion of deaths, but not for men going on pension in the interim.

7143. But one thing is certain, that the number ultimately drawing colonels' allowances will be very great?—Undoubtedly; and the number that, supposing they all live, will succeed to colonels' allowances in a given time, can be determined specifically, but the difficult part of the question is, as to what number would have retired under the old rules, or may retire now before succeeding to colonels' allowances; allowance has to be made for the reduction on that score, for which we have really no data.

7144. But the colonels' allowances hold out a great inducement to a man to cling on to the service, do they not?—Unquestionably.

7145. Are there many officers of the staff corps now who are not employed at all?—Yes, a considerable number. We have put in a return showing exactly the number.

7146. Many of these officers in the staff corps are doing general duty, are they not?—A good many.

7147. Do you class them among the employed?—Among the unemployed. The general duty officers are field officers; that is, attached to stations, not to regiments. The captains and subalterns are attached to regiments. Of the lieutenant colonels unemployed in India there are 47, and there are 53 majors, 25 captains, and 3 subalterns; total 128.

7148. Doing duty?—Doing duty. Then there is a certain number who, even if in India, would be probably unemployed, that is to say, on furlough, but not holding appointments in India: 40 lieutenant colonels, 29 majors, 39 captains, and 4 subalterns, total 112.

7149. With regard to some of these men, officers of a higher rank, field officers who are doing what is called general duty at a station, the reason is that they could not be employed with regiments; there is not room for them in the regiments?—Partly that there is not room, partly that they are not qualified for employment.

7149*. But then did not the Home Government, about two or three years ago, issue a Despatch, saying that employment was to be found for all officers, and that those officers whom the Government pronounced utterly unfit for any employment at all, should be compulsorily retired?—Yes, but then that is, after all, too broad. There are a great many officers that you cannot turn out of the service summarily, whom, at the same time, it is not expedient or politic to place in command of regiments, or in the positions for which their rank would qualify them.

7150. Do you know how many officers have been compulsorily retired under that Order?—I could not tell you on the instant, but the information is obtainable; very few.

7151. Do you consider that, if a calculation were made of every officer's prospects of attaining the colonels' allowances, and his prospects were capitalised and part were paid down to him at once, that would operate as an inducement to many men to go?—I cannot say whether it would be so to many men; it would certainly to some. But till an offer is made no one ever knows how very few men will accept it. It is quite common to hear men say that, if some slight inducement were offered them to go, you would clear the service of all unemployed and discontented men; but, when the offer is made, even if it is quite liberal, as liberal as they have anticipated, there is always something at the last to induce them to reconsider their decision and to hold on for off-reckonings, or the better pay of India.

7152. But the longer you delay that, and the nearer these men are to colonels' allowances, the less temptation you offer them?—Yes; you buy their off-reckonings, I suppose, at their absolute value.

7153. Take a staff or local officer attached to a Native regiment: supposing he, from any unavoidable cause, overstays his leave, under the former regular system, he would simply have lost his pay; now, he loses his appointment, does he not?—No. Lately a rule has been laid down, that under no circumstances will an officer lose his appointment, except by special removal. If he comes home for, we will say, two years' furlough, and the Secretary of State sees reason to give him an extension of a year or any period, he continues to hold his appointment, but not to receive the pay of it. The object of that rule is to prevent men putting themselves out of employment, and so increasing the bulk of unemployed officers.

7154. But it was shown, was it not, by Sir George Balfour, in some question that he put, that, on the 1st of July 1871, there were upwards of 500 officers acting for others in the Native regiments?—I have not heard that, nor have I seen the calculation.

7155. Were they acting only for men on leave of absence in England, or are officers ever taken now from the Native regiments to fill other appointments, just as was the case in the old army?—They are in this way: that an officer, before he can enter any civil department, or any department non-regimental, has to pass through a certain probation, which is rarely extended beyond a year; for this purpose he might be taken away from a regiment, his appointment being filled by an acting officer of the same regiment probably for that year; but the full pay of the appointment would go to the officer acting for him.

7156. But then many young officers use these Native regiments as merely resting-places to getting a civil appointment, do they not?—Certainly; it is part of their civil probationary service; it is necessary before entering into a civil department, that you should pass a year with a Native regiment.

7157. Therefore a proportion of the officers are men who do not look to the regiment as their home, but are expecting to be taken away from it as soon as possible?—I think you may generally say that the officer who is absent, acting in a civil appointment, will be the second wing subaltern, who is the reserve of the corps.

7158. In the present constitution of the Native army you seem to have, to some extent, the evil of the old system; that is, that the young officers are all looking to get away from the regiment?—I think not; that applies to very few. I think that the present officering of the army is far more stable than it was under the old system; in fact, it is actually what we may consider a very stable form of organisation.

7159. Do you consider that there is now a more permanent connection between officers and men than

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than there used to be?—I consider that there is, certainly, than there was in the old Native line regiments, from which we all tried to get away and stay away.

7160. When these regiments were first formed, I think, it sometimes happened that a man of inferior rank in the army was higher placed in the regiment than a man of superior army rank?—That may have happened in a few instances; it is not the rule, and very far from being the rule. Great care is taken in that respect.

7161. What proportion of officers belonging to the local lists are now employed in the regiments?—The total number of officers of the local service, or the general list so employed, is 236; of the staff corps, 873.

7162. With regard to those officers who are called general list officers, that is those who entered between 1858 and 1861, it was clearly made known from the first, was it not, that they had not any vested right to rise to the rank of colonel without limitation of number?—They were told that they were under no fixed conditions of service, that they were liable to any changes that might be made by Government at any future time. When the Order was passed, allowing any officers who had entered the staff corps on and before 1866 to succeed to colonels' allowances in a fixed time, those of the general list who had done so, of course, equally came under the operation of that rule.

7163. When they were allowed to join the staff corps?—Yes.

7164. But with regard to those who have not joined the staff corps, had they a right to rise to colonels' allowances without limitation, or are they subject to restriction?—I think they are not subject to any.

7165. With regard to those officers who entered the service between 1858 and 1861 that are known as the general list officers, I wish to know whether those among them who have not entered the staff corps are under any limitation as to colonels' allowances?—I am not quite confident on the point, but I can ascertain from the India Office whether any, and if so what, rule has been laid down in the matter; but I should say that they will succeed as those who entered the army before 1866.

7166. Sir *G. Balfour.*] Under what rules do you suppose that they will succeed to colonels' allowances?—Under the rule of length of service; that is my impression at present.

7167. That length of service being 38 years?—Yes.

7168. And that they will fall in in the same category with all those who were admitted to the staff corps in 1866?—That is my impression.

7169. Sir *C. Wingfield.*] But you admit, I suppose, that the Government is free to lay down any rule that it pleases in regard to those officers, they having entered subject to any changes?—Yes; the Government has power to lay down any rule that it pleases.

7170. And ought not the intention of the Government in regard to them to be announced as soon as possible?—It possibly has been already, but may have escaped my attention.

7171. Sir *G. Balfour.*] In the meantime these officers have been promoted to the rank of captains under the 12 years' rule, have they not?—No; they are promoted to captains upon vacancies in cadres, and they succeed to a majority under the 20 years' rule.

7172. Then do you hold that none of the general service officers who entered in 1858, and subsequently, have been promoted to the rank of captain under the 12 years' rule?—I do not think so. I have very little doubt that they only succeeded to vacancies on cadres.

7173. Were these officers attached to any cadre?—No; but on vacancies occurring in any of the captaincies of the cadres, the senior general list officer was promoted on that list to a captaincy; the result is now, that there is no lieutenant in the general list of the Bengal army, but also no major, though there they been any number of vacancies to the majors in the different cadres; they succeed to the majority under the 20 years' rule.

7174. Have any of these several service officers attained the rank of captain under 12 years?—They certainly would if a vacancy had occurred in a cadre. In point of fact, they have all attained their captaincies under 12 years', most of them under 10 years' service.

7175. They would have superseded those officers who had joined the staff corps?—Yes; they have superseded those officers who had joined the staff corps.

7176. Sir *C. Wingfield.*] I see that Sir Charles Wood in, his Despatch of 1864, mentions these general list officers as 679 in number at that time; then a good many entered the staff corps; have you any idea what number remains now?—There are on the general list 167 in Bengal, 83 in Madras, and 47 in Bombay, 297 in all.

7177. And you cannot tell us exactly whether any or what rule has been laid down regulating their rise to colonels' allowances?—No; I cannot say at present.

7178. Sir Charles Wood says in his Despatch in 1864, "and to every officer, including the cadet, who entered the service as late as December 1861, his promotion through every grade, with the pay thereunto belonging, as if the whole Native army of India had been kept up, is assured, and his right to Indian pension is maintained." That seems to bear out your view, that the rule of promotion that had been laid down by this Despatch is assured to them, but it still leaves open the question of colonels' allowances?—Yes, it does.

7179. Because at that time colonels' allowances in indiscriminate numbers had not been extended to the local army?—No, they had not; that was the work of two years later.

7180. Sir Henry Durand, in his minute, calculated that the amount payable for colonels' allowances in January 1892, would be over a million; you put it about half that?—I have simply quoted General Hannyngton's latest calculation, a calculation made subsequently to the discussion there was.

7181. Does that include all the officers, staff, local, and everybody; or merely staff?—The staff corps only.

7182. Then you must make an addition to that for locals?—Yes.

7183. He says that on the 1st of January 1892 over a million will be paid for colonels' allowances, that is to say, on the entire army staff and local?—I cannot give you the corresponding figures for the local service for 1892. (Mr. *Kellner.*) I have a list here, showing the number

number of local officers who will be eligible, if they survive, for colonels' allowances.

In the year	1874	- -	29 officers.
,,	1875	- -	4 ,,
,,	1876	- -	23 ,,
,,	1877	- -	7 ,,
,,	1878	- -	26 ,,
,,	1879	- -	10 ,,
,,	1880	- -	17 ,,
,,	1881	- -	16 ,,
,,	1882	- -	10 ,,
,,	1883	- -	40 ,,
,,	1884	- -	22 ,,

This takes no account of probable casualties, by death, &c.

7184. Sir *C. Wingfield* (to Mr. *Kellner*).] How many will be drawing colonels' allowances in 1884, do you calculate?—That has not been worked out; it is a very difficult problem. General Hannyngton has only worked it out in the case of the staff corps, and his calculation goes to show that whilst there are now 64 officers of the staff corps in receipt of colonels' allowance, amounting to 71,992 *l.*, the number will increase to 316 in the year 1882, and to 513 in the year 1892, at a cost to the State of 577,000 *l.* In addition to this, there will be the local officers in receipt of colonels' allowance, whose number has not yet been computed. Of course, with this increase of the colonels' allowance, there will be a decrease in the effective list of staff corps and local officers, and consequently in the cost of effective pay.

7185. Then on what point did General Hannyngton and General Broome differ in their calculations?—General Hannyngton held that by General Broome's method of calculation, the ultimate growth of colonels' allowances was greatly exaggerated; also, that the saving by the proposed measures for accelerating retirement would not be the sum of the effective pay of the retiring officers (as assumed by General Broome), but the pay of the survivors of them only.

7186. However, General Broome persevered in his views, did he not?—Yes.

7187. (To Colonel *Johnson*.) Now, a staff corps had, before the Mutiny, frequently been talked of, to remedy the evil of the practice of withdrawing men from their regiment, keeping them away from their regiment, and then sending them back as lieutenant colonels to command it. I could perfectly understand the object of a staff corps at that time; but after the Mutiny, when in Bengal, at all events, your Native army had disappeared altogether, what was the use of creating a staff corps; why might you not have officered your new regiments from cadres, and have let the cadres work themselves out?—You could have done it, but the question was how to provide for the future supply of officers for those regiments.

7188. You might have commenced a staff corps with officers drawn from the Royal regiments, might you not?—Yes, that might have been done.

7189. And left the old East India Company's officers where they were, in their cadres, and taken them from their cadres to fill the different appointments as before, until the cadres had worn themselves out?—In one regiment then you would have had two different systems of promotion, one for the cadres officers, the other for the staff corps officers taken to fill the junior appointments.

7190. But I would take these officers from the Royal regiments only?—But they would have been under a different rule of promotion, as the staff corps rule, from the officers who were rising in their cadres. One set of officers would be rising by seniority, another by prescribed periods of service, in the same corps.

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7191. But the officers rising in their cadres would come to an end, and the new staff corps would have been there to take their place?—That, I suppose, might have been done.

7192. I mean that your staff corps for the future was to grow out of young men taken in the first two years of their service from the Royal regiments, and for the different civil, military, and political appointments, and officering the regiments, you could have taken the men as you wanted them out of the cadres, leaving them to rise and get promotion in their cadres, and have employed them exactly as before?—That could have been done, but it would have been productive, I think, of very considerable confusion for a great number of years, which, when the staff corps was formed was not contemplated or likely.

7193. *Chairman.*] The honourable Member's question goes to ask you what difficulty there would have been in carrying on the two systems; supposing they were each on this basis, one the old system of withdrawing the officers into the staff corps as they were wanted, which could be no injustice to them, because it was exactly what had been going on, and the other, a new system to supply the youngest appointments at the bottom of the whole corps, by withdrawing young men from the Queen's Army in the first three or four years of their service while they were still at the bottom of their regiments, they qualifying then to go into the staff corps if they wished to go into it; there would have been no confusion there, because the old system would have gone on as it had done, and the new system applying only to the Queen's regiments, and junior officers could not be said to interfere with the regular course of promotion?—It would not interfere with the regular course of promotion in the local service.

7194-95. Nor in the Queen's service?—I do not mean that there would be any inconvenient interference with the promotion in the Queen's regiments owing to their being taken away.

7196. Nor could there be any confusion of system, because these young men would go in with the full knowledge of the conditions, that they would only supply the new growth; those who newly came in from the Queen's army would only supply the new growth?—When I spoke of inconvenience in the same regiment, I did not refer to the old Indian local corps, or cadre, or the Queen's regiment, but to the corps in which these two classes were serving.

7197. Sir *C. Wingfield.*] It would have left these officers in their cadres, using them from their cadres as they had been before?—But there would be soldiers under their command of some sort or other, and the officers commanding those soldiers would be under two different classes of promotion. The only regiment that would have existed, would have been what you call the Irregular; that is the regiment on the new organisation of seven or six officers.

7198. And the officers would have been taken to officer it from the cadres, as they have been taken for the last 50 years?—Four or five of these officers, or some such proportion, would have been under one form of promotion, that is the cadres; the others who were forming the growth of the staff corps would be receiving the promotion which might be laid down for them.

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7199. The young men taken from the Royal regiments could not have trodden on the heels of the cadre officers, they would have been so much junior to them?—No, I suppose not.

7200. *Chairman.*] The honourable Member is putting this question to you; why would you not keep up the cadre officers for the purposes of promotion, rank, and pay, as defining their interests to the great Tontine as it were, of the Indian Army, without reference to the fact whether they had soldiers to command or not?—That could have been done.

7201. Sir *C. Wingfield.*] When the staff corps was formed, the *raison d'être* of a staff corps was gone, was it not, the Native army having disappeared?—The staff corps was to be the corps of the future. It was not merely intended to fill a gap to arrange for the disposal of the officers thrown out of employ, but to form a solid basis on which hereafter the Indian army should be officered, and the appointments which had been held as a rule by military men should continue to be supplied from that class; and not merely for the next 10, 20, or even 30 years, but for the great future.

7202. But if that principle had been in view, ought they not then to have defined what appointments should be held by officers of a certain rank?—It was hardly practicable, because they had at the same time to deal with existing circumstances in which a large number of officers of very considerable standing, but of junior rank, would have to enter the staff corps. Their field of selection would have been unduly restricted if they had laid down any specific grades.

7203. Sir Charles Wood, I see, gives as the main reason for the formation of a staff corps the evil of withdrawing officers from their regiments for staff employment. There ceased to be any evil in that when your Native soldiers had disappeared, did there not?—The object of the staff corps was to provide for the two classes, for the regimental officers and for the civil officers. The object of forming the staff corps was to have one corps from which men should go to any class of employment that the Government required; men joining regiments became staff officers, *ipso facto.*

7204. I do not think any calculation was made at the time of what the requirements for the civil service would be; the Government did not say, "for the civil duties of Oude, the Punjaub, the Central Provinces, and the other civil administrations we require so many officers," did they?—I do not know that they did; but that is a matter probably that was discussed in Committee; so that, of course, I cannot speak with any knowledge on the point.

7205. Sir *G. Balfour.*] At the present moment is it not the fact that officers of different conditions of service are now serving as officers of the Native regiments?—Yes.

7206. And that you have got staff corps officers, general list officers, and Native infantry officers, all three, serving in the same corps?—Yes; and extremely inconvenient it is.

7207. Will you describe what the inconvenience is?—The inconvenience is, that you have quite young officers rising in the local service to very high rank, whilst still very young, and it becomes either necessary to employ them in positions which are not quite desirable for them, that is, in very junior positions in the regiment, as lieutenant-colonels, or as young officers to put them over older officers.

7208. But does not that apply to staff corps officers who have actually obtained rank in the staff corps superior to that which they hold in the cadres?—Yes, and that was met by the rule of giving equal army rank to all officers in the army.

7209. But did we not, by forming the staff corps, force upon the Government the necessity of giving to all officers of the local service, as well as the European force, local rank?—At any rate, the Government accepted it as being necessary.

7210. But was it not the fact that the Government did bestow local rank upon every officer in India?—Yes.

7211. Is it not the fact also that very serious inconvenience was caused from that local rank arising out of the staff corps formation, whereby officers of the European regiments actually doing duty as captains with their regiments, became senior to the lieutenant colonels of the regiments, and sometimes took command of a station over the regimental colonel?—I do not remember a case of the sort, but no doubt it might occur.

7212. Was it not the fact that very important changes took place in Madras when the staff corps officers superseded their former regimental colonels?—I believe so.

7213. Was not that an evil arising out of the staff corps formation?—Yes, I am quite prepared to admit that you cannot introduce a new system without some inconveniences.

7214. Sir *C. Wingfield.*] Does it happen now that a local officer serving in a regiment with staff corps officers sometimes leaps over their heads?—Yes.

7215. But I thought that the brevet rank that was given by the rule of Sir Charles Wood obviated that?—By no means; these local officers get their promotion in 12 and 14 years to lieutenant colonels.

7216. And when a staff corps officer becomes a regimental lieutenant colonel in the cadre he is knocked off?—Yes.

7217. That creates a sudden rise?—You run through the majors now in a year and a half, or two years, whereas formerly you took seven years.

7218. So that a captain in a cadre may be a lieutenant colonel at a leap?—No, he must go through the majors; for instance, in the gradation list of majors there are 10 local officers only receiving real promotion; so that a junior instead of waiting for the 26 line steps gets his promotion to lieutenant colonel in 10 steps, or fewer, as the case may be.

7219. Does not that sudden promotion of a local officer in a regiment lead to his getting higher rank than the men over him in the regiment, and certain changes in the regiment?—It may.

7220. Does that happen frequently, and thereby interfere with the permanent connection of officers with their regiment?—I think not; the permanent connection with the regiment has been very carefully guarded; great pains have been taken to keep officers as long as possible with regiments, and I think on the whole it will be found that they do remain a very considerable period with them.

7221. Sir *G. Balfour.*] With regard to that portion of your evidence on the subject of the cadres of Native infantry regiments, can you give us any information as to the average number of officers

officers serving in Native regiments on the 1st of January 1861?—No.

7222. Are you not aware that in many instances the cadres have been so reduced that some regiments have only four; four in Bengal, five in Madras, and four in Bombay actually serving with battalions of Native infantry?—The cadres could not have been so reduced; the numbers of officers serving with regiments may have been as low as that.

7223. You understand that I am speaking of officers actually serving with regiments?—Yes.

7224. And is it not the case, that the average number present for each regiment was $7\frac{2}{3}$ in Bengal, $10\frac{1}{2}$ in Madras, and $9\frac{2}{3}$ in Bombay; that was the return furnished by the adjutant-general of the army, on the 1st of January 1861, to the commission of which I was a member?—Yes.

7225. So that the necessity for forming the staff corps did not then exist; they might have been allowed to die out?—I think there is some confusion in the question between cadres and regiments. The number of officers you say in the cadres were four, five, and four in the three Presidencies; whereas the cadre consists of all the officers borne on the regiment for promotion.

7226. I said actually serving with Native infantry?—That would hardly affect the question of the creation of a staff corps.

7227. There were 155 battalions of Native infantry with regularly formed cadres?—Yes.

7228. And there were a large number of Natives that did not form a portion of these 155 battalions?—Yes, what we call irregular corps.

7229. I am speaking now of the average number of officers who were serving with all the battalions which were then in existence; and I am drawing a distinct line between the number of officers on the cadres and the number of officers serving; when I mentioned to you how very few officers there were on an average serving, might not time have been taken before forming the staff corps in 1861?—I dare say that it was not absolutely necessary to form a staff corps actually for immediate and present use, but as reorganization was absolutely necessary, it seemed desirable, as I understand it, that a system should be at once introduced for the future needs of the army, and of the service in India generally.

7230. But you are aware that no such reference had ever been made by Lord Canning's Government to the Secretary of State, as to this staff corps formation?—I believe that is so.

7231. And that the formation of the staff corps, under its present constitution, was entirely a project at home without any previous sanction of the Government of India?—I am not prepared to say exactly that, because I do not know really what went on; Lord Lawrence lately informed me that he had, in communication with other officers in India, suggested the idea of a staff corps somewhat similar to that which is now in force.

7232. Did you understand that he suggested the formation of a staff rising in rank by length of service:—No, I had no idea of the details of his proposal.

7233. Then, are you aware of any recommendations from India which correspond at all with the present staff corps system?—No.

7234. You are aware that Sir Charles Wood, in his Despatch of the 18th of January 1861, distinctly stated, "I am of opinion that a very considerable saving will thus be effected by forming a staff corps, as nearly one-half of the charge for the regular regiments consists of the pay and allowances of officers." Do you understand that the cost of officers now serving with regiments is less than the cost of officers who were serving with the regiments on the regular system?—If you mean now, I believe not.

7235. You consider that that expectation, therefore, has not been realised?—Not at present.

7236. Do you expect that in the future it will be?—Certainly, I believe it will be.

7237. Under what change of circumstances?—When the corps assumes its normal proportions.

7238. Have we any calculations in existence to show that?—A very careful and, I believe, a very accurate one by General Hannyngton, as to the number of officers that will hereafter form the staff corps, and to which the officers now in it must eventually come.

7239. Have you that statement with you?—I have the result of it; General Hannyngton says that the normal state of the staff corps, the tendency to which the staff corps is now coming, is that of a strength of 2,400, which will be the requirements of the service hereafter; there will be 300 lieutenant colonels, 458 majors, 757 captains, and 885 lieutenants.

7240. Does he state how many of these will be serving with Native regiments?—No; but we may assume that of the 600, I think, allowed for civil service in this calculation of 2,400, the majority will be officers of considerable standing, and will be out of proportion to the officers with regiments; that the proportion of captains and lieutenants with corps will be therefore very considerable; there will be probably three field officers and four captains and subalterns with each regiment.

7241. Do you consider that the cost of these officers will be less in future than the cost of officers who are actually serving with the regiments on the regular system?—I believe that now they are more expensive than they will be.

7242. Mr. *Bourke.*] And will go on so for some time?—Yes.

7243. Sir *G. Balfour.*] But even under General Hannyngton's statement we shall still have the cost of officers serving with the battalions greater than before, shall we not?—I will look into that.

7244. You are aware that several officers obtained the colonels' allowances under 38 years' service?—Yes.

7245. Do you know how many there were?—No.

7246. That was under what provision; under the order of 1866, was it not?—Under the order of 1866 some did; officers who were promoted to lieutenant colonels before 1861 succeeded in 10 years to the off-reckonings, if there was a vacancy in the number.

7247. Colonel Marryatt is an instance in point; he obtained his colonels' allowances after an interval of 12 years, being then under 34 years service?—I have forgotten the facts of the case.

7248. Are you aware of these instances to which I refer?—I have no doubt about them.

7249. (To Mr. *Kellner.*) I have not been able to realise the established strength of the European force in 1862-63; will you kindly explain

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plain to the Committee how you make out that strength; I observe you make up the strength 69,732?—Yes.

7250. Do you consider that to be the correct strength?—Yes; that is the strength which I have made out from the returns of the Adjutant General and Quartermaster General, it is the average strength during the whole year. The established strength is 69,324, and that is taken from the Budget Estimate.

7251. Is that taken from my own statement?—Yes.

7252. I see that I stated the strength then at 69,324, but you are aware that I assumed reductions to a very considerable extent which were never realised?—Yes.

7253. Of 22 troops of European cavalry?—Yes.

7254. And also a European regiment of infantry, and I assumed the strength of the artillery at a very low figure as compared to the then established strength, did I not?—Yes.

7255. If we make the corrections for those, could you not give us what the actual established strength was?—I have endeavoured to do so, but have not been able to get the data, they are not to be had at the India Office; I wrote to India for them, but with no better result.

7256. Have we not got them in the English Army Estimates?—Yes, they are there, I have no doubt; but I have throughout gone upon the statements prepared in India of the strength actually in India.

7257. You are aware also that the number of regiments for which I calculated the Budget of 1862–63, were fewer than what was actually then maintained?—Yes.

7258. You are also aware that the strength of a cavalry regiment in the Budget which I prepared for 1863 was very considerably below the established strength then maintained?—Yes.

7259. Are you prepared to admit that the calculation which the Army Estimates show is more correct than the 69,324 which you have given?—I have merely copied those figures of established strength from the Budget of the year, in the first three years, because I have not been able to obtain any other data for those years; but for all the subsequent years I can vouch for the figures, having worked them out myself from 1865-66 down to 1871–72. Would you wish the 69,324 to be corrected by any returns in the War Office?

7260. The Committee would desire to establish the difference between the European strength of the present day and the European strength of 1862-63?—In this statement you will observe that I have endeavoured to place the average effective strength in each year with the established strength, the established strength being taken from the Budget of the year; and the fact that the established strength was understated in the Budget for 1862–63 is clear from this very statement, which shows that the average effective strength was in excess of the so-called established strength.

7261. The strength which I have calculated, as correcting my former strength, is this; there are 2,801 non-commissioned officers, rank and file, to be added to the 69,324, and in addition to that to compare with the strength of the present day, there are 829 belonging to the Lahore light horse, &c.?—The Lahore light horse is included in my statement of the effective strength.

7262. What is your strength?—Sixty-nine thousand seven hundred and thirty-two.

7263. Then the difference between 69,324 and your numbers is the Lahore light horse?—No; 69,732 includes the light horse; the established strength does not.

7264. Does the strength which I gave, 69,324, include the Lahore light horse?—I think so; I think there was no question of the abolition of the Lahorse light horse when the Budget of 1862-63 was submitted.

7265. And does that include the 22 troops of cavalry which I assumed would be struck off?—No, it does not.

7266. Or the European regiment of infantry which went home in January 1863?—No, I think it is stated in the Report that it does not include that.

7267. And, therefore, the strength has to be corrected to that extent?—The strength has to be corrected to that extent.

7268. Would you endeavour to look over the strength in India, and put in a correct statement of the established strength in 1862–63?—Yes; I have the effective strength; the details are completely given here, and they might be checked; they have been very carefully compiled.

7269. With regard to the Native strength, you have also stated the established strength of Natives to be what, in 1862-63?—One hundred and thirty-four thousand two hundred and forty-six. I have taken that from the Budget simply, not having any other data for those three years, 1862–63, 1863–64, and 1864–65, I have taken the established strength from the Budget for the year, but the effective strength I have taken from the Army Head-quarters' Returns.

7270. Did you include the regiment of Bengal Native cavalry, which I assumed would be reduced?—No, I think not; but the fact is I have taken the established strength without any examination; I have adopted the figures from the Budget for the year; but I am quite aware of the Report which contemplated all these reductions.

7271. And that subsequent to my departure they were not carried out?—Quite so.

7272. In comparing the total cost of the army for 1862–63, which you have stated at 14,892,849*l.*, we have to compare a much larger strength of establishment than we have at the present day?—Yes.

7273. And larger than the strength that you yourself were giving?—In comparing the strength I have taken the effective strength of the two periods 1862–63–64 and 1871–72, that is, from the Returns made up from the Army Head-quarters' Statements.

7274. The effective strength diminished the cost by the amount of men actually deficient?—Yes.

7275. If we had more regiments in 1862-63 than what the strength stated gives, the cost of the army will relatively be reduced?—Yes. Do I rightly understand that you would wish the comparison to be made, not upon the effective strength, but upon the established strength, as between the two periods?

7276. The Committee would wish to see the actual established strength actually maintained, irrespective of any assumption in the Budget?—I will endeavour to work it out.

7277. And will you then show the relative difference between the established strength of the present

present time and the established strength at 10 years ago?—Yes.

7278. As well as the effective strength of the two periods?—Yes.

7279. In the statement which you prepared here of the total cost of the army, I observed that the Medical Department for 1862-63 is stated at a considerably larger sum than in subsequent years?—Yes.

7280. Will you explain what the cause of that was?—There was a larger number of medical officers with regiments, and the Medical Grant was then charged with the pay of medical officers, whose pay is now charged to the Regimental Grant III.; that has been explained at length already.

7281. Will you explain the cause of that difference?—The pay of medical officers was in 1862-63 charged to the Medical Grant; now it is charged to the Regimental and other Grants, according to the employment of the officers with regiments, or on other duties.

7282. Then we have to increase the expenditure in 1862-63, under Grant III., for the regimental pay and allowances, by the amount of the pay of the medical officers charged in another Vote?—Yes.

7283. And if we made that allowance, the calculation would then be uniform for the three periods?—Yes.

7284. Now, seeing the variations in the amounts charged, will you be good enough to explain the particular items; for instance, taking the Ordnance Establishments, there has been a large increase there?—Yes, there has been a very large increase.

7285. In what items have these taken place mainly?—In all the items, but the increase has occurred for the most part in Bombay; the Government of India called upon the Bombay authorities for an explanation of the very large increase in ordnance expenditure, but the returns obtained from Bombay do not explain the increase quite so satisfactorily as is desirable, and the matter was under inquiry when I left India. In 1863-64 the personal charges were in Bengal 106,838 *l.*; in 1871-72 they amounted to 115,344 *l.*, an advance of about 8,000 *l.* per annum. In Madras, the establishment charges are much the same now as then, being 74,632 *l.* now, and 74,712 *l.* in 1863-64. In Bombay the personal charges of the Ordnance Department have risen from 70,000 *l.* to nearly 84,000 *l.*, and that is owing to the increase of the staff salaries of the ordnance officers, and the improved pay to the warrant grades; in fact, to all classes of establishments; but the most notable increase is in the charge for the supplies. The increase in Bombay is from 25,346 *l.* in 1863-64 to 148,000 *l.* in 1871-72.

7286. And in Bengal what has been the increase?—From 102,000 *l.* to 141,000 *l.* In Madras it is much the same, 34,688 *l.* in 1863-64, and 35,000 *l.* in 1871-72.

7287. And the total increase altogether from 1863-64 of the ordnance establishment to 1871-72, has amounted to how much?—Nearly 200,000 *l.*

7288. When did the stores from Europe cease to be charged in India?—In the year 1866-67.

7289. If we add on, therefore, the cost of stores which are charged at home instead of in the Indian Budget since 1866-67, it will make the returns very much more, will it not?—Yes.

7290. Can you say how much further increase it would have brought it to?—I should think the ordnance stores in 1871-72 cost about 400,000 *l.*, 424,000 *l.*, I think. That would have to be added.

7291. Would you endeavour to send in a statement to the Committee to show an uniform charge by adding the stores now paid for in England to the charges in India, so as to compare with the other year for the Ordnance Grant; you may as well make up that statement complete?—Yes, if I have materials I will do it; we have been at some disadvantage in not having any details of the accounts of 1863-64; we have them from 1865-66 up to the present day.

7292. You have them sufficiently stated in Colonel Broome's Report of March 1869, have you not?—Not in sufficient detail, I think; all that we have had is the account laid before Parliament, and the classification and arrangement of the accounts were entirely different in 1863-64 from what they are now.

7293. Will you endeavour to supply that want from the India Office, and add on the cost of stores?—Yes.

7294. Now with regard to the commissariat and the cost of that department, will you state what that has increased from?—The executive establishments in Bengal in 1863-64 cost 109,000 *l.*; in 1871-72 they cost 103,000 *l.*; that is a decrease of 6,000 *l.* In Madras the establishments cost 44,000 *l.*, and now they cost 45,000 *l.*; that is an increase. In Bombay they cost 36,000 *l.* in 1863-64, and they cost 44,000 *l.* now; an increase of 8,000 *l.*

7295. Does it apply in the same manner to the cost of malt liquor; is that included in the relative statement prepared?—No, it is not included

7296. What has been the cost of malt liquor charged for in England since 1866-67?—That would be in the English accounts. I have a statement here of the charges for malt liquor, giving an average annual outlay of 295,000 *l.* between the years 1866-67 and 1870-71.

7297. And then if you add that amount to the Indian charges, it will make the commissariat charges a very considerable increase?—Adding 295,000 *l.*, it brings up the amount to 2,224,000 *l.* in 1871-72 against 2,299,000 *l.* in 1863-64.

7298. Then, besides malt liquor, is there any other item now paid for in England which was formerly paid for in India; rum in Bombay, for instance?—Yes; rum for the troops in the Bombay Presidency is sent out from this country.

7299. Will you also add that portion of the expenditure?—Yes.

7300. Now, with reference to the prices of provisions, you have drawn up a statement, showing the comparative cost of European rations of the present day, and of 10 years ago; is that cost less now than formerly?—It is less in some articles; I made that up to the year 1870 only.

7301. We will take the average rations altogether, irrespective of the items: will you state that?—It was *Rs.* 8. 8. 1. in Bengal in 1870; and in 1863 it was *Rs.* 9. 2. 5.

7302. Then it is satisfactory to find that we are rationing the European soldier at a cheaper rate than we did 10 years ago?—Yes.

7303. And the soldier's food has not fallen off in any respect, has it?—No; on the contrary, it has been improved, I think.

7304. So that there has been a considerable economy in obtaining supplies of provisions for the European soldiers?—Yes.

7305. Looking to the large increase which has taken place in the compensation paid to Native

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troops for dearness of provisions, can you give us any explanation of that contradiction that the European soldier's rations have been lessened, and yet this compensation for dearness of provisions increased?—In the arrangements for bread and meat, the substitution of the home system for the contract system has tended mainly to reduce the cost of the European soldier's rations.

7306. But the bread and meat of the European soldier's rations is fully equal to what it was 10 years ago, is it not?—Yes.

7307. Therefore, there has been no falling off in that respect?—No; but it is obtained more cheaply by the home agency.

7308. Will you explain what you mean by the "home agency"?—The substitution of commissariat bakeries and slaughter-houses, in place of obtaining the bread and meat by contract as before.

7309. In fact the commissariat arrangements are improved very considerably?—The commissariat arrangements are improved in that respect.

7310. Still the fact remains the same that we are able to obtain supplies at a cheaper rate than formerly?—Yes.

7311. Now will you explain the cause of this large increase for compensation for dearness of provisions to Native troops?—It is granted under an old regulation of the Indian Government, whereby, whenever the price of grain exceeded a certain limit, the soldier was promised the difference of cost in the way of money compensation.

7312. But seeing that a falling off has taken place in some years, can you account for that decrease as compared with other years?—It would depend very much upon the year; years of famine and years of plenty would account for the rise and fall of the compensation.

7313. But do you understand that there has been the same care taken to look over that kind of expenditure that there has been to look over the commissariat for the European troops?—No, I am afraid not. It is my individual impression only that that charge has been allowed to grow through some want of care, but it is impossible to say. The prevailing rates for wheat, rice, and other grains are ascertained by the documents prescribed in the regulation, that is, the price currents of the day; these are given by the subordinate Native officials in each locality, and the claims of the soldiers to compensation are paid upon those price currents without further question.

7314. But looking at the care which was taken to exercise control over that most difficult of all expenditure in earlier years, do you consider that the same care has been taken of late years to overlook that kind of expenditure?—No.

7315. And do you consider that if we enforced and looked carefully into the certificates given for the price of grain we could effect still more reduction than has been effected?—The Government took up the question some months ago, and issued circulars to all the civil functionaries throughout India, directing their attention to the growing expenditure under this head; I believe the effect has been good and the charges have been very considerably reduced.

7316. I observe in the Estimate for 1873-74, a very considerable reduction here?—Yes.

7317. You consider that that is due to the efforts of the Government to reduce this expenditure?—Yes, that has caused increased attention on the part of all concerned, that is to say, the military commanding officers, and also the civil district officers.

7318. Do you remember the great efforts made by Colonel Hobday the examiner of the Commissariat Accounts, in order to examine all the accounts of that kind with promptness and exactness?—I have always heard of his being a very good commissariat officer.

7319. And that no commissariat charges were allowed to accumulate beyond two days?—Yes.

7320. Was not that an excellent system?—Yes.

7321. Has that system been pursued of late years in respect of promptness of examining the commissariat charges?—I think there has been sufficient promptitude, but I have a general impression, from matters that have come up from time to time, that the check of the accounts has not been so stringent as is desirable.

7322. And have you taken measures as Accountant General of the military expenditure to endeavour to re-establish that exactness and order?—Yes, the Government have taken it up, and endeavoured to impress all officers with the necessity for exactness and promptitude in dealing with expenditure of this character.

7323. And have you established the same exactness in the commissariat accounts as there was formerly?—I think they are pretty well up now. The Government had occasion to find fault with the delays of the department in connection with the Looshai expedition, but there has been improvement since, I think. Certain irregularities were brought to light in the Bengal and Bombay Commissariat, but inquiry was duly instituted and measures adopted for preventing their recurrence.

7324. You will prepare a statement to reconcile the commissariat charges in India in the later years with those in the former years, when the various stores were paid for in India which are paid for in England now?—Yes.

7325. With regard to the medical department, what is the difference with regard to that expenditure. You have already explained in connection with that the charge for the medical officers of regiments being included in 1862-63 in that vote; but with regard to the medical supplies, what has been the case?—I find that in the medical department the establishments have decreased. The Inspector General's Indian Medical Department cost 18,365 *l.* in 1863, and it costs now 17,207 *l.*, but the cost of the British Medical Department has largely increased. Then the charges of the districts', Indian Medical Department amounted to 146,558 *l.* in 1863-64, and in 1871-72 they amounted to 123,929 *l.* In the medical store depôts there is an increase. But it is chiefly the British medical establishments that have caused the large increase under this grant.

7326. Will you explain under what heads that increase has taken place?—The Inspector General and Deputy Inspectors General; and then we have a large reserve of staff surgeons and assistant surgeons of the British Medical Department. These together have caused an increase of 72,000 *l.* per annum since 1863-64.

7327. Have the ranks of the British Medical Department Establishment largely increased?—Very largely increased. The number of inspecting and staff surgeons was 26 in 1863-64, it is 99 now; but I think that Colonel Johnson is familiar with the details of the British Medical Department. (Colonel *Johnson*.) There is a British Medical staff, exclusive

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to Mr. *Kellner*).] Will
s an idea of what the increase
the British Medical Staff has
al alone?—We have now one in-
general, one secretary, and one statistical
cer; six deputy inspectors general, four staff surgeons major, three staff surgeons, and 40 staff assistant surgeons, making a total of 55 officers. In 1864 there was one inspector general of hospitals, two secretaries, two deputy inspectors general of hospitals, five staff surgeons, and eight staff assistant surgeons, a total of 18 officers.

7330. (To Colonel *Johnson*.) Have any representations been made by the Government of India objecting to this large establishment?—It was strongly opposed by the Secretary of State at the time that it was introduced; it was introduced in the teeth of the India Office.

7331. And what representation has been made from India?—I believe the entire question of the double staff is under immediate consideration, and in course of time, I have no doubt, that communications will be made to the Secretary of State with a view to its remedy.

7332. In that way we may look forward to a considerable reduction of expenditure, may we not?—In the Military Estimates.

7333. (To Mr. *Kellner*.) Will you tell us what the cost of the whole Medical Department in India was in 1863-64 as compared with the latest date?—In 1863-64 it was 388,901 *l.*; in 1871-72 it was 421,500 *l.*

7334. The earlier year included medical supplies from home, did it not?—They are rather mixed up, it does not clearly distinguish between the supplies in 1863-64.

7335. But in 1864-65 they are charged as payable in India?—Yes.

7336. Therefore, assuming the account in 1863-64 to have been made up in the same way, we may compare the charge in 1863-64 with the charge in 1871-72?—Yes.

7337. Will you be good enough to give a supplemental statement so as to make the whole charge of that department uniform?—Yes.

7338. In addition to that, what transfers of charges have taken place from the Medical Department to the Civil Department?—I do not think that there is anything more but those of regimental pay and allowances of the medical officers and the stores.

7339. Was there not a transfer of the general hospitals from the Military Department to the Civil?—Yes, the general hospital in Calcutta.

7340. Then we have to compare that item also, in order to have a correct idea of the relative charges in different years?—Yes. In 1865-66 the general hospital at Allahabad, the depôt hospital at Kidderpore in 1867-68, were abolished, and the general hospital at Calcutta was transferred to the Civil Department.

7341. And in 1862-63 did the Medical Department vote bear the charge for dieting European soldiers in hospitals as at present, or was that item charged in the Commissariat?—I think it was, but I am not sure.

7342. Will you verify that item for 1862-63, so as to make it uniform?—Yes.

7343. Now with reference to barrack establishments and supplies, there has been a very considerable variation, especially of late years, in the cost of the barrack establishments?—Yes.

7344. Will you be good enough to explain the variations?—The charges in the barrack department in Bengal establishments amounted to 23,500 *l.* Previous to 1864-65 a large portion of the barrack charges was included in the Commissariat Grant, and some charges were in the Public Works Department.

7345. Do you remember what charges were in the Public Works?—I think some of the conservancy, the furniture, and fixtures.

7346. Was not it the case that the Public Works repaired the furniture of the barracks, but the Commissariat paid the whole of the charges?—Yes.

7347. Therefore the Commissariat bore the cost of that?—Yes; it is chiefly in supplies and in the subordinate establishments for punkah pulling, tattie watering, and lighting, that the increase occurs in all three Presidencies. The barrack masters and barrack serjeants are much the same; at least the increase is scarcely appreciable now as compared with 1863-64; but the subordinate establishments cost much more. The increase for punkah pulling was 18,453 *l.*, and for tattie watering, 4,189 *l.*, in the Bengal Presidency.

7348. With what charge do you compare the punkah pulling charge?—1863-64.

7349. What was it in 1865-66?—£. 30,902, in the Bengal Presidency.

7350. And in 1871-72?—£. 42,928 *l.*; in 1863-64 it was 24,475 *l.* You will observe that it has increased from 24,000 *l.* to 43,000 *l.*

7351. And the total charge for the subordinate establishments in 1863-64 was how much?—£. 42,849; and in 1871-72 it was 63,309 *l.*

7352. And the total charges for barracks have been brought together in 1863-64 and 1873-74?—I must mention that in 1872, a large portion of the charges were transferred to the Public Works Department, to which they belonged formerly.

7353. What sum do you estimate has been struck off the military expenditure and charged to Public Works?—In 1872-73, the expenditure was lowered by the transfer to the Public Works Department of the charges for barrack establishments and furniture in the Bengal Presidency, which amounted to 70,000 *l.* in 1871-72.

7354. Therefore, in order to compare the present expenditure of the barrack establishment with that of former years, we must make allowance for that transfer?—Quite so; but in 1871-72, the transfer had not taken place; that year bore the full charge.

7355 And therefore the year 1871-72 can be compared with prior years?—Yes.

7356. But the expenditure of 1872-73 and 1873-74 must be corrected for that purpose?—Yes, by simply adding up the charges in the Public Works Account.

7357. Will you also make a correct statement in regard to that?—Yes.

7358. Have we any transfer from Grant III. on account of the Hyderabad Contingent?—Yes, 309,854 *l.* was the last charge for the Hyderabad Contingent in 1865-66.

7359. Then in order to obtain a correct view of the cost of the Native troops, we must add that amount to the charges in subsequent years?—Yes, that has been done in this statement; 1863-64 includes the Hyderabad Contingent; the total charge for the Hyderabad Contingent was about 300,000 *l.*

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7360. And therefore the military expenditure since 1865-66 has been lessened by that amount?—Yes.

7361. But the Hyderabad Contingent is still maintained?—Yes.

7362. And it costs fully that sum?—Yes, but it is now paid out of the revenues of the Berars.

7363. Was not the money passed in the Estimates up to 1865-66 also recouped out of these revenues?—Quite; they formed no part of the receipts of the Military Department.

7364. But the money was recovered from the Berars, and credited to the Government of India?—Yes.

7365. But the military expenditure was increased by the cost of the Contingent?—Yes.

7366. Therefore the military expenditure was augmented in a greater degree in the earlier years than was necessary?—Yes.

7367. Have you any other forces charged to the Military Department for which subsidies are received by the Government?—Yes, very considerable; there are the two regiments of Deolee and Erinpoorah infantry, the Malwa and Meywar Bheel corps, the Bhopal battalion, and the Nepaul escort; they all cost about 125,000 *l.*, and the cost of these corps is partly met by contributions from Native States, which are credited to the general revenues.

7368. Then the military revenues bear the cost of those corps, and the general revenues received money which is not shown as a set off against military expenditure?—Yes.

7369. That is exactly the same system as was followed with regard to the Hyderabad Contingent?—Yes.

7370. Therefore we ought to deduct the cost of all these corps now, as we must have done the Hyderabad Contingent in former years, to arrive at the true result?—Yes.

7371. Would you be able to show us what the result of that operation would be, either eliminating these corps, or crediting the military receipts with the money paid?—Yes.

7372. With regard to the military expenditure, what particular increases have notably taken place affecting the European portion of the force during the last few years?—There is the additional two-pence a day to the British soldier, with the penny on re-engagement. I would say, on the lowest computation, that that is 200,000 *l.*

7373. Was it ever calculated at a larger amount than that?—It was calculated by General Broome at a third of a million.

7374. Did you include the bounty money as well?—General Broome included kit money and compensation for clothing and bedding, but I am not aware of the details of the calculation; and to be on the safe side, I propose to say 200,000 *l.*

7375. Can you state what the amount of the increase for the bounty and kit money in 1867-68 was?—The bounty and kit money was 44,130 *l.* in 1865-66, it was 25,239 *l.* in 1866-67, in 1867-68 it was 162,023 *l.*, and in 1871-72 it was 19,181 *l.*

7376. Therefore we pay less now for bounty and kit money than we did in 1865-66?—We do.

7377. Can you account for the large sum that was paid in 1867-68?—That was the year in which the additional pay and bounty was granted to the British troops.

7378. Can you account for the large amount?—I do not think that I have got the details.

7379. (To Colonel *Johnson.*) Can you explain the increases in 1867-68 on account of bounty and kit money?—No, I cannot.

7380. Was it not that the European oldier in India was all[illegible] the end of ten yea[illegible] years?—I forget.

7381. (To Mr. *K*[illegible] enough to put in a[illegible] Yes.

7382. Now did tha[illegible] had been increased by [illegible] bounty and kit money?[illegible] 2 *d.* a day, and the penny f[illegible] There are a number of soldiers in [illegible] and do receive the additional pe[illegible] granted on re-engagement, although that has stopped now. I calculate that the 2 *d.* a d[illegible] plus the penny for the second term of service, would be 200,000 *l.*

7383. That was incurred upon the organization of the regiments as they then stood?—Yes.

7384. What change took place in 1869-70, by which a very considerable saving was effected in the strength?—I think the changes in the organization, and in the number of officers, were given in the previous part of my evidence. But although the tendency of the reorganization was towards economy, the fact remains that each battery and each corps costs more now than it did then. For a British cavalry regiment with seven troops of 32 officers and 515 men, the estimated cost was 37,194 *l.*, and the cost of a British cavalry regiment at the present day with 28 officers, and 445 men, is more; it is 38,800 *l.*

7385. But my question is this: with regard to the increase which was caused to the military expenditure by the additional 2 *d.* a day, and by the bounty and kit money being increased, taking the change of organisation in 1869-70 by the infantry being made into fewer regiments, though there are the same number of privates, has the whole of the increased expenditure caused by the 2 *d.* a day been more than counterbalanced by the diminution of expenditure caused by the reorganisation of the European regiments?—That question would require a calculation.

7386. Have you ever looked into the fact that a very large reduction was effected in 1869-70 by the altered organization of the European infantry?—Yes, but the altered organization did not reduce the cost of a regiment; the cost of a regiment of British infantry, with 10 companies, 39 officers, and 919 men, was 34,810 *l.*, and with 8 companies, 33 officers, and 885 men, it is 36,053 *l.*

7387. What is the whole cost of the infantry of the 50 regiments in 1870-71?—The total charge for British infantry in 1870-71 was 1,783,437 *l.*

7388. Then, we had the same number of privates in the latter year that we had in the earlier years, but being consolidated into fewer regiments, there was a great reduction which took place in the expenditure?—Yes, but there were several increments in other directions besides the soldier's pay.

7389. Have you ascertained whether that diminution of expenditure by the improved organization, more than counterbalanced the increase of 2 *d.* a day?—I have not.

7390. Will you show the comparative cost of the infantry at the present time with that of 1867-68?—Yes, I will endeavour to do so.

7391. And the cost, rateably, per private at the present day, as compared with that of 1867-68?—Yes.

7392. Then the change of the organization in the cavalry regiments is this, that it is now six troops instead of eight in 1862-63, and seven in 1867-68, is it not?—Yes.

7393. And

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happen to have my Report of the
h 1862, if not, will you be good
ive it in for the consideration of the
rman?—I have No. 7,259 A of the 18th of
arch 1862.

7397. Will you also submit General Norman's Memorandum, No. 386, dated 18th of March 1862?—That is a record of the India Office; I can do that, subject to the approval of the Secretary of State.

7398. Would you also hand in to the Committee the letter from the Government of India, of the 4th of March 1862, giving the opinion of Lord Canning on the subject of the military expenditure of India?—Yes; I will apply for it at the India Office.

7399. Mr. *Fawcett.*] I understood from your evidence last time that a man was paid if he was employed in Civil duty, according to his rank in the staff corps?—No, he is not; when he is exclusively in Civil employment, he receives the Civil salary attached to that appointment.

7400. Independently of what his rank may be?—Independently of what his rank may be.

7401. But, then, how is that adjusted; would not a major general of the staff corps, who was employed in Civil work, get more pay than a lieutenant in the staff corps doing the same work?—No, he would get the pay of that appointment, and no more; but if he were in military staff or regimental employ, then his rank, of course, would give him superior allowances to an officer of lower rank.

7402. Mr. *Bourke.*] Or if he were in Public Works employ?—He would draw the military pay of his rank in addition to the staff pay of the appointment.

7403. Mr. *Fawcett.*] Public works not necessarily military?—Not necessarily military.

7404. Then it may happen that there are two officers of the staff corps employed in exactly the same kind of public works, that the one is a major general, and the other is a lieutenant, and although they are doing exactly the same kind of thing, of course the major general would receive three or four times as much pay as the other; he would receive the military pay?—Does your question refer to Civil duties, because there is an essential distinction between the payments for Civil and military duties.

7405. What I understand you is, that when they are employed in purely Civil work, they simply receive the pay of civilians; but public works, as I understand you, are an exception?—For public works or military duties there would be a difference. Supposing a lieutenant colonel on 1,000 *l.* a year were in an appointment, and a lieutenant were doing exactly the same duty, and the staff salary attached to this duty were 600 *l.* a year, the lieutenant colonel would get his 1,000 *l.* plus the 600 *l.* staff salary, making 1,600 *l.*; the lieutenant would get his 300 *l.* military pay, plus the 600 *l.*, making only 900 *l.*

7406. Mr. *Bourke.*] Here is a Despatch of Sir Charles Wood's which explains it. He says that the Committee of Secretaries, appointed by the Government of India, observes that "The Royal warrant for the formation of the Staff Corps in India, after fixing the scale of pay to be received by officers attached to them while in India and when out of India, further provides that every officer, when in actual employment, will also receive, in addition to the above pay, such a sum as will make his total pay and allowances up to the sum assigned by the Governments of India, with the approval of the Secretary of State for India in Council, as the consolidated pay of the office which he may hold. Having consulted the several Governments as well as the chief political and military officers of the Government, the committee propose for adoption the following principles: (1.) That the salaries of military officers holding appointments connected with the Civil administration of the country should be consolidated and fixed, without reference to the rank of the incumbent. (2.) That in the case of military officers in staff employ, a certain salary should be fixed for every appointment, and that the incumbent should receive such fixed salary in addition to the Staff Corps pay of his own rank. (3.) That this latter principle should apply to the Department of Public Works." That is what you mean?—Yes.

7407. Mr. *Fawcett.*] Then the point I wish to bring out is this. Suppose there are two staff officers, one a major general and the other a lieutenant, and they are both draughted off to superintend some public work, for instance, in the construction of a railway bridge; although they are doing exactly the same kind of work, one would be paid a great deal more than the other?—Yes.

7408. Therefore you have Civil work carried on in India upon this principle, that you pay a man not according to the work that he does, but according to his military rank?—Yes, to a certain extent.

7409. But then does not it strike you that that must necessarily lead to great extravagance if you once introduce into industrial undertakings the principle of not paying a person according to the kind of work that he does and the skill that it requires, but according to a rank to which he rises simply through seniority?—It is an incident of Indian Administration. There are large bodies of military officers who must be employed, and the pay must keep pace with the promotion to higher military rank.

7410. But is not that an incident that must necessarily lead to great expenditure; is it not very much the same kind of principle as if you employ persons, we will say, in writing for a newspaper, and you draft off so many whom you do not pay for the value of their contributions, but according to University degrees or according to seniority; you pay them, in fact, independently of the duty?—Yes.

7411. Does this not also happen often with the staff corps, that a man enters it as a civilian, and he has never spent any time in the army?—He must serve a certain period with a Native regiment.

7412. How long?—Three years.

7413. He serves three years and then rises step by step, and becomes ultimately a major general, although every bit of his time except the three years which he originally served he may be engaged in Civil work?—Yes.

7414. And therefore, without having the smallest experience of military duties during all the rest of his life, he may occupy in the army the position of a major general?—Yes. (Colonel *Johnson.*) Under no circumstances is an officer

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of the staff corps who is attached to civil duty liable to military duty.

7415. (To Colonel *Johnson.*) There are certain persons in the staff corps; one set of them at once become civilians and always must remain civilians, and the other set become military officers?—Practically it is so.

7416. But by law, is it so?—Not by law.

7417. There is nothing now to prevent a man who has every hour been engaged in Civil work, having obtained the rank of major general, being to-morrow deputed to do the military rank of major general?—No; Sir Henry Lawrence, for instance, was deputed to do military duty, and it would have been a great pity if there had been any law preventing the Government from availing itself of his great abilities. The rule which is apparently desired to be laid down, that there should be a legal prohibition, would have prevented Sir Henry Lawrence from being employed on that military duty.

7418. It is exactly the same position as this in England; you might find great genius among the volunteer officers, and it comes to this, that a man who had been three years a lieutenant in a volunteer corps, and who might then go into a bank, or into business and become a brewer, might be advanced step by step, and then at last become a major-general in the army?—Yes.

7419. And do the work of one?—He could only do the work if the Government selected him for that special duty, and they would not do it unless he had shown some extraordinary qualifications to justify his selection.

7420. What reason is there why these men who are brought into the staff corps to hold civil employment, and who, it is contemplated, should remain as civilians (because you admit that, as a rule, they do so), men whose life becomes virtually a civil life, because they happen to have been three years subalterns in the Native army, should obtain the same rank and the same pay as those doing active military work?—No good reason, I think, and it would be a great advantage to the staff corps and to the service, in my opinion, if, when any officer had been detached for a certain time to civil duty, he were removed from the army, and ceased to be in it either titularly or actually.

7421. You must admit, therefore, do you not, that the present system must entail very unnecessary charges on the revenues of India?—That I am not able to say; as a rule I think a civilian employed in civil duties as a civil engineer, or as a civilian in the covenanted service, is more expensive, at least as expensive, as the ordinary military officer; so that if you had not a military officer to undertake these duties, you would require to use the more or equally expensive agency of the absolute civilian.

7422. Then comes this result, which must lead to defective administration, that you have to employ men, and pay them according to their rank and not their work?—It is anomalous; it is not greatly done, but where it is done it is partly due to the preference which the Government has for employing an officer under any circumstances, to leaving him unemployed, and paying him all the same.

7423. Supposing a man goes into the staff corps, and is unemployed a great many years, he still obtains his rank, does he not?—Under the regular rules of the staff corps, no officer who remains unemployed for three years can remain in the staff corps.

7424. Supposing [illegible] him, what then?—[illegible] as to the men I mea[illegible] not under the rules o[illegible] of the staff corps as i[illegible] would be quite impos[illegible] remain unemployed fo[illegible]

7425. There is nothin[illegible] is there?—No; but it is [illegible] regulations.

7426. A man in that position w[illegible] rising, will he not?—Under the reg[illegible] would be removed on to the half-pay or pens[illegible] list *ipso facto.*

7427. (To Mr. *Kellner.*) According to your figures, what proportion of staff officers were unemployed at any particular time?—There were 128 staff corps officers unemployed in India on the 1st of April 1873.

7428. And how many in England?—One hundred and forty-two; making together 270.

7429. Mr. *Bourke.*] The way to ascertain really the unemployed officers in the staff corps and the local force together is, is it not, to take the unemployed officers in the staff corps and the local forces, in the first instance in India, and then to take those that are in England that have no appointments in India?—Yes.

7430. Those put together will give you 392, I think?—Yes, there were 128 officers of the staff corps, and 87 officers of the local service, unemployed in India. These, with the 177 unemployed officers in Europe, give a total of 392, exclusive of 39 officers permitted to reside in Europe by a recent order.

7431. Now, those in England, but having no appointment in India?—There were 65 local and 112 staff corps officers so situated on the 1st of April 1873. Add to these, 39 officers permitted to reside in Europe under the operation of the new order, and you have a total of 216 officers unemployed in England.

7432. Mr. *Fawcett.*] Now, what proportion does that represent of those who are in the corps?—That would be 431 officers out of 2,922, or about one-sixth, who are unemployed in England and in India. I am not taking the colonels and the general officers; they are non-effectives; they are not supposed to be employed, and cannot be employed.

7433. Those 431 represent officers who might be employed, but are not employed?—Some of them are on furlough, but they have no appointments in India.

7434. That does not, of course, represent men who are away on temporary leave?—No.

7435. You may say that that represents, in one aspect, men who are being paid for by India for whom there is no employment?—Yes; you may consider them as a reserve of officers for military and other duties.

7436. It is like a bank having 2,900 clerks actually employed in the bank, and 431 living in idleness who, if business happens to increase, will be ready at hand; that is what it comes to, is it not?—These are a reserve for times of war, and any emergency that may arise in India.

7437. It is just the same as if a banker, because his business may increase under a financial crisis, should have them ready at hand; I mean that is the position of the thing, whether justifiable or not?—Yes. (Colonel *Johnson.*) They are really there, because it was decided to maintain a certain number of officers in their old position, whether required or not.

7438. (To Colonel *Johnson.*) It does not represent

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years they receive about 1,200 *l.*
in India, and after that they receive at
rate of 1 *l.* 5 *s.* a day wherever they are.

7442. And what do the colonels receive?—About 1,124 *l.* a year.

7443. Permanently?—Yes.

7444. Then general officers in time will get the colonels' allowances?—The general officers in time will certainly succeed to them.

7445. Then all these men who may be described as men who are or will be in the receipt of 1,100 *l.* a year are doing nothing?—Not all doing nothing; a good many, of course, are employed in divisional and other command, but not a large proportion.

7446. Then they receive something extra, do they not?—When they command a division they do.

7447. They are in this position, that they have 1,100 *l.* a year for doing nothing, and if they are doing anything, they are paid something extra?—You can hardly say that it is for doing nothing. It is for having done a great deal.

7448. At the time it is for doing nothing?—At the time they have no duties.

7449. Then you are virtually not limiting the number of men who can enter the army, and after having served a certain time they get this allowance?—We have limited the number of men in this sense, that no man is to be admitted except where there is an absolute vacancy, as I explained on Tuesday, in an appointment for him to hold.

7450. Still, whatever is the kind of work that is done after being once admitted, he gets this position?—Yes; but you must consider, that under any circumstances, you must pension an officer; and if he succeeds to these colonels' allowances, he never comes on the pension list, and to that extent the pension list is decreased.

7451. But still he does get the 1,100 *l.* a year?—He does get the 1,100 *l.* a year, but after 38 years' service for it.

7452. You do not, perhaps, wish to give any evidence on the question of the military expenditure of India, so far as it is influenced by the Horse Guards?—No; I do not think it is a subject upon which I am sufficiently up. It would be better taken up by the officials of the India Office, through whom the communications entirely take place; the Government of India is not directly concerned in the negotiations.

7453. You are aware, are you not, of this fact, that on more than one occasion the military authorities in India have addressed themselves to carry out economies in military expenditure, and they have referred their recommendations to the Secretary of State; the Secretary of State at once communicates them to the Horse Guards and to the War Office?—He communicates them ultimately to those departments, certainly, after consideration in the India Office, I presume.

7454. Therefore we arrive at this fact, do we not, that the military expenditure, since the amalgamation of the army, is virtually controlled to a very great extent, not by the Secretary of State for India, or by the Governor General, but by the military policy pursued at the Horse Guards and the War Office?—It is controlled by the policy pursued at the War Office, certainly, to a great extent.

7455. And changes may be carried out, for instance, in the British Army, which are not directly brought up by any considerations with regard to India, and those necessarily very often affect military expenditure in India, do they not?—Yes; but I guard the point about the changes not being necessary for India, to this extent, that though India does not initiate them, still, if the authorities at home considered that the British army requires such and such, it may be admitted that the British army which is serving in India requires it just as much as the portion of the British army which is serving in the colonies, or elsewhere.

7456. But that would not necessarily follow with regard to an army serving in England and India; I mean, that it ought to be looked into most carefully by an independent authority, ought it not?—I think that the opinion of the Indian authorities should always be taken before any great measure, involving heavy expenditure, is incurred.

7457. But as a matter of fact, under the present system, it is not necessary, is it, to consult them?—I do not know what the etiquette between the Secretary of State for India and the Secretary of State for War is, but I am inclined to think that it is not considered essential.

7458. Have you looked into the matter at all of the price which England charges India for recruits?—No.

7459. Mr. *Campbell-Bannerman*.] You are not aware of the practice between the two offices in this coumtry, the War Office and the India Office?—No; I should have said "practice" when I used the word "etiquette."

7460. Sir *G. Balfour* (to Mr. *Kellner*).] With regard to one of your statements in regard to the increased cost of military expenditure on account of the postage, can you afford us any information about that?—It was an estimate made in India upon data derived from the Postal Department. It took account of the postal charges of all the military offices and establishments and departments throughout India, and it was estimated roughly at 45,000 *l.*

7461. And what is the amount included in the Budget of 1873-74, as to the cost of postage?—It is scattered over different grants. I think we could find it from the accounts of the Postal Department, probably.

7462. Will you be good enough to ascertain whether that statement of the Post-office charges from the Budget of 1867-68 is correct (*handing it to the Witness*)?—Yes.

7463. Will you read out the amounts for the different years?—In 1867-68 the total charges were 34,743 *l.*; in 1868-69 they were 44,403 *l.*; in 1869-70 they were 41,463 *l.*; in 1870-71 they were 46,603 *l.*; in 1871-72 they were 28,921 *l.*; in 1872-73 the estimate was 25,727 *l.*; and in 1873-74 the estimate is 18,167 *l.*

7464. Can you give any explanation of the great variations in that statement?—No; it is a matter of adjustment between the Military and the Postal Departments. The Postal Department raise a charge against the military, and it is verified by the heads of departments, and the charge is admitted against the Military Department by credit to postal revenue.

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7465. Have you any explanation to give how it was that that charge became a military one, seeing that at the very time that this became a charge against the military expenditure in India, the postal charges ceased in England to be charged against the departments?—No; I am not aware. It was an order of the Financial Department.

7466. Can you account for no portion of that charge appearing in the Military Budget as actual expenditure; is it that the whole of these sums read off are estimates and not actuals?—No; I fancy that the postal charges are included in the item of contingencies.

7467. For the different departments under each Vote I see that the postal items are all stated separately?—In the Estimates, but not so in the Accounts.

7468. Can you account for the letters of the Military Department only costing now one-third of that which they cost a few years ago?—No, I am unable to say how that is. (Colonel *Johnson.*) I think the explanation is that the heavy papers now instead of being sent by letter-post are sent as parcels.

7469. (To Mr. *Kellner.*) Can you give any explanation of how it is that the Post Office Department should charge to the different establishments of the Government in India that which they do not charge in the Post Office in England?—No. (Colonel *Johnson.*) It was an Order of the Financial Department, which was decided by the Council as a rule to be followed.

7470. (To Mr. *Kellner.*) Do you exercise any control over that?—The local Controllers of the three Presidencies exercise a control over these as they do over other military charges.

7471. Are not the variations in amount liable to throw out all calculations of military expenditure?—Yes.

7472. But you will verify that statement?—Yes. I am aware that the charges for 1870–71 were specially noticed and considered, and the Returns of the Postal Department seemed to verify the charge. About 1871–72, I am not sure.

7473. Do you know whether the Post Office accounts show the amounts debited against the different departments, military and civil?—Yes, they do.

7474. In 1865 you are aware a very useful Table of data for calculating the cost of European soldiers was prepared by the late Colonel Broome?—Yes.

7475. Have you prepared any such statement for late years?—Yes, I have prepared a similar statement for 1871–72.

7476. Can you place that before the Committee?—Yes.

7477. Is that prepared upon the same principle?—Very much upon the same principle, but I think it includes the whole of the military expenditure, and I am not sure that General Broome did so; I think it was intended to divide the whole of the expenditure between the Native army and the European army.

7478. Would you consider that a fair Table by which to arrive at an approximate conclusion as to the cost of the forces?—I think it is as fair as any that I have been able to devise as yet, but of course it is susceptible of great improvement; I hoped to subject it to the scrutiny and examination of public accountants here, with a view of getting a good formula for calculating the relative cost of the British and Native soldier in India; but such as it is, I shall be very happy to lay it before the Committee.

7479. It doe[illegible] buildings?—No.

7480. Could yo[illegible] cost of the army, t[illegible] repairs in 1871–72[illegible] and military works [illegible] the charges recorde[illegible] counts.

7481. Have you bee[illegible] military expenditure on which[illegible] culated?—I think so.

7482. Will you also show the st[illegible] different classes of troops used for that?—[illegible]

7483. Is the average taken of all ranks, merely non-commissioned officers and men?—Non-commissioned officers and men; in every case the European commissioned officers have been excluded.

7484. In respect to Grant III., have you not also lessened the expenditure under Grant III. by a very considerable reduction of the cost on account of the engineer officers?—I think their pay now occurs in the Public Works Department.

7485. Then nearly the whole of the pay previously charged on account of the engineer officers is, with the exception of a small item, transferred out of the Military Budget?—Yes.

7486. And that effected an apparent reduction of many thousand pounds, did it not?—The difference between 30,000 *l.*, say, and 13,000 *l.*

7487. Will you state what the charge on account of engineer officers in any one year was?—It was 38,218 *l.* in 1865-66 for the Royal Engineer Service.

7488. That is the total cost?—Yes.

7489. And what is the charge now in the last Budget, 1873-74, on account of engineers?—This is only for the pay of the officers, 2,559 *l.*; that is for Bengal.

7490. And for Madras?—£. 256; and in Bombay, 839 *l.*

7491. That has also been the means of making an apparent decrease in the military expenditure?—Yes.

7492. An honourable Member asked you a question with regard to the total cost of the Medical Department of India for regimental as well as for staff officers. Have you made up any statement of the total cost?—If you mean the Regimental Medical Staff, No; because the Regimental Medical Staff is charged to Grant III, and the Departmental Staff to the Medical Grant.

7493. Therefore we have never had before us, at one view, the total cost of the Medical Establishment for India?—No.

7494. Do you consider that a million sterling would be an approximate amount for the whole of that establishment?—Taking the regimental medical officers with the rest, I should think so.

7495. Perhaps you will put in a statement to show the total cost of the Medical Department, including the cost of the medical officers attached to the Commander in Chief, and including the supplies from home as well?—Yes; the pay of all ranks of the medical services, including the medical subordinates, has been largely increased.

7496. Perhaps you will classify the expenditure, so as to show in one view the whole cost?—Yes.

7497. You and Colonel Johnson have been asked several questions connected with the cost of the Staff Corps. What do you calculate has been the increased cost in the Native infantry, say by the increased charge of pay on account of European

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full colonels and one lieutenant-colonel,
es captains attached to Native battalions,
ould you consider that the estimated increase would be about 20 per cent.?—I could not say that exactly. I have never made any calculation with the object of ascertaining what the proportion of increase would be; but I am quite clear that there must be an increase by reason of the higher rank of the officers employed. The colonels do not get more pay than the lieutenant colonels. There were 372 field officers of the staff corps and local service, with Native regiments, on the 1st of April 1873, 257 lieutenant colonels, and 115 majors.

7499. Then, besides these, are there a portion of these officers at home?—There are some at home.

7500. They receive a portion of the pay which they ought to receive in India?—Half Staff Corps pay, and half the staff salary.

7501. Then, in order to show, in one view, the total cost of European officers, will you be good enough to add the pay that they receive in England, so as to show it in a clear manner?—Yes. One other point, I think, has not been brought before the Committee, namely, that military officers in civil employ have their entire pay charged to the Civil Department when in India; but when on furlough in Europe, the whole of their absentee allowances are chargeable to the Military Department.

7502. Does that account for the large increase which has happened in the Home Accounts, whereby the furlough pay of military officers has increased of late years by nearly 250,000 *l.*?—Yes, the effect of the furlough rules has been to bring a larger number of officers home; they are attracted by the more favourable terms of furlough allowances; larger numbers come home both from military and civil employ; the increased number of officers on furlough, on higher furlough allowances than before, have increased the Home charges.

7503. Then do you expect that that increase of cost in the military expenditure will continue in future years?—The Government have given every attention to reducing the expenditure for some time past; every effort has been made to reduce it; but it seems to increase in spite of all efforts for reduction,—by circumstances of war or famine, by improvements in arms, equipment, and drill, and by the various measures already enumerated for ensuing the efficiency and contentment of the soldier. The British forces, for instance, were armed, first with the Enfield, then with the Snider, and possibly there will be a change to the Martini-Henry. These are all elements of additional expense. In the same way, the arms of the native troops have been changed three times. Stating my own individual opinion, however, I must admit that the expenditure is susceptible of reduction under ordinary conditions. I should also mention here, that various reductions proposed by the Government of India have not been adopted. Notably, the reductions in the Native army, which have been constantly under consideration since the autumn of 1869. It was then proposed by the Government of India to reduce the Native cavalry in Bengal from 19 to 18 regiments, and the infantry from 49 to 45 regiments; but so to increase the complement of each regiment as to effect an annual saving of 27,210 *l.* without touching the effective strength of the Bengal army. For the Madras Presidency it was proposed to organize two efficient Silladar corps from the four existing regiments, and to reduce the Native infantry regiments by eight, causing a reduction of 6,200 men, and a yearly saving of 179,000 *l.* For the Bombay Presidency, the proposed reductions included one regiment of Native cavalry and four of infantry, with a saving of 77,600 *l.* and about 3,000 men. The total reduction of force proposed by these measures was 9,200 men, with an annual saving of 283,833 *l.* The proposals did not commend themselves to the Secretary of State for India. Whereupon the Government of India, in June 1870, submitted other proposals, reducing the Native cavalry regiments by three (one in each presidency), and the infantry regiments by eight (two in Bengal, two in Bombay, and four in Madras), with a further reduction of 40 sepoys in each of the remaining Madras infantry regiments, and of 36 sabres in the Bombay cavalry corps. By this scheme there would have been a numerical reduction of about 8,700 men, and an annual saving of 230,287 *l.*, but it was not adopted, namely, on the ground of the unequal incidence of the proposed reductions. Further correspondence passed between the Home and Indian authorities, and the whole subject has now been remitted to the Government of India, with instructions to propose a comprehensive scheme for the organization and disposition of the Native army.

7504. Then I will call your attention to an important Despatch of the Secretary of State. Will you be good enough to read the 29th paragraph of the Despatch of the 26th of January 1869?—"I entertain sanguine hopes that a careful investigation would show the practicability of effecting a considerable saving in the annual expenditure, without in any way impairing the efficiency of the military establishments, that it might be reduced at least to the scale of 1863-64, or it might even be possible to bring the whole military charge in India (including stores) a million and a half below the present amount."

7505. Who signs that?—That is signed by the Duke of Argyll, Secretary of State for India.

7506. At that time what was the military expenditure estimated to be in England and India?—The estimated expenditure for 1868-69 in India was 12,913,478 *l.*

7507. Since then you have effected reductions in the expenditure of India to a considerable extent?—Since then the expenditure has fallen.

7508. And will you endeavour to show to what extent it has fallen?—Yes.

7509. In consequence of that Despatch efforts were made, were they not, to effect reductions in the expenditure in India?—I think the subject had attracted attention previously. The Despatch was received in India before I was appointed to my present office, or had anything to do with the military department; but I think that the reduction of expenditure had attracted attention; at all events in the autumn of 1869 important measures of reduction had been initiated by the Government of India.

7510. But still the injunction of the Secretary of

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of State was attended to, and good results have followed it?—No doubt there has been a general effort to reduce military expenditure. (Colonel *Johnson.*) It was more from the state of the finances in India, which had attracted attention, that these measures of reduction were taken in hand, than from the instructions of the Secretary of State; and, although undoubtedly the Secretary of State's instructions received full and early consideration, yet the actual measures were taken in consequence of what appeared to be a serious deficit in the finances of India.

7511. (To Colonel *Johnson.*) Can you state in what direction you think reductions have been proposed or could be effected?—There has a great deal of correspondence been laid before the House showing what the proposals of the Government of India were for effecting reductions in 1869-70, which I could hardly repeat as they are at great length; but they were very considerable and they were not carried out to the extent that the Government of India recommended, especially in regard to the Native army. I believe that the reductions there proposed amounted to 100,000*l.*, for which allowance was taken in the Estimates of the year 1870, but which never were effected. I believe that reduction could still be made to that extent, and in the direction indicated by the Government of India, in the Native army, but not in the European.

7512. For instance, there was one reduction proposed by Sir William Mansfield, the Commander in Chief, in his Minute of the 14th of September 1869, at page 70 of Parliamentary Returns No. 467 of 1871, in which he called attention to the great expenditure which the Central India horse involved in reference to the numerical strength, and he then strongly advised a very considerable reduction in that small body of cavalry; can you explain why that was not carried out?—I cannot explain the exact reasons, but it was considered with great care, I was given to understand, by the Government in the Foreign Department, and they decided that it was inexpedient to make a change in that instance.

7513. Will you look to other portions of his Minute where he strongly points out the large cost of the portion of the Medical Department to which we have adverted, and will you say what measures have been taken on that?—Measures were at once taken on that, and the matter has been under consideration, report, and careful inquisition, for the last two or three years. The result, I believe, will be very shortly before the Secretary of State, which it is believed will result in decided military economy.

7514. In respect to the organisation and formation of the European troops in India, the Secretary of State for War at once, on the recommendations of the Indian Government, made a very important change with reference to the organisation of the European infantry and cavalry, by which a considerable saving was effected; could we effect any further reductions in the same direction?—Do you mean in the number of the European troops?

7515. Maintaining the same number, but changing the number of companies and increasing their strength?—If you mean reducing the companies to six, I should say not unless the Government at home considers it desirable for the whole army. I do not think it is desirable to have an independent organisation for the troops in India.

7516. That [illegible] 1861-62, that [illegible] Colonies, in Ind[illegible] uniform strength [illegible] then you are awa[illegible] that we have not r[illegible] organisation, and f[illegible] place, and in each [illegible] change?—Is it inte[illegible] the change has taken p[illegible] in which the troops are employ[illegible] taken place throughout the army[illegible]

7517. No; that the uniformity [illegible] tion and strength of a British regimen[illegible] strongly insisted upon 11 years ago, but that [illegible] year has passed in which we have not had a varying strength in India and the Colonies?—Strength I will admit may vary greatly, organisation, I am inclined to think, should not.

7518. At the time that we made the change in India from 10 to eight companies, was it not the fact that we had at that very time in establishment 10 companies to a regiment in the Colonies?—I do not know.

7519. Seeing that we have varied the strength already, what objection is there to further varying it?—Unless the change in organisation is carried out in England as well as in India, I do not think that a change is desirable; I see no equal objection to a change in strength.

7520. What objection is there to a reduction in the strength of the cavalry so as to have the same strength in a regiment as we had in 1861-62, and then have fewer regiments?—I do not know whether we could afford to lose a cavalry regiment from India. The number of European cavalry regiments is not great; and where you have horse artillery, it is rather desirable that you should have European cavalry to take the field with them. You cannot well break up a regiment of cavalry, its numbers are too small; and on grounds of discipline it is objectionable to do so. But if it could be done, I would rather see the economy made by a reduction of regiments and an increase of strength than in any other way.

7521. Now, with regard to artillery, do you see any opening for reduction of expenditure there, seeing that a garrison company has six officers to 70 gunners?—I am not prepared to give an answer off-hand on that point.

7522. Does it not seem strange that the aggregate pay of the officers should be even equal to, if not greater than, that of the men?—Yes, it sounds so; if all the officers are present with the garrison battery it sounds excessive.

7523. But we may suppose that the whole establishment is sometimes present?—Practically six officers never have been present with the garrison battery, I think one may safely assert.

7524. Still the proportion is very large?—The proportion is large certainly for the purposes of a garrison battery.

7525. With reference to the artillery, do you see any opening for reduction in the large number of colonels and lieutenant colonels that we have in India?—That is a point I am not prepared to give an opinion upon.

7526. The number of colonels and lieutenant colonels in the artillery in India is much greater than it ever was before the Mutiny?—That is a thing which one accepts as a part of the British organisation. So long as you have a British army employed throughout the world without a local army, wherever British troops are, so long, I think, you must take your organisation from the head-quarters in England.

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?—You have the same number
ers to your brigade.

31. But, considering that we might have ver brigades with more batteries to each brigade, you could diminish the number of your field officers?—Only by diminishing your brigades.

7532. Seeing that we have an average of eight batteries to each brigade at home and only five in brigade, we could affect a reduction by increasing the number of batteries?—Yes.

7533. (To Mr. *Kellner.*) That would effect a large reduction?—Yes.

7534. The artillery expenditure is very considerably greater than it was in former years?—Yes; very much more.

7535. Now, with reference to your strength or effective strength, it is quite clear that does not include the boys of the Madras and Bombay Presidencies?—I think not.

7536. Will you see whether your established strength does not include the boys of Madras and Bombay?—I will.

7537. The number of these boys being between 3,000 and 4,000 necessarily increases the apparent strength of the Madras and Bombay army?—Yes.

7538. Will you make that correction, and correct your figures in your statement, so as to bring it all out?—Yes.

7539. *Chairman.*] Are the boys included in what is called the complement of the regiment, or are they in addition?—They are in addition; but we take count of them in the estimates.

7540. But when you speak of the established complement of a regiment, are they included?—They are included.

7541. Sir *G. Balfour.*] Do you think that you included them in Bengal, when you had them in the Eurasian battery, for instance?—I cannot say

7542. When the Governor General of India fixed the strength of the army in 1861, you will observe, at page 153 of Blue Book No. 467 of 1871, that he "did not include the boys of Madras and Bombay in the strength of those regiments?—Yes.

7543. Therefore, in drawing up any comparative statement, it is quite as well to adhere to the form which has been in use before?—Yes.

7544. Then will you be good enough to try and prepare your statement, so as to show the relative strength in 1861 and the present day?—I will.

7545. Then again, I will hand you in a statement of the established force in 1863–64, upon which the Budget Estimates for that year were prepared; will you look at the Military Budget Estimates for 1863–64; you will observe there that the strength of Europeans and Natives differs from the strength which you have given; will you be good enough to compare that, and try and reconcile the statements?—Yes.

7546. And will you also bring them out so that we may have exact comparisons of the strength of the different arms?—Yes.

7547. Then I observe, that in your statement which you have prepared, you have included invalids and veterans, and some officers?—Invalids and veterans, but not the officers, I think.

7548. Will you verify that, and bring out the statement, so as to have an exact comparison of the numbers lately used, with the numbers in previous times?—Yes.

7549. (To Colonel *Johnson.*) I observe that we have had different statements given in of the strength of the European force, and that Mr. Kellner has given in the actual European strength at different dates; have you any statement of the strength in February 1870?—No; except what has been given in by Mr. Kellner.

7550. Would you recognise that (*handing a paper to the Witness*) as a return furnished by the Military Department?—I do not know it by sight.

7551. Would you be good enough to take charge of it, and see whether the figures are given there correctly, and hand in a statement for the information of the Committee?—I will see at once whether it corresponds with the only returns that I recognise, namely, those that were handed in the other day; I have no figures beyond those which Mr. Kellner has produced, which would be of the slightest value to the Committee whatever.

7552. Will you take these and verify them?—I do not think it is possible to give anything more accurate than has been given already.

7553. (To Mr. *Kellner.*) Will you hand a statement of the whole effective European strength in 1870?—Yes.

7554. And will you see whether the boys are included in the return of established strength which I have just handed to Colonel Johnson?—Yes.

7555. I think you were called upon to prepare a statement of the cost of the army just before the Mutiny, and you have prepared it, and it is in the India Office?—Yes.

7556. Will you be able to obtain that and hand it in, and will you correct it as far as possible so as to show all the forces which were employed in India at that time?—Yes.

7557. And likewise to show the home expenditure as well?—Yes.

7558. Will you include in that statement the cost of the Hyderabad Contingent and the different contingents?—Yes.

7559. I think you have in your posession a Minute which I wrote in November 1860?—Yes, I have.

7560. Will you hand it in to the Chairman?—Yes.

7561. Will you also be good enough in drawing up that statement to endeavour to show the effective force of Europeans and Natives as well as the established strength of the forces?—Yes.

7562. It will be a difficult thing to prepare with any degrce of accuracy, at least I found it so; and therefore, will you do your best to make it as accurate as possible?—Yes.

7563. In now closing my questions, I would ask you to endeavour to supplement your answers by as full and detailed statements of strength and cost as you possibly can, in order to bring before the Committee, in a simple and clear view, the military expenditure and the military strength; will you have the kindness to do so?—Yes.

EXAMINATION BY SIR G. BALFOU

Mr. *G.W. Kellner.*

7564. (To Mr. *Kellner.*) As I was unable to be present at last day's examination, and was not able to put any questions, I ask whether in addition to the notes already given, you could add explanations and figured statements, so as to make your notes to take in the whole period, as far as the accounts or budgets will permit of, the series of years from 1861–62 to 1873–74, using estimates or totals when actuals or details are not available?—The figured statements already submitted to the Committee, include the military charges of India from the year 1862–63 to the year 1871–72. The Accounts for 1872–73 have ere now been completed in India, and a revised estimate for 1873–74 will be shortly due. On my return to India in the autumn, I will complete, for the use of the Committee, the comparative statement of military expenditure to the year 1872–73, with the revised Estimate for 1873–74, and the Budget for 1874–75.

7565. Will you be good enough to detail the expenditure for the head-quarter staff in 1872–73, separately from that of the divisional brigade and garrison staff, with the like expenditure to 1862–63, so as to show the extent of augmentations and of decreases in the two items in the respective Presidencies, as well as in all India; also showing the increases and decreases that have taken place in the artillery staff under Grant I. It appears as if the decreases that have been effected in the army and divisional staff have been mainly in the army and divisional staff of Madras and Bombay, and in Bengal that a large increase has taken place?—This is shown in detail, in a statement submitted by me on Tuesday last, comparing the cost of the officers separately from that of the ministerial establishments. The estimated cost of the officers of the Adjutant General's Department at the two periods was as follows:—

	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1862–63 - -	26,706	11,879	17,548	56,133
1872–73 - -	15,424	8,446	7,589	31,459

The figures for the Quartermaster General's Department are—

	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1862–63 - -	20,531	12,953	10,431	43,915
1872–73 - -	17,492	12,947	11,011	41,450

The figures for the Divisional and Brigade Staff are—

	Bengal.	Madras.	Bombay.	Total.
	£.	£.	£.	£.
1862–63 - -	92,591	52,073	53,745	198,409
1872–73 - -	80,252	41,027	42,640	163,919

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subsidiary stations to the several Presidencies
and in all India in 1862–63, as compared with the strength to 1873–74 and intermediate years, so as to show the great decrease that has taken place in the total military force?—I have no means at present of preparing any returns of strength beyond those already submitted to the Committee, but I shall be glad, on my return to India, to prepare such a detailed statement as is required of the strength of the European and Native Forces in India for 1862–63 and 1873–74 respectively.

7567. Still on examining the expenditure in 1862–63 with that of late years, I am struck with the large increases that have been made to the salaries of the head-quarter staff, but the office establishments appear to have increased to a remarkable extent?—In the case of the Adjutant General of the Army, the Chief Inspector of Musketry, and possibly in a very few other cases, the staff salaries have been increased, and the higher military rank of the staff officers at the present day has necessarily raised the charges for military pay and allowances. The additions to the number and pay of the Ministerial Establishments were made on the urgent representations of the heads of departments, and I was lately assured that, so far from being susceptible of reduction, they are barely sufficient for the rapidly increasing business of the head-quarters offices.

7568. Will you furnish the Committee with a comparative statement of the salaries paid to staff officers under Grant I., and the outlay for establishments, for each Presidency, and for all India, so as to show the total charges, and the respective increases for a series of years, including the earlier and later years?—The statements A 7 and A 8 submitted on Tuesday last, compare the present staff salaries in the Bengal Presidency, and the cost of Ministerial Establishments in all three Presidencies, with the experience of 1862–63 and 1856–57. If further details are required, they could be obtained from the Military Account Department in India.

7569. Under Grant II., I observe charges in the account of the Account Department, but on examining the charge in 1873–74 with that of 1862–63 and 1863–64, I cannot perceive that any decrease has been effected; on the contrary, taking the Bengal charge, and allowing for the expenditure that has lapsed since 1862–63 and 1863–64, there is an actual increase; and yet, under the changes in the constitution of the department in 1864, a large saving was held out as effected by the abolition of the independence of the head of the department; can you explain this?—A comparison of the cost of the Military Account Department in all three Presidencies in

1862–63

following re-

			Ministerial Establishments, Rent, and Contingencies.	
	-63.	1873-74.	1862-63.	1873-74.
	£.	£.	£.	£.
nance Depart-	9,885	5,480	5,600	5,651
troller Military Accountant, &c.	16,307	14,842	30,307	25,217
Examiners, Pay Department.	8,344	7,184		22,414
Examiners, Commissariat Department.	7,110	6,640	16,717	17,061
Examiners, Medical Department.	3,822	4,728	864	3,316
Examiners, Ordnance Department.	3,028	3,647	6,362	8,902
Circle and Pension Paymasters.	39,325	18,827	26,062	22,983
TOTAL - - £.	87,821	61,348	85,912	105,544

It will thus be seen that, whilst the cost of the officers of the Military Account Department has decreased by 26,000 *l.*, that of the ministerial establishments has increased by 20,000 *l.* The establishments had not been fully formed in 1862-63, and needful revisions and augmentations have had to be made since, with a view to the efficient examination of the Public Accounts.

7570. I also ask whether you can supply, under Grant III., the strength in officers and men, and totals thereof, so as to show at one view the established strength of the several arms of the service provided for under Grant III., as stated at page 7 of your copy of the notes; also showing, as far as you can, the like establishments and strengths of the several arms of the service for the several Presidencies and for all India, in the years intermediate between 1862-63 and 1873-74; the figures and establishments of corps for 1861 being added, with the arms and strength as proposed by the Government of India in 1861?—Any returns of strength, beyond those already laid before the Committee, would have to be prepared in India, whither I have lately forwarded for revision and completion certain returns framed in the India Office.

7571. The figured statements of the notes explanatory of Grant IV. show the total charges for provisioning expenses, but as you appear to blend the outlay for reserve stock with the charge for provisions, can you separate the two items, and fill in the charges for them in the earlier and later years, as far as the budgets and articles are available, supplying explanatory notes as to the nature of the supplies for which these respective charges are incurred?—The statement No. 41 of my printed note gives the outlay for reserve stock separately from provisions for Europeans, in each year, and in each Presidency. I regret that I have not now the means of giving further details of the actual payments for bread, meat, tea, coffee, groceries, and fuel. But I will place at disposal of the Committee these printed state-

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ments showing the average cost of each of the articles forming the soldier's ration in the principal stations of the Army in India, in each of the years from 1857 to 1870. These will be found to illustrate sufficiently the variations in cost, in various parts of India, in different years.

7572. Can you also detail the mode of making up the expenditure at page 50, appended to which you strike the average of the annual rate per man for rationing European soldiers, and also explain the difference between the amounts of provisions consumed, and the total outlay incurred for laying in supplies, also filling up, as far as practicable, the details for the earlier and later years?—These are statements altogether outside of the regular accounts of military expenditure. They give the number of men rationed in each year, and the prevailing rates of cost of the articles composing the ration. There can, therefore, be no correspondence between the average rates thus deduced and the annual State outlay for commissariat supplies, having regard more especially to the reserve stock of tea, coffee, and groceries constantly maintained at all the army stations in India. I now place at the Committee's disposal these statements of the average cost of the soldier's ration at the several army stations for a series of years.

7573. In your notes on commissariat expenditure, you enter the figured statements for malt liquor in two different places; now could you bring these figures together, and in addition, show the expenditure incurred in England and actually charged in the Home Accounts, instead of in the India Accounts, since 1865-66 inclusive, down to 1873-74; also explaining the difference between the outlay for malt liquor actually provided, and that of malt liquor consumed, the quantities laid in, wasted, and consumed being, if possible, stated?—Up to the year 1865-66, the cost of malt liquor, paid partly in India and partly in England, was altogether adjusted in the Indian Accounts, the record in each year being for the malt liquor actually received and brought to account. Since the year 1866-67, the entire cost has been paid in England and charged off in the Home Accounts. Thus the record in the earlier period differs in character from that of the later period. The following figures recently prepared from the records of the India Office, show the annual outlay for malt liquor since the year 1866-67. These include all charges, excepting a portion of the freight which is paid in India:—

	Cost.	Number of Hogsheads.
	£.	
1866-67 - - -	311,209	82,566
1867-68 - - -	322,090	88,121
1868-69 - - -	262,841	81,839
1869-70 - - -	308,081	106,689
1870-71 - - -	275,370	100,642
1871-72 - - -	248,598	93,035

I beg,

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I beg, further, to place at the disposal of the Committee these printed statements of the consumption and wastage of malt liquor in the several Presidencies of India from 1864-65 to 1871-72.

7574. The expenditure for rum and arrack is shown, but only for all India, and not for the Presidencies; the fact of rum for Bombay being of late years obtained from England and charged in the Home Accounts, and not, as in former years, in the Bombay Accounts, is not stated; will you be good enough to fill up the explanations and give the figures; will you also explain whether the outlay for rum and arrack represents the consumption or merely the outlay for stock laid in, explaining what you consider to be the causes of variation between the expense of different years, also between the cost of stock laid in and that consumed?—The expenditure in India, on account of rum and arrack, is exhibited separately for each Presidency in Statement No. 41 of my printed note. The expenditure in England for rum sent out to the Bombay Presidency in recent years was as follows:—

	£.
1867 - - - -	1,820
1868 - - - -	5,880
1869 - - - -	5,766
1871 - - - -	6,821
1872 - - - -	5,285
1873 - - - -	3,384

The Government outlay for rum and arrack is more than recovered by the sale of the spirits to canteens in India.

7575. In your notes to the Appendices you refer tothe variations in the cost of feeding elephants, camels, bullocks, mules and horses, also to the charge for dearness of forage, but you nowhere give any statement of the numbers of the animals maintained for the Commissariat; can you supply the Committee with the details as to numbers of all cattle, and endeavour to show the numbers maintained in the earlier and later years of the series for 1862-63 to 1873-74?—The number of army cattle maintained by the commissariat will have to be obtained from India, as the detailed returns are not available here.

7576. At page 13 of your notes you show the total compensation paid for dearness of provisions. and of forage, could you separate these items, and also exhibit the respective amounts for each Presidency as well as for all India, and supply the charge, either actual or estimated, for the years, to complete the series, also for 1862-63 to 1872-73, explaining what measures have been in force for ascertaining the market rates which regulate these charges, and what defects there have been in checking them, and what measures have been taken to ensure an adequate check in future?—The annual payments on account of compensation for dearness of provisions and forage in the three Presidencies were as follows (no compensation for forage occurs at Madras, as the cavalry horses in that Presidency are fed by the commissariat):—

	Beng					
	Provisions.	For				
	£.	£				
1862-63	9,555	-				
1863-64	14,962	-				
1864-65	35,749	-				
1865-66	66,054	1,459	144,605			
1866-67	92,085	18,230	204,963	104,573		
1867-68	47,617	3,469	122,254	87,647		
1868-69	76,024	14,245	113,406	82,230	11,69	
1869-70	139,510	57,434	135,198	112,128	24,366	
1870-71	73,731	14,135	89,301	110,525	15,265	302,957
1871-72	25,385	1,865	85,787	72,947	8,273	194,257

As already stated in my previous evidence, there has been laxity in dealing with these charges in the past; but the Government have lately directed the commanders of troops and the civil officers of districts to check the price currents in future, and to keep the expenditure for compensation within proper limits.

7577. The outlay for the purchase of live stock has varied considerably; can you give the Committee any statement of the number and value of live stock purchased, in the respective Presidences as well as for all India, and the rates of charge for the different animals in each year, and could you connect the outlay for these purchases with that in 1862-63 and to the later years of the series?—This information will have to be obtained from India.

7578. In your notes you show the total charges for transport included under the Commissariat vote, in one item under one head; will you be good enough to hand in a fuller detailed statement of this one head, broken up into the several heads under which the charges are incurred, and show the amounts charged for transport for the several departments; also supplying details of the charges which will furnish the Committee with the means of judging of this large item?—The required statement has been prepared for the year 1871-72, and is now placed at disposal of the Committee. A similar statement is under preparation for the year 1872-73.

7579. The charge for feed of horses is shown at page 14, but only for all India. Can you show the charge for the several Presidencies as well; also the number of horses to each Presidency and for all India, for each year. Also connecting this information with that of the earlier years, and bringing down the details to 1873-74. Can you also furnish a statement of the average cost of feeding horses for each year, in the form used for the Commissariat and Cattle?—The average cost of feeding elephants, camels, bullocks, and mules in the several Presidencies is given in statement No. 43 of my printed note. A similar statement for army remounts could be sent from India; it would, in fact, exhibit for each Presidency what I have shown for all India in page 14 of my note.

7580. The miscellaneous charges of the Commissariat and Cattle Department, at page 14 of your notes, appear to be very excessive, and the details of these charges in the Appendix show the items in Bengal and Bombay to be exceedingly large. Can you explain more fully than you have done the cause of these large outlays, and for what quantities of particular articles the charge is incurred;

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established strength
of India, and of the
d to show the ranks, the
mpanies, and batteries, so as
a contrast between the strengths in 1861,
62 and 1863 with the strengths in the
3–74, and in the intermediate years; and
on, will you now hand in statements of
effective strengths of each Presidency from 1st May 1861, and show the batteries and regiments of the different arms, European and Native, and the monthly strength and average monthly and annual strengths, with an abstract of the total forces for each Presidency, and for all India, for the whole series of years?—The detailed statements prepared by me of the strength of the European and Native forces in India from 1861-62 to 1871-72 are now placed at disposal of the Committee; they exhibit the strength in each month of each year, in each of the Indian presidencies, and the average for each year.

7582. Be so good as to explain to the Committee the mode followed in compiling the returns of strengths, what ranks are included in the numbers, and how you arrange for reconciling the great differences between the strengths in the returns of the Adjutant General and Quartermaster General?—The returns include non-commissioned officers, rank and file, of all arms. The discrepancies between the Adjutant General's and Quartermaster General's returns have proved very embarrassing; but omissions in one set of returns have been corrected by the other, or by the army lists or muster-rolls of the period, and, generally, those figures have been adopted which exhibited the least probabilities of error.

7583. Have you found great discrepancies in the returns of strength prepared by the Adjutant General and Quartermaster General, and have you found that the Adjutant General of Bengal omitted for many years the strength of the Punjab and Central India Forces?—The discrepancies have been considerable in some cases, owing to omission of corps and batteries in India, or *in transitu* between India and Europe.

7584. You may remember that in my time I experienced great difficulty in compiling the strengths of the Army of India, and that the errors in the figured statements of the returns of the head-quarter offices were subject of complaint by the Secretary of State; have you also found great difficulty in ascertaining the strengths of effectives, sick, absent, and establishment?—I remember the difficulty in your time, and I have myself experienced it in recent years.

7585. Now, looking at the great financial bearing which accurate returns must have, so as to enable you to curtail expenditure in rations, for hospital diet, for malt liquor, for spirits, and other purposes, what measure do you suggest to ensure returns being accurately prepared?—The course that occurs to me is to fix the responsibility for these monthly returns of strength upon some one officer at army head-quarters. They should be prepared by him from the returns of batteries and regiments, and then checked by the Military Account and Medical Departments, through information always available in those departments. After reconciliation of differences and correction of errors, the monthly returns should be published in general orders, as an authentic record of the strength of the European and Native forces in India.

7586. Do you remember that on Lord Canning's call on me for suggestions for remedying the defects in the Indian military returns, that I suggested the appointment of a statistical department for specially compiling the returns that the head-quarter offices needed, and that the Government of India and of England required; can you now state your views as to the way accurate returns can be compiled?—I do; and the formation of a Statistical Department would, doubtless, have obviated the difficulties since experienced in ascertaining the actual strength of the Army, at any period during the past 10 years. I am of opinion that the appointment of a responsible statistical officer at Army head-quarters, checked in the manner suggested in my reply to the preceding question, would go far towards insuring the accuracy of the returns in future.

7587. Looking at these figures of the effective strength of the European Army of India, the difference between the effective strength and the established strength appears in some years to have been very great; have you observed that difference, and will you point out some of the most remarkable differences in strength?—The differences between established and effective strength vary at different periods of the year, and are influenced by various causes. According to the returns already submitted by me to the Committee, the average differences in each year were as follows:—

	Established Strength of European Troops in India.	Average Effective Strength of European Troops in India.
1865-66 - - -	67,131	62,857
1866-67 - - -	62,454	59,720
1867-68 - - -	62,210	55,237
1868-69 - - -	62,350	55,756
1869-70 - - -	61,995	56,772
1870-71 - - -	60,425	56,694
1871-72 - - -	60,453	58,437

The Abyssinian War, and visitations of epidemic disease, would partly account for these differences; but in the year 1872–73, and in the current year, the effective strength more nearly accords with the established strength of the British forces in India.

7588. Is it not a great financial question to maintain as few head quarters of brigades of artillery and regiments of infantry and cavalry as possible, and does it not appear as if the effectives would have allowed of a great decrease in the number of head quarters?—No doubt, from a financial point of view, it would be advantageous to concentrate the British forces in India in fewer brigades of artillery, and fewer regiments of cavalry and infantry, because you would thereby save the most expensive part of the military organization.

7589. Is it not the case that the mere pay and charge of rations are alone saved by the number

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of privates being deficient to the established strength, and that this saving is only a fraction of the total sum which is permanently incurred for the higher ranks and for the establishments attached to the corps, and will you state approximately the difference between the total liabilities per private on a full strength private with the approximate saving effected by keeping corps below the established strength?—Yes. Supposing the effective strength of the 50 British infantry regiments now in India were short of the established strength by 2,000 men, the saving to Indian revenues would be the pay, rations, clothing, and personal charges of those 2,000 men. But the saving would be much greater by the withdrawal of two British infantry regiments, because it would include the pay of the commissioned and non-commissioned officers, staff, and regimental establishments, whilst the garrison of India would be reduced by less than 2,000 men.

7590. Seeing this great loss, and looking at the great deficiency in the effective strength of corps equal in some years to the strength of four regiments; for instance, in January 1871, the infantry strength was greatly below the establishment; would it not tend to great economy to diminish the number of corps and companies of infantry in India, and by strong depôts at home keep up the remaining corps to the full strength?—No doubt, the diminution of regiments and companies of infantry would tend to economy, if it could be effected without reducing the effective strength of the European force in India.

7591. Has your attention been yet given to the great cost in England for preparing recruits for service in India, and do you not consider it possible to reduce the charge very considerably by making special arrangements for raising, training, and dispatching recruits for service in India; the old Warley depôt of the India Government was most economically formed, and yet it was very efficient, its only defect being the short period the recruit was kept at home?—I believe that by a provisional arrangement with the War Office, the present charge upon Indian revenues is 136 *l.* for a cavalry recruit, and 63 *l.* for an infantry recruit, whereas the average cost of supplying recruits from the Warley depôt under the East India Compauy was 26 *l.* per man. Looking to the experience of the Warley depôt, it would no doubt be financially advantageous to establish recruiting depôts in this country with special relation to the British forces in India.

7592. I beg to draw your attention to the Reports of the two Recruiting Commissions of 1859 and 1866, on the latter of which I served; you will find that both Commissions reported most favourably on the facilities of obtaining recruits for service in India. The fact also of the regiments sent to India to quell the mutiny being filled up at once, and far more completely than for the war in the Crimea, appears to show that by specially raising men for Indian Service would allow of great decrease in the present charge for recruits?—Yes, the instances cited attest the popularity of the Indian Service amongst the classes who recruit the British Army.

7593. Be so good as to explain the system of supplying the soldiers with free rations of food, and whether it is the same as for the Army at Home and in the Colonies?—Without entering into the complications of the subject, I may say, that the British soldier, in pay and stoppages, has been bet[illegible] example, [illegible] lieu of be[illegible] pensation [illegible] nies he wa[illegible] bread and meat ra[illegible] 3½ *d.* for rations, [illegible] groceries. Practical[illegible] rations to a considerable [illegible]

7594. State the articles co[illegible] rations in India, its calculated cost, a[illegible] statements showing its actual cost at th[illegible] stations of India, and the average c[illegible] India and for the different Presidencies, [illegible] the statements be prepared for as many ye[illegible] past as practicable, connecting if possib[illegible] these statements with the like statements for 1862-63?—The articles composing the soldiers' daily ration are bread, meat, rice, tea, coffee, sugar, salt, vegetables, and firewood. The calculated cost is 12 *s.* 8 *d.* per man per month, but the actual cost is more, as will be seen from the statements now submitted. At Bombay, for example, the actual cost in the year 1870 was nearly 30 *s.* per month, and at Aden 32 *s.* 10 *d.*

7595. Be so good as to supply the Committee with rates of prices for as many other articles of food for man and beast at the several military stations, with a view to show the variations of prices in India?—The required statements are now submitted.

7596. Has any inquiry been instituted as to whether the dearness or cheapness of provisions and other articles of food at some stations, or in some districts, have not an important bearing on the cost of troops located in those districts?—Yes, the subject has frequently engaged the attention of the Government of India.

7597. You are aware that when directing the Military Finance duties in India, I endeavoured to ascertain the prices of articles of food by circulating the statements of cost of food supplies throughout all India, thus keeping alive the attention of all concerned with military expenditure; has this practice been discontinued, and if so, with what good or bad results?—Yes, and the discontinuance of the practice is much to be regretted.

7598. Looking at the varying rates of cost of the European soldiers' rations for the many years for which the rates are shown in these statements, can you say whether on comparing the total charge for the rations at the dear and cheap stations, by multiplying the number of men by the rate per head, the cost of rationing the whole of the European soldiers is greater or less now than in former years, and endeavour to illustrate your statement by using the strengths in the distribution returns of the army?—The rates fluctuate with the rise and fall of prices, in seasons of famine or of plenty; but on the whole, I believe that the British soldier's ration in Bengal costs less now than formerly, but rather more in the Madras and Bombay Presidencies. I will endeavour to obtain any further explanation that may be required by the Committee on this point.

7599. Is not the Army Expenditure considerably increased by the Government of India supplying the European soldier in India with malt liquor at reduced cost?—Yes.

7600. Explain the system under which the European soldier is supplied with malt liquor, and the changes in regulations since 1861-62; and state whether the European officers are entitled

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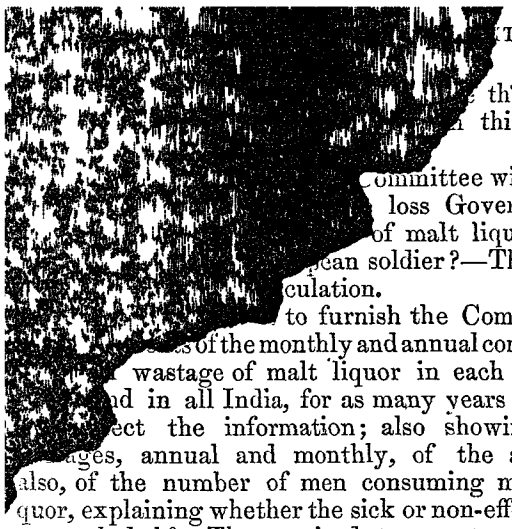

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d in all India, for as many years as you
ect the information; also showing the
ges, annual and monthly, of the above;
also, of the number of men consuming malt liquor, explaining whether the sick or non-effectives are excluded?—The required statements are now submitted.

7603. Is not the Government a gainer by supplying the soldiers with rum and spirits, and that this is in contrast with the loss sustained by supplying malt liquor?—Yes, there is a considerable gain by the retail of spirits, and loss by the sale of malt liquor. Mr. *G. W. Kellner.*

7604. Explain the system in force in India at present and in former years for supplying spirits, and show, by statements, the charges incurred for laying in stocks of spirits, the cost of charges, the recoveries from the men, and the gain to Government, and the rate per head gained on each European soldier, and if possible show the number of men consuming spirits in each Presidency and in all India?—This information can be obtained from India; the needful data are not available here.

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(A. 11.)—Grant III. Regimental Pay and Allowances.—Expenditure of 1862–63 compared with that of 1871–72 - - - - - - - - 903

(A. 12.)—Grant III. Regimental Pay and Allowances.—Expenditure of 1863–64 compared with that of 1871–72 - - - - - - - - - 904

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(B. 2.)—Disposition Return of Officers of the Local Service and General List, Indian Army, on 1st April 1873 - - - - - - - - - - 906

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Statement contrasting Present and Proposed Assessment for Villages belonging to the Indapoor Talooka - - - - - - - - - - - - - - 938

APPENDIX.

Appendix, No. 1.

MEMORANDUM by Colonel *Crommelin*, R.E., C.B., on certain points of his Evidence. Appendix, No. 1.

IN my answers to Questions 91, 92, 107, 242, I led the Committee to understand that there had been no considerable failure in the construction of barrack buildings at Allahabad. I was under the full belief at the time that my answers were quite correct, being in total ignorance of the serious defects which had been brought to light since my departure from India in 1871, and with which I have only just become acquainted since my return.

I find, however, that the papers regarding these defects* have been duly submitted to the Secretary of State, and that the special Committee has been put in possession of the statement (sent by the Government of India in telegram, dated 10th March 1873) of "the expenditure since 1863 in construction of "barracks which are unoccupied, because they have given way, "or are pronounced unsafe, or too hot for habitation by soldiers," and which statement shows that 22,500 *l.* was the estimate for repairing damages, due to bad roofs and other defects of construction at Allahabad.

* Despatch to Secretary of State, No. 41, dated 8th April 1873, and papers therein referred to. Despatch to Secretary of State, No. 30, dated 27th February, and papers therein referred to. Telegrams from and to Secretary of State, recorded as Proceedings, March 1873, A. 75–77.

Again, the answers to Questions 40, 41, 42, 75, 204, 306, explain that, according to the best calculation that I had the means of making at the time of my examination, the Government of India had still to contemplate an outlay of only 1¼ millions on additional new barracks for European troops throughout India.

It would, however, appear from some very late investigations that no less a sum than four millions has been calculated as the prospective demand for accommodation of every description, the bulk of which is for new buildings. This estimate will have to be carefully revised; still it seems probable that the prospective outlay will amount to more than double the figure stated in my evidence. I think that some of the Members of the Committee were under the impression that my figures were over-estimated.

Lastly, in Answers 156 and 248, I gave it as my impression that it would be probably found that the disaster at Saugor was not so serious as the Special Committee had reported it to be. The subsequent report of Colonels Hutchinson and Taylor, who were specially deputed to Saugor to examine the buildings, confirms the verdict of total condemnation recorded by the Committee.

As I was an official witness, and as my evidence (although given in perfect good faith according to my knowledge at the time) might mislead the Committee on important points, I would suggest the desirability of this Memorandum being sent to the Under Secretary of State for India (who is a member of the Special Committee), in view of his laying it before the Committee, as my explanation of the questionable points which I have brought to notice.

(signed) *T. H. Crommelin*, Colonel,
Royal Engineers.

Simla, 4 June 1873.

Appendix, No 2.

STATEMENT furnished by Mr. *C. C. P*

CIVIL DIVISIONS, AREA, AND POPULATION, &c.

GOVERNMENT OF INDIA.

STATEMENT showing the CIVIL DIVISIONS, AREA, and POPULATION, of each DISTRICT of such PROVINCES as are under the Administration or immediate Control of the Government of INDIA, according to the Administration Reports of each Province respectively, for 1871-72. (Results of Census 1872 given where information has been received.)

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			Number per Square Mile.
					Males.	Females.	Total.	
COORG*	Coorg	Coorg	2,000	20,288	94,454	73,858	168,312	84
MYSORE*	Nandidroog	Bangalore	2,914	158,330	414,543	413,811	828,354	284
		Kolar	2,577	154,675	309,685	309,269	618,954	240
		Toomkoor	3,606	127,625	315,440	316,799	632,239	175
		Total	9,097	440,630	1,039,668	1,039,879	2,079,547	228
	Ashtagram	Mysore	4,127	174,866	467,562	475,625	943,187	229
		Hassan	3,291	147,357	328,324	340,093	668,417	203
		Total	7,418	322,223	795,886	815,718	1,611,604	217
	Nagar	Shimoga	3,797	100,686	258,446	240,530	498,976	131
		Kadoor	2,294	71,109	170,337	163,588	333,925	145
		Chittuldroog	4,471	114,490	271,587	259,773	531,360	119
		Total	10,562	286,285	700,370	663,891	1,364,261	129
		TOTAL MYSORE	27,077	1,049,138	2,535,924	2,519,488	5,055,412	187
HYDERABAD (Assigned Districts.†)	East Berar	Oomrawatee	2,643	87,841	207,860	199,416	407,276	154
		Ellichpore	2,772	66,333	155,442	148,511	303,953	110
		Woon	4,232	99,308	245,094	232,267	477,361	113
		Total	9,647	253,482	608,396	580,194	1,188,590	123
	West Berar	Akolah	2,666	163,579	333,887	315,247	649,134	243
		Buldanur	2,815	78,699	210,914	182,927	393,841	85
		Bassim	1,832					
		Total	7,313	242,278	544,801	498,174	1,042,975	14
	Total Hyderabad Assigned Districts		16,960	495,760	1,153,197	1,078,368	2,231,565	
		GRAND TOTAL	46,037	1,565,186	3,783,575	3,671,714	7,455,289	

* Founded on Census of 1872, for Area and Population.

† The Area for the districts of this Province has been taken from the Administration Report for 1868-69, and the Population and H[illegible] from that for 1867-68.

NATIVE STATES.—GOVERNMENT OF INDIA.

AREA and POPULATION of such NATIVE STATES (so far as can be ascertained) under the Government of *India*, compiled from various Sources.

Locality.	Title or Name of Feudatory or Native State.	Area in Square Miles.	Estimated Population.
Rajpootana	Maharajah of Joudhpore or Marwar	35,672	1,783,000
	Ditto - Bikaneer	17,676	539,000
	Ditto - Jepore	15,205	1,900,000
	Maha Rawul of Jessulmere	12,252	73,700
	Maharajah of Oodeypore or Meywar	11,614	1,161,140
	Maharao of Kotah	5,000	450,000
	Maharao Rajah of Ulwar	3,300	1,000,000
	Rao of Serohee	3,020	55,000
	Maharaj Rana of Jhallawur	2,500	226,000
	Maharao of Boondee	2,291	224,000
	Maharajah of Bhurtpore	1,974	743,710
	Ditto - Kerowlee	1,873	188,000
	The Rawul of Banswarra	1,500	150,000
	Maharana of Dholepore	1,250	192,382
	The Rawul of Doongurpore	1,000	100,000
	Maharajah of Kishengurh	720	100,000
	Nawab of Tonk	640	131,000
	Total	117,487	9,016,932
Central India	Maharajah Sindhia	33,119	2,500,000
	Ditto - Holkar	8,318	576,000
	Begum of Bhopal	6,764	663,656
	Rajah of Dhar	2,091	125,000
	Ditto Pertabghur	1,460	150,000
	Chief of Dewas	256	25,000
	Total	52,008	4,039,656
Mediatized Chiefs of Gwalior Agency.	Rajahs of Nurum, Ragoogurh, and Boroda; Thakoors of Bhadoura, Khaltoun, Sirsee, and Burra (7 in number)	No information.	
Mediatized Chiefs of Dhar Agency.	Thakoors of Mooltan, Kachee Baroda, Bukhtgurh, and Baisola or Dhotia (4 in number)	No information.	

Appendix, No. 2.

NATIVE STATES—*continued.*

Locality.	Title or Name of Feudatory or Native State.	Area in Square Miles.	Estimated Population.
Mediatized Chiefs of Western Malwa.	Nawab of Jowra	872	85,456
	Rajah of Rutlam	500	94,839
	Ditto Sillana	103	98,978
	Ditto Seetamhow	208	20,384
	Chiefs of Punth Peeploda, and Peeploda; Thakoors of Jawassa, Nowbarra, Sheogurh, Dabree Bichrode, Kalookhera, Nurum, Lalghur, Peeplia, Nowgong, Dutanu, Agraoda, Biloda, Dhoolatia, and Burdia (17 in number)	No information.	
	Total	1,683	299,657
Mediatized Chiefs of Bhopawur Agency.	Chief of Johut	Not stated.	7,000
	Chief of Jhabooa	1,500	60,000
	Chiefs of Mutwarra, Khuttewarra, Ruttanmal, Ali Rajpore, Neemkhera or Tirla, Sorepore or Chota Bukhera, Motha Burkhera, and Kalee Bouree (8 in number)	No information.	
	Total	1,500	67,000
Bheel Agency	Chief of Purwanee	3,000	26,611
Guaranteed Chiefs of Nimar Agency.	Chiefs of Barudpoora, Jamma or Dabir, Rajghur Ghurree or Bhysakheree Sillanee and Bukthgurh, Chandgurgh, Jamtee, and Chota Kusrawud (6 in number)	No information.	
Mediatized Chiefs of Indore Central Agency.	Thakoors of Pitharee, Baglee, Tonk, Karodia, Patharea, Dhungong, Singhana, Baee, Mayne, Dhaura, Kunjara, Ragoogurgh, Kaytha, Khursee, Jahalria, Bhojakheree, Poonghat (17 in number)	No information.	
Mediatized Chiefs of Bhopal Agency.	Chiefs of Koorai, Mahomedgurh, Basowda, Rajghur, Nursinghur, Kilcheepore, Larawut, Patharee, Agra Burkhera, Dubla Dheer, Dhuna Kheree, Khumalpore, Dubla Ghosee, Khursia, Jhalera, Heerapore, Ramgurh, Sootalea, Kakurkheree, Jalria Bheel, Gagronee, Koonwar Chae Singh, Bulwunt Singh, Lutchmun Singh, Isree Singh, and Sallim Singh (26 in number)	96,337	Not stated.
Bundlekund Agency	Sohawul, Jignee, Chutterpore, Chirkary, Ajeyghur, Bijawur, Duttia, Myhere, Nagode, Oorcha, Punna, Rewah. Sumpthur (13 in number)	22,400	3,170,000
Deccan	The Nizam Hyderabad	78,003	10,666,080
Burmese Frontier	Rajah of Munipore	7,584	126,000
Mysore	The Maharajah of Mysore	Included under British Administration during minority of the Rajah.	
	GRAND TOTAL UNDER GOVERNMENT OF INDIA	380,002	27,411,936

BENGAL.

of the GENERAL STATEMENT showing the Result of the CENSUS of 1871-72 for the PROVINCES under the Administration of the Lieutenant Governor of *Bengal*.

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			Number per Squar Mile.
					Males.	Females.	Total.	
BENGAL	Burdwan	Burdwan	3,523	435,416	995,818	1,038,927	2,034,745	578
		Bancoorah	1,346	104,687	261,690	265,082	526,772	391
		Beerbhoom	1,344	159,940	334,550	361,371	695,921	518
		Midnapore	5,082	446,045	1,257,194	1,283,769	2,540,963	500
		Hooghly with Howrah	1,424	322,703	722,856	765,700	1,488,556	1,045
		Total	12,719	1,468,791	3,572,108	3,714,849	7,286,957	573
	Presidency	Calcutta	8	38,864	299,857	147,744	447,601	55,950
		24 Pergunnahs	2,788	393,737	1,155,759	1,054,288	2,210,047	793
		Nuddea	3,421	352,017	877,125	935,670	1,812,795	530
		Jessore	3,658	313,660	1,051,126	1,023,895	2,075,021	567
		Total	9,875	1,098,278	3,383,867	3,161,597	6,545,464	663
	Rajshahye	Moorshedabad	2,578	303,561	645,335	708,291	1,353,626	525
		Dinagepore	4,126	264,526	776,431	725,493	1,501,924	364
		Maldah	1,813	129,579	331,087	345,339	676,426	373
		Rajshahye	2,234	246,371	650,586	660,143	1,310,729	587
		Rungpore	3,476	331,079	1,095,926	1,054,946	2,149,972	619
		Bogra	1,501	127,099	347,864	341,603	689,467	459
		Pubna	1,966	198,220	602,514	609,080	1,211,594	616
		Total	17,694	1,600,435	4,448,843	4,444,895	8,893,738	503
	Cooch Behar	Darjeeling	1,234	18,864	53,057	41,655	94,712	77
		Julpigoree	2,906	69,648	216,893	201,772	418,665	144
		Cooch Behar	1,307	81,820	278,585	253,980	532,565	407
		Total	5,447	170,332	548,535	497,407	1,045,942	192
	Dacca	Dacca	2,897	290,593	905,775	947,218	1,852,993	640
		Furreedpore	1,496	157,518	497,854	514,735	1,012,589	677
		Backergunge	4,935	321,657	1,204,237	1,173,196	2,377,433	482
		Mymensing	6,293	308,008	1,187,962	1,161,955	2,349,917	373
		Sylhet	5,383	286,594	880,330	839,209	1,719,539	319
		Cachar	1,285	37,311	110,373	94,654	205,027	160
		Total	22,289	1,401,681	4,786,531	4,730,967	9,517,498	427
	Chittagong	Chittagong	2,498	197,104	536,059	591,343	1,127,402	451
		Noakhally	1,557	142,155	362,067	351,867	713,934	459
		Tipperah	2,655	307,011	782,391	751,540	1,533,931	578
		Chittagong Hill Tracts	6,882	13,354	40,883	28,724	69,607	10
		Hill Tipperah	3,867	6,329	Not stated	Not stated	35,262	9
		Total	17,459	665,953	1,721,400	1,723,474	3,480,136	199
		TOTAL BENGAL PROPER	85,483	6,405,470	18,461,284	18,273,189	36,769,735	430
BEHAR	Patna	Patna	2,101	269,814	761,877	797,761	1,559,638	742
		Gya	4,718	327,845	954,129	995,621	1,949,750	413
		Shahabad	4,385	275,041	835,374	888,600	1,723,974	393
		Tirhoot	6,343	642,087	2,191,764	2,192,942	4,384,706	691
		Sarun	2,654	293,524	996,683	1,067,177	2,063,860	778
		Chumparun	3,531	242,228	737,529	703,286	1,440,815	408
		Total	23,732	2,050,539	6,477,356	6,645,387	13,122,743	553

Note.—The areas above shown only comprise the areas over which the Census operations have been taken, and do not include waste, forest, or uncensused tracts, nor the areas of great rivers, hence the difference between the figures here given and those contained in the Administration Report for 1871-72 for the same districts.

BENGAL—*continued.*

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population. Males.	Females.	Tot	
BEHAR—*continued*	Bhaugulpore	Monghyr	3,913	328,174	897,074	915,912	1,812,986	4
		Bhaugulpore	4,327	329,372	917,183	909,107	1,826,290	422
		Purneah	4,957	313,447	876,320	838,475	1,714,795	346
		Sonthal Pergunnahs	5,488	230,504	629,716	629,571	1,259,287	229
		Total	18,685	1,201,497	3,320,293	3,293,065	6,613,358	354
		TOTAL, BEHAR	42,417	3,252,036	9,797,649	9,938,452	19,736,101	465
ORISSA	Orissa	Cuttack	3,178	281,430	725,330	769,454	1,494,784	470
		Pooree	2,473	143,920	389,449	380,225	769,674	311
		Balasore	2,066	138,913	379,077	391,155	770,232	373
		Tributary Estates	16,184	253,284	646,205	637,104	1,283,309	79
		TOTAL, ORISSA	23,901	817,547	2,140,061	2,177,938	4,317,999	180
CHOTA NAGPORE	Chota Nagpore	Hazareebaugh	7,021	150,493	397,045	374,830	771,875	110
		Lohardugga	12,044	240,843	621,548	615,575	1,237,123	103
		Singbhoom	4,503	84,416	207,926	207,097	415,023	92
		Mhoom	4,914	195,665	500,936	494,634	995,570	203
		Tributary Estates	15,419	80,870	205,925	200,055	405,980	26
		TOTAL, CHOTA NAGPORE	43,901	752,287	1,933,380	1,892,191	3,825,571	87
ASSAM and adjacent Country.	Assam	Goalpara	4,433	72,655	229,374	215,387	444,761	100
		Kamroop	3,631	103,908	292,688	268,993	561,681	155
		Durrung	3,413	43,558	122,837	113,172	236,009	69
		Nowgong	3,648	44,050	133,107	123,283	256,390	70
		Seebsaugor	2,413	55,604	154,940	141,649	296,589	123
		Luckimpore	3,145	26,398	64,692	56,575	121,267	39
		Naga Hills	4,900	Not stated	Not stated	Not stated	68,918	14
		Khasia and Jynteah Hills	6,157	- ditto -	68,593	73,245	141,838	23
		Garo Hills	3,390	- ditto -	Not stated	Not stated	80,000	24
		TOTAL, ASSAM	35,130	346,173	1,066,231	992,304	2,207,453	63
Total Country included in Census			230,832	11,573,513	33,398,605	33,274,074	66,856,859	290
Add Waste and Country not censused			17,399					
Total under Administration of Lieutenant Governor, Bengal			248,231					269

NATIVE STATES IN BENGAL.

	Area in Square Miles.	Estimated Population.
Sikhim (surveyed)	2,544	7,000
Looshai and Kookee Country (survey still incomplete), say	9,000	Not known.
Unsubdued Garo Country and Naga, and other tribes south of Assam, the boundary survey of which is now being made, say	9,000	- ditto.
Bhootan, independent, and cannot be surveyed, say	10,000	20,000
Country of Himalayan tribes south of Assam, independent, and cannot be surveyed	20,000	Not known.

The Area and Population of other Native States not specified above, have been included under the Districts or Divisions to which they may be attached and shown in the Tabulated Statement for Bengal Presidency.

NORTH WEST PROVINCES.

STATEMENT showing the CIVIL DIVISIONS, AREA, POPULATION, &c., of each DISTRICT under the Administration of the Lieutenant Governor of the *North West Provinces*, according to the Administration Report of 1871–72. (Population founded on Census of 1872.)

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			Number per Square Mile.
					Males.	Females.	Total.	
NORTH WEST PROVINCES.	Meerut - -	Dehra Doon - - -	934	24,744	68,044	47,667	115,711	123
		Seharunpore - - -	2,227	197,235	484,508	399,274	883,782	396
		Mozuffernuggur - -	1,650	155,012	375,608	314,474	690,082	418
		Meerut - - - -	2,368	268,650	685,404	588,510	1,273,914	537
		Boolundshuhur - -	1,910	182,694	493,682	442,911	936,593	490
		Allyghur - - -	1,858	211,446	577,263	495,845	1,073,108	572
		Total - - -	10,947	1,039,781	2,684,509	2,288,681	4,973,190	454
	Kumaon - - -	Kumaon - - -	6,000	77,624	231,146	201,742	432,888	72
		Gurhwal - - -	5,500	57,293	155,745	154,537	310,282	56
		Terai - - - -	651	41,732	102,573	83,074	185,647	285
		Total - - -	12,151	176,649	489,464	439,353	928,817	76
	Rohilkund - -	Bijnour - - - -	1,884	158,583	395,395	341,757	737,152	391
		Moradabad - - -	2,277	252,344	596,776	525,355	1,122,131	492
		Budaon - - -	1,960	193,589	503,619	430,729	934,348	476
		Bareilly - - -	3,028	296,441	806,913	699,888	1,506,801	497
		Shahjehanpore - -	1,719	188,958	511,136	438,335	949,471	552
		Total - - -	10,868	1,089,915	2,813,839	2,436,064	5,249,903	483
	Agra - - -	Muttra - - - -	1,612	188,975	480,615	406,740	887,355	550
		Agra - - - -	1,887	231,270	589,562	504,622	1,094,184	580
		Furruckabad - - -	1,702	192,080	499,722	419,026	918,748	539
		Mynpoorie - - -	1,666	150,888	426,955	338,828	765,783	459
		Etawah - - - -	1,631	128,707	369,928	298,653	668,581	409
		Etah - - - -	1,401	136,864	382,746	320,739	703,485	501
		Total - - -	9,899	1,028,784	2,749,528	2,288,608	5,038,136	509
	Jhansie - - -	Jaloun - - - -	1,552	88,977	216,607	187,777	404,384	260
		Jhansie - - - -	1,610	72,795	167,519	150,216	317,735	197
		Lullutpore - - -	1,947	46,773	111,625	101,003	212,628	109
		Total - - -	5,109	208,545	495,751	438,996	934,747	183
	Allahabad - -	Cawnpore - - -	2,353	272,232	619,118	536,321	1,155,439	489
		Futtehpore - - -	1,582	152,777	345,533	318,282	663,815	420
		Banda - - - -	3,030	160,962	359,765	337,846	697,611	230
		Allahabad - - -	2,765	303,900	715,110	679,135	1,394,245	504
		Humeerpore - - -	2,289	121,011	276,196	252,941	529,137	231
		Jounpore - - -	1,555	200,438	545,700	480,169	1,025,869	659
		Total - - -	13,574	1,211,320	2,861,422	2,604,694	5,466,116	402
	Benares - - -	Goruckpore - - -	4,585	381,237	1,078,072	941,278	2,019,350	440
		Bustee - - - -	2,797	248,268	784,691	638,303	1,472,994	526
		Azimghur - - -	2,550	314,327	826,145	705,265	1,531,410	600
		Mirzapore - - -	5,200	219,059	520,496	494,797	1,015,293	195
		Benares - - -	995	156,200	406,344	387,355	793,699	797
		Ghazeepore - - -	2,226	285,007	696,572	648,829	1,345,401	604
		Total - - -	18,353	1,604,098	4,312,320	3,865,827	8,178,147	445
	GRAND TOTAL NORTH-WEST PROVINCES -		80,901	6,359,092	16,406,833	14,362,223	30,769,056	380

The Feudatory, or Native States, in relation with the North West Provinces, consist of—

1. Tehree.—Area,	980 square miles.	Estimated Population,	200,000
2. Rampore.—Do.	945 „	Ditto	507,013
TOTAL - - -	1,925	TOTAL - - -	707,013

OUDE.

STATEMENT showing the AREA and POPULATION of each DISTRICT under the Administra… Chief Commissioner of *Oude*, the Census of which, having been taken on the 1st Februar… exempted from the General Census of 1871–72.

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			per… Mi…
					Males.	Females.	Total.	
OUDE	Lucknow	Lucknow	988	134,692	518,129	364,149	982,278	706
		Unáo	1,764	124,739	372,718	352,436	725,154	538
		Bára Banki	1,735	148,196	450,221	425,366	875,587	650
		Total	4,487	407,627	1,341,068	1,241,951	2,583,019	631
	Sítápur	Sítápur	2,206	162,625	497,485	435,969	933,445	419
		Hardui	2,292	178,519	500,954	430,423	931,377	406
		Kheri	3,046	119,171	399,882	338,722	738,604	242
		Total	7,544	460,315	1,398,321	1,205,105	2,603,426	356
	Faizabad	Faizabad	1,681	279,850	740,063	700,965	1,441,028	618
		Bharaich	2,710	121,905	406,925	367,715	774,640	286
		Gonda	2,683	Not stated	604,624	563,838	1,168,462	425.
		Total	7,074	401,755	1,751,612	1,632,518	3,384,130	443
	Rái Bareli	Rái Bareli	1,741	162,409	389,699	393,547	783,246	580
		Sultanpur	1,704	156,789	466,542	464,121	930,663	593
		Pratábgarh	1,423	185,460	475,421	460,842	936,263	543
		Total	4,868	504,658	1,331,662	1,318,510	2,650,172	572
		GRAND TOTAL, OUDE	23,973	1,774,355	5,822,663	5,398,084	11,220,747	465

Note.—There are no Native States attached to, or in Political relation with, this Province.

PUNJAB.

STATEMENT showing the AREA and POPULATION of each DISTRICT under the Administration of the Lieutenant Governor of the *Punjab*, as given in the Administration Report for 1871–72, and founded on the Census of January 1868. This Province was exempted from the Census of 1871–72.

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			Number per Square Mile.
					Males.	Females.	Total.	
PUNJAB	Delhi	Delhi	1,273	171,344	333,186	288,489	621,675	490
		Gurgáon	1,981	156,424	367,200	323,095	690,295	348
		Karnál	2,353	125,321	329,371	279,571	608,942	259
		Total	5,607	453,089	1,029,757	891,155	1,920,912	342
	Hissár	Hissár	3,540	107,051	266,847	217,834	484,681	137
		Rohtak	1,812	137,458	285,286	245,941	531,227	293
		Sirsa	3,110	43,131	117,052	93,743	210,795	68
		Total	8,462	287,640	669,185	557,518	1,226,703	145
	Ambálah	Ambálah	2,628	243,302	567,930	467,558	1,035,488	394
		Ludiánah	1,359	151,934	319,342	263,903	583,245	429
		Simla	18	7,880	21,619	12,376	33,995	1,885
		Total	4,005	403,116	908,891	743,837	1,652,728	413
	Jálandhar	Jálandhar	1,382	242,832	429,409	350,756	780,165	586
		Hoshiárpúr	2,086	209,169	504,754	435,218	739,972	450
		Kángra	8,990	147,434	393,571	350,311	743,882	83
		Total	12,408	599,435	1,327,734	1,136,285	2,464,019	198

PUNJAB—*continued.*

...nce.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			Number per Square Mile.
					Males.	Females.	Total.	
...ntinued -	Amritsar - -	Amritsar - - -	1,556	198,046	465,078	367,672	832,750	535
		Siálkot - - - -	1,955	197,485	546,159	458,845	1,005,004	512
		Gurdáspúr - - -	1,822	208,256	501,243	404,883	906,126	497
		Total - - -	5,333	603,787	1,512,480	1,231,400	2,743,880	514
	Lahore - - -	Lahore - - - -	3,647	201,536	438,335	351,331	789,666	217
		Gujránwála - - -	2,562	158,270	306,296	244,280	550,576	207
		Firozpur - - -	2,696	119,718	303,489	245,764	549,253	204
		Total - - -	8,905	479,524	1,048,120	841,375	1,889,495	212
	Ráwulpindi - -	Ráwulpindí - - -	6,212	75,579	385,227	326,029	711,256	115
		Jhelam - - - -	3,910	113,010	264,690	236,298	500,988	128
		Gujrát - - - -	1,944	156,195	331,928	284,433	616,361	342
		Sháhpúr - - -	4,698	86,549	195,823	172,973	368,796	78
		Total - - -	16,764	431,333	1,177,668	1,019,733	2,197,401	131
	Multán - -	Multán - - - -	5,882	111,794	261,403	210,160	471,563	80
		Jhang - - - -	5,704	74,986	193,624	154,403	348,027	61
		Montgomery - - -	5,577	72,276	200,016	159,421	359,437	64
		Muzaffargarh - -	3,022	65,135	162,121	133,426	295,547	98
		Total - - -	20,185	324,191	817,164	657,410	1,474,574	73
	Deraját - - -	Dera Ismail Khan - -	7,096	85,100	212,734	182,130	394,864	56
		Dera Gharee Khan -	2,319	62,139	170,252	138,588	308,840	133
		Bannú - - - -	3,150	60,637	150,555	136,992	287,547	91
		Total - - -	12,565	207,876	533,541	457,710	991,251	78
	Pesháwar - -	Pesháwar - - - -	1,929	121,456	286,006	237,146	523,152	271
		Kohát - - - -	2,838	28,639	79,314	66,105	145,419	51
		Hazára - - - -	3,000	75,300	191,423	175,795	367,218	122
		Total - - -	7,767	225,395	556,743	479,046.	1,035,789	133
		GRAND TOTAL, PUNJAB - - -	102,001	4,015,386	9,581,283	8,015,469	17,596,752	173

NATIVE STATES in Feudal Subordination to the Government of *Punjab.*

Names of States.	Area in Square Miles.	Approximate Population.	Names of States.	Area in Square Miles.	Approximate Population.
1. Jummoo and Kashmere - - - - -	79,784	1,520,757	19. Luharu - - - - - -	285	18,000
2. Patiala - - - - - - -	5,412	1,586,000	20. Dujana - - - - - -	100	27,060
3. Bhawulpore - - - - - -	15,000	472,791	21. Baghat - - - - - -	60	10,000
4. Jeend - - - - - - -	985	189,372	22. Baghal - - - - - -	150	22,000
5. Nabha - - - - - - -	804	227,265	23. Jubbal - - - - - -	260	40,000
6. Kapurthala - - - - - -	598	201,332	24. Kumharsain - - - - -	100	10,000
7. Mandi - - - - - - -	1,000	139,259	25. Bhajji - - - - - -	140	19,000
8. Sarmur (Nahan) - - - - -	1,000	100,000	26. Mailog - - - - - -	90	9,000
9. Kahlur (Belaspore) - - - -	300	60,000	27. Balsan - - - - - -	60	6,000
10. Bussahir - - - - - - -	2,560	90,000	28. Dhami - - - - - -	40	5,500
11. Hindur (Nalagarh) - - - -	400	70,000	29. Kuthar - - - - - -	30	4,000
12. Keonthal - - - - - -	280	50,000	30. Kunhiar - - - - - -	20	2,500
13. Maler Kotla - - - - -	164	46,200	31. Mangal - - - - - -	8	800
14. Furreedkote - - - - - -	600	68,000	32. Bija - - - - - - -	8	800
15. Chamba - - - - - - -	not known	110,000	33. Durkuti - - - - - -	8	700
16. Suket - - - - - - -	420	44,652	34. Tarock - - - - - -	125	10,000
17. Khalsia - - - - - - -	168	62,000	35. Bangri - - - - - -	6	700
18. Pataodi - - - - - - -	50	20,085	36. Ratesh - - - - - -	4	300

Total, 36 Native States, with an area of about 111,019 square miles, containing an approximate Population of about 5,244,073 souls.

CENTRAL PROVINCES.

STATEMENT showing the CIVIL DIVISIONS, AREA, POPULATION, &c. of each DISTRICT under Administration of the Chief Commissioner of the *Central Provinces*, according to the Administration for 1871-72, founded on the Census taken in 1866. (Results of Census of 1871-72 not yet received.)

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population. Males.	Females.	Total.	Number per Square Mile.
CENTRAL PROVINCES	Nagpore	Nagpore	3,734	152,014	335,446	303,895	639,341	171
		Bhandara	3,922	123,500	304,931	303,549	608,480	155
		Chanda	9,700	114,081	268,563	268,732	537,295	55
		Wurda	2,379	77,409	174,785	168,700	343,485	125
		Balaghat	2,608	34,033	85,733	85,201	170,934	66
		Total	22,343	501,037	1,169,458	1,130,077	2,299,535	103
	Jubbulpore	Jubbulpore	3,918	157,968	311,800	287,417	599 217	153
		Saugor	4,005	113,183	260,334	238,308	498,642	124
		Dumoh	2,800	63,891	148,004	135,621	283,625	101
		Seonee	3,609	91,836	213,450	208,200	421,650	116
		Mandla	4,719	45,659	103,348	99,201	202,549	42
		Hoshungabad	4,222	89,454	230,689	209,744	440,433	104
		Total	23,273	561,991	1,267,625	1,178,491	2,446,116	105
	Nerbudda	Nursingpore	1,916	66,468	175,346	161,450	336,796	175
		Betul	4,118	52,693	152,496	105,839	258,335	62
		Chindwarra	3,852	59,212	148,418	146,400	294,818	77
		Nimar	2,700	39,520	100,409	90,152	190,561	70
		Total	12,586	217,893	576,669	503,841	1,080,510	86
	Chutteesghur	Raipore	12,036	165,156	667,356	655,306	1,322,662	109
		Belaspore	7,798	138,624	399,506	380,997	780,503	100
		Sumbulpore	4,200	159,517	406,670	405,678	812,348	193
		Upper Godavery	1,926	41,086	163,859	160,505	324,364	168
		Total	25,960	504,383	1,637,391	1,602,486	3,239,877	128
GRAND TOTAL CENTRAL PROVINCES			84,162	1,785,304	4,651,143	4,414,895	9,066,038	108

Note.—The area and population of the Feudatory States are included among the above, but the following Table will give an idea of their population.

The Native or Feudatory States, though included above, consist of—

	Population.		Population.
1. Bastar	269,684	9. Saktee	11,784
2. Karond	107,872	10. Kawarda	69,077
3. Raigurh Bargurh	51,400	11. Kondka or Chinkhadan	48,753
4. Sarangurh	45,372	12. Kanker	36,144
5. Patna (under British management)	90,000	13. Kairagurh (under British management)	115,650
6. Sonpore	60,000	14. Nandgaon	132,561
7. Rairakhol	11,405	15. Makrai	13,015
8. Bamra	32,558	TOTAL	1,095,275

BRITISH BURMAH.

STATEMENT showing the AREA and POPULATION of each DISTRICT under the Administration of the Chief Commissioner of the Province of *British Burmah*, taken from the Administration Report for 1871-72.

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			Number per Square Mile.
					Males.	Females.	Total.	
British Burmah -	Arrakan - - -	Akyab - - - -	4,858	57,998	139,311	123,841	263,152	54
		Ramree - - -	4,309	28,137	71,490	69,429	140,919	35
		Sandoway - -	3,667	10,599	26,055	24,062	50,117	14
		Northern Arrakan - -	5,696	1,923	3,819	3,129	6,948	1
		Total - - -	18,530	98,657	240,675	220,461	461,136	25
	Pegu - - -	Rangoon - - -	9,800	80,230	200,625	172,453	373,078	38
		Bassein - - -	8,954	65,722	162,763	154,070	316,833	35
		Myanoung - - -	4,150	84,916	222,675	222,075	444,750	107
		Prome - - - -	2,225	58,287	128,123	129,034	257,157	115
		Thayetmyo - - -	3,275	30,370	67,273	65,331	132,604	40
		Total - - -	28,404	319,525	781,459	742,963	1,524,422	54
	Tenasserim - -	Amherst - - - -	15,144	39,181	127,238	108,500	235,738	12
		Tavoy - - - -	7,200	12,767	35,384	36,110	71,494	10
		Mergui - - - -	7,760	8,368	23,960	22,224	46,184	6
		Shwegyen - - -	10,272	29,775	72,260	72,659	144,919	14
		Toungoo - - - -	6,354	20,134	39,954	38,476	78,430	12
		Total - - -	46,730	110,225	298,796	277,969	576,765	12
	GRAND TOTAL BRITISH BURMAH - - -		93,664	528,407	1,320,930	1,241,393	2,562,323	27

Note.—A regular census of this Province was taken during the year 1872, but the results are not yet known. The above figures, however, have been gathered from annual returns prepared by Thoogyees, or revenue collectors, for the purpose of assessing the Capitation Tax within their respective circles; a nominal roll of every man, woman, and child residing within each such revenue circle is one of the returns which has to be submitted to District Officers, and as these returns are usually tolerably correct, they afford a fair means of ascertaining the number of the Population.

There are no Native States attached to or in Political relation with this Province.

MADRAS.

STATEMENT showing the CIVIL DIVISIONS, AREA, POPULATION, &c. of each DISTRICT Administration of the Governor of *Madras* Presidency according to Administration Report founded on the Census taken in 1871.

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			Number per Square Mile.
					Males.	Females.	Total.	
MADRAS PRESIDENCY	Northern Range	Ganjam	7,757	-	-	-	1,487,227	192
		Vizagapatam	9,935	-	-	-	1,832,614	185
		Jeypore	9,000	-	-	-	451,640	50
		Godavery	7,584	-	-	-	1,584,179	210
		Kistna	8,353	-	-	-	1,439,252	172
		Total	42,579	-	-	-	6,794,912	150
	Central Range	Nellore	8,341	-	-	-	1,375,349	165
		Kurnool	7,470	-	-	-	956,068	128
		Bellary	11,496	-	-	-	1,653,154	144
		Cuddapah	9,177	-	-	-	1,343,762	146
		North Arcot	7,526	-	-	-	2,007,667	265
		Chingleput	3,100	-	-	-	940,744	303
		Madras Town	27	-	-	-	397,552	14,724
		South Arcot	4,765	-	-	-	1,762,525	369
		Total	51,902	-	-	-	10,436,821	201
	Southern Range	Tanjore	3,736	-	-	-	1,975,042	528
		Trichinopoly	3,097	-	-	-	1,197,936	387
		Madura	8,790	-	-	-	2,259,263	257
		Tinnevelly	5,144	-	-	-	1,689,421	328
		Salem	7,617	-	-	-	1,963,243	257
		Coimbatore	8,417	-	-	-	1,804,899	214
		Malabar	6,259	-	-	-	2,274,466	363
		South Canara	4,205	-	-	-	915,139	217
		Total	47,265	-	-	-	14,079,409	298
		GRAND TOTAL, MADRAS PRESIDENCY	141,746	-	-	-	31,311,142	220

Note.—The Column showing the population is from results of recent Census for 1871, as given in the Administration Report for 1871-72, but the information as to number of houses and classification of sexes has not yet been received.

The Native States in relation with the Madras Presidency, consist of—

1. Travancore.—Area,	6,654	square miles; Population,		1,262,647
2. Cochin	„ 1,131	„	„	399,060
3. Poodoocottah	„ 1,037	„	„	315,332
Total - -	8,822	Total - -		1,977,039

BOMBAY.

STATEMENT showing the CIVIL DIVISIONS, AREA, POPULATION, &c. of each DISTRICT under the Administration of the Governor of *Bombay* Presidency, according to Administration Report for 1871-72, based on the Census taken in 1871.

Province.	Divisions.	Districts.	Area in Square Miles.	Number of Inhabited Houses.	Population.			Number per Square Mile.
					Males.	Females.	Total.	
BOMBAY PRESIDENCY	Town and Island of Bombay		19		399,716	244,689	644,405	33,916
	Northern Division	Ahmedabad	3,844				829,687	216
		Thana	7,439				Not stated	—
		Kolaba	1,829				359,593	196
		Punch Mehals	1,670				213,575	128
		Broach	1,318				298,889	226
		Surat	1,639				554,000	338
		Kaira	1,467				770,700	525
		Nasik	7,627				640,158	84
		Khandeish	10,166				958,305	94
		Total	36,999				4,624,857	125
	Southern Division	Ahmednuggar	6,573				769,537	117
		Belgaum	4,591				842,503	183
		Dharwar	4,517				864,188	191
		Kaladgi	4,942				740,590	149
		Canara	4,235				372,542	88
		Poona	4,280				792,352	185
		Rutnagherry	3,931				1,036,624	264
		Sattara	5,371				1,052,853	196
		Sholapore	3,292				571,822	173
		Total	41,732				7,043,011	168
		TOTAL BOMBAY	78,750				12,312,273	156
			Estimated.				Estimated.	
	Sind	Shikarpore	9,042				513,458	56
		Hyderabad	8,914				566,865	63
		Kurrachee	13,650				340,000	25
		Thur and Parkur	15,000				225,000	15
		Frontier District	2,176				85,000	39
		TOTAL SIND	48,782				1,730,323	35
	GRAND TOTAL, BOMBAY PRESIDENCY		127,532				14,042,596	110

Note.—The information as to number of houses and classification of sexes cannot be rendered; details of Census not yet received.

BOMBAY—*continued.*

Principal NATIVE and FEUDATORY STATES of the *Bombay* Presidency.

Title of Feudatory.	Area in Square Miles.	Estimated Population.	Title of Feudatory.	Area in Square Miles.	Estimated Population.
1. Rajah of Akulkote	986	81,068	21. Joonaghur		
2. The Panch Sucheo	500	10,193	22. Nowanuggur		
3. The Punt Prithi Nidhi	350	67,967	23. Bhownuggur		
4. The Duflay	700	78,794	24. Jafferabad — Kattywar Chiefs	21,000	1,475,68
5. The Nimbalkar of Phultun	400	47,100	25. Wudwan		
6. Rajah of Kolhapore	3,184	802,667	26. Rajkote		
7. Chief of Sawunt Warree	900	152,206	27. Pahlunpore Agency, containing 11 States; Pahlunpore, Radunpore, Warye, Terwara, and seven Hindoo States	6,04 1	321,645
8. Jamkhundee			28. Rajah of Edur, the only powerful Chief of Mahee Kanta.	4,000	445,093
9. Miraj			29. Rajah of Rajpeepla	4,500	140,000
10. Koorundwad — Suttara Jagheers, Chiefs of	3,700	410,700	30. „ Chota Oodeypore	3,000	62,913
11. Sanglee			31. „ Loonawarra	398	74,813
12. Ramdrooj			32. „ Barrea	815	52,421
13. Moodhote			33. „ Soanth	400	49,675
14. The Seedee of Jungeera	324	71,996	34. „ Ballasinore	400	41,984
15. Rajah of Bansda	325	24,050	35. „ Khyrpore (Sind)	5,000	105,000
16. Rajah of Dhurunpore	225	16,650	TOTAL	68,697	7,675,142
17. Rajah of Jawar	300	8,000			
18. Nawab of Cambay	350	125,000			
19. The Gaekwar	4,399	2,600,000			
20. Rao of Kutch	6,500	409,522			

Grand Total, Native States :—Area, 68,697; Population, 7,675,142.

GENERAL ABSTRACT FOR THE WHOLE OF INDIA.

Presidency or Province.	Total Area in Square Miles.	Number of Divisions.	Number of Districts.	Number of Inhabited Houses.	Population.	Proportion of Population to Square Miles.
Coorg	2,000	1	1	20,288	168,312	84
Mysore	27,077	3	8	1,049,138	5,055,412	187
Hyderabad (assigned districts) or Berar	16,960	2	6	495,760	2,231,565	132
Bengal	248,231	11	58	11,573,513	66,856,859	269
North-west Provinces	80,901	7	35	6,854,082	30,769,056	380
Oude	23,973	4	12	1,774,355	11,220,747	465
Punjab	102,001	10	32	4,015,386	17,596,752	173
Central Provinces	84,162	4	19	1,785,304	9,066,038	108
British Burmah	93,664	3	14	528,407	2,562,323	27
Madras	141,746	3	21	Not stated	31,311,142	220
Bombay, including Sind	127,532	3	23		14,042,596	110
TOTAL British Administration	948,247	51	229	28,096,233	190,880,802	201
Native States under—						
Government of India	380,002	Estimated Population			27,411,936	
Bengal	50,544	So far as can be ascertained			27,000	
North-west Provinces	1,925	Estimated Population			707,013	
Punjab	111,019	Ditto - - ditto			5,244,073	
Madras	8,822	Ditto - - ditto			1,977,039	
Bombay	68,697	Ditto - - ditto			7,675,142	
TOTAL Native States	621,009	TOTAL Population			43,042,203	
GRAND TOTAL	1,569,256				233,923,005	

Statistical Department, India Office,
10 July 1873.

Appendix, No. 3.

PAPER handed in by Mr. *Grant Duff*, M.P.

REPORT of CASES where the COUNCIL for INDIA has been OVERRULED by SECRETARY OF STATE. Appendix, No. 3.

27th October 1858 -	Letter to Great Indian Peninsula Railway Company, stating that Secretary of State was prepared to admit the principle of arbitration in cases where it was doubtful where the cost of land should fall on Government, or as an item of cost of construction on railway company. Modification proposed by Council, agreeing only to refer to legal adviser in such cases, negatived by Lord Stanley.
26th May 1859 - -	Report by Revenue, Judicial, and Legislative Committee recommending modification of present system of a covenanted Civil Service in India, so as to permit Secretary of State to appoint to posts requiring special qualifications persons possessing them; adopted by Council, but Lord Stanley declined to give effect thereto.
30th August 1859 -	Military Despatch to India, No. 302, paragraphs 4 and 5. Proposed permission to men who did not avail themselves of offer of discharge previously given, but remained on in hope of bounty on transfer of Indian Army to Crown being ultimately conceded, to take their discharge; sanctioned by Sir C. Wood, only in event of Government of India having given a pledge to that effect.
13th July 1860 - -	Letter to Mr. Coulson, instructing him to draft an Act confirming certain appointments to offices of persons not belonging to Civil Service, and relaxing rule prohibiting such appointments; negatived by Council, but directed by Sir C. Wood to be sent.
14th March 1861 -	Case of Meer Jafir Ali. Distribution of private property of late Nawab of Surat. Letter agreeing to refer case to Judicial Committee of Privy Council; negatived by Council, but ordered by Sir C. Wood to be sent.
30th April 1862 -	Letter to Horse Guards, permitting Indian officers in non-purchase corps to exchange into purchase corps; negatived in Council, but ordered by Sir C. Wood to be sent.
12th April 1867 -	Political Despatch to India, No. 69 of 1867, refusing to reinstate Maharajah of Mysore, but recognising his adopted son as heir to the throne; sent by order of Sir S. Northcote.
5th November 1868 -	Letter to Civil Service Commissioners, inquiring whether they could suggest any modifications in the regulations to meet the cases of the candidates who, having gone through the prescribed course of study, fail to pass the final examination.

Appendix, No. 4.

PAPER handed in by Mr. *Thornton.*

Appendix, No. 4.

INDIAN CIVIL ENGINEERING COLLEGE, COOPERS HILL.

[The nearest Post Town is Staines. The nearest Railway Station is Egham. The nearest Telegraph Station is Englefield Green.]

PROSPECTUS for 1873.

Staff of the College.

President - - - - - -	Lieutenant Colonel G. CHESNEY, R.E.
Professor of Construction - -	CALLCOTT REILLY, Esq., Mem. Inst. C.E.
Professor of Hydraulic Engineering and Mechanism.	W. C. UNWIN, Bac. Sc., Assoc. Inst. C.E.
Professor of Mathematics - -	Rev. J. WOLSTENHOLME, M.A.
Professor of Applied Mathematics -	A. G. GREENHILL, Esq., B.A.
Professor of Surveying - - -	Major W. H. EDGCOME, R.E.
Professor of Experimental Science -	HERBERT MCLEOD, Esq.
Instructor in Geometrical Drawing -	Lieutenant G. S. CLARKE, R.E.
Instructor in Surveying - - -	Major E. H. COURTNEY, R.E.
Instructor in Architectural Drawing	T. H. EAGLES, Esq. B.A.
Instructor in Freehand Drawing -	S. T. G. EVANS, Esq.
Lecturer in Hindustani - - -	COTTON MATHER, Esq.
Lecturer in Geology and Mineralogy	Professor P. M. DUNCAN, M.A., F.R.S.

The Coopers Hill College has been established under the orders of the Secretary of State for India in Council, in view to the education of civil engineers for the service of Government in the Indian Public Works Department.

2. Admission to the College is obtained by competitive examination, to which all British born subjects between the ages of 17 and 21 years on the 1st day of July 1873 and of sound constitution, who can produce satisfactory testimonials of good moral character, will be eligible.* If this evidence should be *primâ facie* satisfactory, applicants will be allowed to compete; but further evidence will, if necessary, be required from the successful candidates. Intending competitors will be required to furnish satisfactory evidence on these points to the Civil Service Commissioners, not later than the 15th June.†

3. The course of special education for the candidates selected by this competition extends over three years, and all the students who pass through it successfully, including such of them as, instead of entering the Coopers Hill College, prefer to undergo their course of preparation elsewhere, and succeed in psssing the same final test of qualification as the students of the college (vide paragraph 18), will be appointed to the Indian Public Works Department as assistant engineers, second grade, the salary of which grade is 4,200 rupees (about 420 *l.*) per annum, and will be provided with a free passage to India.

4. The

* In 1874 and succeeding years, the maximum age for admission will be 20 instead of 21 years.

† The needful forms of application, with instructions for filling them up and as to the nature of the evidence required, may be obtained from the Secretary, Civil Service Commissioners, Cannon Row, Westminster, S.W., at any time after 1st May 1873.

4. The competitive examination for 1873 will be held in July under the orders of the Civil Service Commissioners, and will embrace the following subjects:

(1.)	English (Composition, History, and Literature) -	750
(2.)	Mathematics (pure and mixed) - - - -	2,250
(3.)	Latin (translation from and into) - - - -	1,000
(4.)	Greek ditto - - - - - - - -	1,000
(5.)	French (translation from and into, and dictation) -	750
(6.)	German ditto ditto - - - -	750
(*7.)	Inorganic Chemistry - - - - - - -	700
(*8.)	Heat and Light - - - - - - - -	700
(*9.)	Electricity and Magnetism - - - - -	700
(*10.)	Geology and physical geography - - - -	700
(11.)	Mechanical drawing of geometrical figures, plane and solid, use and construction of scales, perspective -	500
(12.)	Freehand (figure and landscape) drawing - -	500

5. Of these subjects, two will be compulsory, viz.:—

(1.) English composition to the extent of a candidate's being able to write grammatically and with correct spelling. An exercise will also be given in writing English from dictation.

(2.) The following branches of mathematics, viz., arithmetic, algebra, geometry (first four and sixth books of Euclid), mensuration, plane trigonometry, and statics, in each of which the candidate will be required to show competent proficiency. An aggregate of 1,000 marks will be assigned to these branches.

The examination in English literature will be limited to the following authors:—

Shakespeare - - - -	King Lear.
Bacon - - - - -	Advancement of Learning.
Milton - - - - -	Paradise Lost, Books III. and IV.
Pope - - - - -	Essay on Man.
Scott - - - - -	Old Mortality.

The examination in English history will be limited to the period A.D. 1650 to A.D. 1714.

6. A deduction of 150 marks will be made from the marks gained by a candidate in each subject, except mathematics and mechanical drawing, at the competitive examination.

7. The 50 candidates who, qualifying in the obligatory subjects, obtain the highest aggregate number of marks, will be eligible for admission to the College.

8. Such of them, however, as may prefer to pursue their studies elsewhere will be allowed to present themselves for the final examination in 1876 (*see* Paragraph 3). Persons who adopt this course will be required to produce satisfactory testimonials of good moral conduct during the interval between their passing the competitive examination and the final qualifying one; they must be in a sound state of health, and have passed not less than eight months under a civil or mechanical engineer. This condition must not be held to be a mere formal one. No person will be admitted to the final examination who does not satisfy the Secretary of State that he has served the required time under an engineer who is engaged in practice adapted to afford his pupils opportunities for gaining practical experience of a really useful kind, and, further, that he has turned those oppootunities to proper account.

9. The college course extends, as above stated, over three years, each divided into three terms, with vacations of four weeks at Christmas, two weeks at Easter, and seven in the Summer. The Easter Term begins on or about the 18th January, and lasts for 12 weeks. The Summer term begins about 14 days afterwards, and ends about the 29th July. The Autumn term begins on or about the 16th September, and ends on or about the 20th December.

10. An annual charge of 150 *l.* will be made for each student, in three payments of 50 *l.* per term, which must be paid in advance to the Accountant, India Office. It is to be particularly noted that the student is required to produce the accountant's receipt for his fee on joining the College at the beginning of each term.

11. But in the case of a student whose parents or guardians may represent their inability to defray the whole of this charge, payment of a part not exceeding 20 *l.* per term, or 60 *l.* per annum, can be deferred, and effected by deductions from the student's salary during the three first years after his admission to the Government service. In such case he will be required to signify beforehand his own consent to the arrangement, and security must be given for payment of the deferred portions of the College fees, in the event of the student failing to enter the Government service. The needful form of application for admission to the benefit of this rule will be obtainable at the Public Works Department of the India Office.

* No candidate may take up more than three out of these four subjects.

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Office. Under this arrangement the total charge payable at the time for board, lodging, and instruction, may be reduced to 90 *l.* per annum.

12. The College fees include all charges for tuition, board, and lodging, with washing, but not for medical attendance. Students are required to provide their own class books and drawing instruments, which are for the most part limited to such as will be necessary afterwards for pursuing the profession of an engineer. Drawing paper, drawing boards, surveying instruments, are provided at the College.

13. Of the nine terms into which the college course is divided, it is intended that two terms at least in the third year, with the intervening vacation, shall be passed by the student under a civil or mechanical engineer, or partly under each. The fees to the engineers under whom the students are thus detached will be paid by the Indian Government, and an allowance of 5 *s.* a day will also be made to the student, for lodging money and in lieu of commons while absent from the college during term time.

14. The obligatory subjects of study at the college are—

Mathematics, pure and applied, with the mechanics of engineering.
Theory and practice of construction.
Elementary principles of architectural design.
Surveying.
Mechanical drawing and descriptive geometry.
Chemistry, physics, and geology.
Hindustani, and history and geography of India.
Accounts.

The optional subjects taught are—

Higher mathematics in extension of the obligatory course.
Natural science, ditto.
Architecture, dito.
French and drawing.

15. The proficiency of the students in the studies pursued is tested by periodical examinations, and by assigning values to the drawings, surveys, notes, &c., executed by them while at the college, as well as to the work done while detached under civil or mechanical engineers.

16. A certain minimum of qualification is required in each of the obligatory subjects, as well as a certain minimum of average proficiency in all those subjects taken together, as tested by the aggregate marks gained; but students are encouraged to pursue more particularly those branches of either the obligatory or voluntary course for which they may show special aptitude.

17. This qualifying standard of proficiency as above defined, and as fixed for each year, is to be attained by the student at the end of the first and second year, failing which he will not be allowed to remain at the college.

18. A final examination will be held during the last term of the third year, which will be conducted by special examiners not connected with the college. This final examination, in addition to paper work and *vivâ voce* questioning, will embrace exercises in surveying, drawing, designing, and estimating, which will occupy some weeks in execution. It will also include Latin, Greek, French, and German as optional subjects, the marks gained in which are included in the aggregate required for qualification, although no instruction is given in them at the college. The whole subjects of examination are divided into four branches, viz:—

I. Engineering, including drawing, architecture, surveying, and accounts.
II. Mathematics, including the mechanics of engineering.
III. Natural science.
IV. Hindustani, and history and geography of India.*

19. The proficiency of the students is recorded separately in each of these branches, in order of merit.

20. In such branches of study as may be fixed upon from time to time, the course will be completed at the end of the second year. In such cases the marks gained by a student in his second year will be carried forward to his credit in the final examination.

21. All the students who attain the prescribed qualifying standard at the final examination will be appointed to the public service on the terms already stated. They will be required to embark for India in the month of October following. Their salaries will begin from the 1st October.

22. A library

* Further particulars regarding the course of studies and distribution of marks allotted at the final examination will be found in the Syllabus of College Lectures, published by Messrs. W. H. Allen & Co., Waterloo Place, S W., and to be had of any bookseller, price two shillings.

22. A library, laboratory, model-room, gymnasium, and workshop are attached to the college. Students making use of the laboratory are supplied with the needful apparatus. They are required to provide their own hand tools in the workshop.

23. The sole responsibility for the discipline and management of the college and for the general superintendence of the studies is vested in the president.

24. The students are distributed in sections, containing about ten each, under personal charge of one of the professors or instructors selected as tutor by the president, to whom the tutor is responsible for exercising a certain degree of personal supervision over each student in his division, and for conducting ordinary correspondence with the student's friends.

25. Each student is provided with a separate room furnished, and with fuel and light, also with the necessary attendance. He is required to supply his own bed linen and towels. Meals are taken in hall. Additional articles required will be supplied from the college kitchen at a fixed tariff, under such rules as may from time to time be made. Wine is not included in the ordinary fare, but is supplied at cost price from the college cellar.

26. A special service has been provided for members of the college at the adjacent church on Englefield Green.

27. Every student will be expected to go through a course of exercise in the gymnasium.

28. Students are required to wear academical dress, under such regulations as may be prescribed by the president.

Endowments.

The following scholarships and prizes are available to the students of the college :—

(1.) From the Coopers Hill Endowment Fund, established by the civil engineers of the Indian Public Works Department. This fund furnishes at present seven annual scholarships or prizes of from 50 *l.* to 30 *l.* thus appropriated: two scholarships of 30 *l.* each, tenable for one year, for students of the first year; two scholarships of 40 *l.* each, tenable for one year, for students of the second year; one exhibition of 50 *l.* open to students of the third year. All these will be awarded for proficiency in engineering. Two more scholarships of 30 *l.*, tenable for one year, are also provided, the appropriation of which will be notified hereafter.

(2.) Argyll Scholarship in Natural Science of 30 *l.*, tenable for one year, presented by the Secretary of State for India while holding that office, open to students of the second year.

(3.) Baker Scholarship in Applied Mechanics of 25 *l.*, tenable for one year, presented by Major General Sir W. E. Baker, K.C.B., R.E., Member of the Council of India, for so long as he shall hold that office, open to students of the second year.

(4.) President's prize of 20 *l.*, given by the president of the college, for proficiency in Indian history and geography, open to students of the second year.

(5.) Prize of 15 *l.* for proficiency in accounts, given by the members of the Indian Public Works Accounts Department, open to students of the second year.

(6.) Mr. G. W. Allen, proprietor of the *Pioneer* newspaper, published in India, offers an annual prize of 25 *l.* for a subject to be specified hereafter.

(7.) College prizes of books and instruments are given in the other subjects of study.

Particulars regarding the Indian Public Works Department.

29. The engineer establishment of the Indian Public Works Department, in which successful students in the college will be entitled to appointments, consists of the staff of engineers, military and civil, engaged on the construction and maintenance of the various public works undertaken by the State in India. According to a Return prepared in 1870, the staff comprises 896 officers, of whom 363 were military men, and 533 civilians. This branch of the public service is of comparatively recent origin, and its expansion has been rapid, the total strength of the department having been—

In 1840	113
In 1850	183
In 1863	545
In 1867	602
In 1868	747
In 1869	896

30. The department is supplied from the following sources :—

(1.) Officers of Royal Engineers.

(2.) Other officers of the Indian Army who have passed the qualifying examination.

(3.) Passed students of Government Civil Engineering Colleges in England and India.

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(4.) Civil engineers in practice of approved qualifications appointed direct by the Secretary of State or Government of India.
(5.) Deserving subordinates promoted.

31. The head of the whole department is the Public Works Secretary to the Government of India, whose salary is 42,000 rupees per annum. There are also four deputy secretaries, each in charge of one of the four branches into which the business of the department is divided; viz., buildings and roads, irrigation works, railways, and accounts. The whole expenditure controlled by the department was estimated for the year 1870–71 at about 7½ millions sterling, thus distributed, and is now considerably larger:

	£.
Military works	1,488,208
Civil buildings	710,179
Irrigation works and embankments	2,388,953
Roads and miscellaneous works of public improvement	1,298,560
State railways	1,229,800
State outlay connected with guaranteed joint stock railways	359,860
£.	7,475,560

32. The various ranks of the department are as follows:—

	Salary per annum. Rs.
Chief engineers, first class	30,000
" " second class	24,000
" " third class	21,600
Superintending engineer, first class	19,200
" " second class	16,200
" " third class	13,200
Executive engineers, first grade	11,400
" " second grade	9,600
" " third grade	7,800
" " fourth grade	6,600
Assistant engineers, first grade	5,400
" " second grade	4,200
" " third grade	3,000
Apprentices	1,200

[*Note.*—Ten rupees are nearly equivalent in value to one pound sterling.]

33. There are usually two chief engineers in each province, one at the head of the roads nd buildings branch, and the other of the irrigation branch of the department; but in he smaller provinces all the public works are under the superintendence of a single chief ngineer. According to a return prepared in 1871 there were then, in all, 17 chief engineers or the 12 provinces into which, for administrative purposes, British India is divided, of whom six had charge of the buildings and roads branches, and five of the irrigation ranches respectively of their provinces; five were chief engineers of smaller provinces, nd one had charge of a State railway. Again, six of these chief engineers were in the rst class, and the remainder in the second and third classes. The chief engineer is also sually secretary to the Provincial Government in the Public Works Department. The arge State railway department is of recent formation; all the officers serving in this branch f the Public Works Department are under the direct orders of the Government of India, xcept in the case of railways supervised by the Governments of Madras and Bombay.

34. Each province or class of works within a province is divided into circles, under uperintending engineers. The same return shows that there were then altogether 55 officers f this rank in the department, of whom 22 had charge of circles of buildings and road orks, 12 of circles of irrigation works or lines of canals, 12 of miscellaneous works, and of lines or portions of lines of State railways. [The railway branch of the department as since then been largely developed.]

35. The superintending engineers are divided under the regulations of the Public Works ode in equal proportions among the three classes.

36. The actual execution of work is conducted by the executive and assistant engineers. he sanctioned establishment of these officers (as well as of the higher ranks), varies from me to time according to the requirements of the public service, but it is provided by the egulations that of the aggregate number maintained at any time the assistant engineers all be 60 per cent. in excess of the executive.

37. Of

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37. Of the total number of executive engineers sanctioned for any province, it is provided that $\frac{3}{16}$ths shall belong to the first grade, $\frac{4}{16}$ths to the second and third each, and $\frac{5}{16}$ths to the fourth. Of the assistant engineers attached to a province, one-third belong to the first grade, the remainder with the apprentices to the other two.

38. Civil engineers appointed to the department from the new civil engineering college enter as assistants, second grade. They will either be placed at the disposal of the Government of India, and will be posted on arrival to one of the ten provinces under the more direct administration of that Government,* or else they will be sent in the first instance to Madras or Bombay.

39. Promotions from one grade or class to another are dependent on the occurence of vacancies in the sanctioned establishment, and are regulated in the following way:

40. Promotions of their assistant and executive engineers in Madras, Bombay, Bengal, North-west Provinces, and Punjab, are made by the Governments of those provinces respectively, but the promotions of the officers of these classes serving in the seven smaller provinces are made from one general list by the Government of India.

41. Promotions to superintending and chief engineer are made on one general list for all India, except in Madras and Bombay, where the vacancies in all grades are filled up by the Local Government from the officers serving under them respectively.

42. Promotions in the railway branch of the department are also made by the Government of India, except in Madras and Bombay.

43. Promotion is made wholly by selection; mere seniority is considered to confer no claim to it.

44. Further particulars regarding the regulations at present in force for this branch of the public service, as to leave, pensions, &c., will be found in the Appendix hereto annexed.

APPENDIX.

EXTRACTS from the CIVIL LEAVE CODE and PENSION REGULATIONS, showing the Chief Rules applicable to Officers appointed to the Public Works Department from the Civil Engineering College.

LEAVE OF ABSENCE.

Chapter I.

Section 3.—Leave of absence can never be claimed absolutely, as of right. Nothing in these rules must be understood to limit the free discretion of the Government to refuse or revoke leave of absence of any description, at any time, according to the exigencies of the public service.

Chapter II.

Section 4.—In these rules "active service" includes, besides time spent on duty, privilege leave of absence. "Pay" means substantive pay. "Salary" is the sum of pay and acting allowance.

Chapter III.

Section 5.—The amount of furlough and of special leave with allowances is limited to six years. All the rules in the Code are subject to this limitation. Furlough and leave with allowances on private affairs are counted as furlough under this section.

Section 6.—(*a.*) The amount of furlough "earned" by an officer is one year for every four years of his active service.

(*b.*) The amount of furlough "due" to an officer is the amount which he has earned, diminished by the amount of furlough or special leave with allowances which he has enjoyed.

Section 7.

* Bengal; North-West Provinces; Punjab; Oudh; Central Provinces; Burmah; Berar (Hyderabad); Mysore; Rajpootana; Central India.

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Section 7.—(*a.*) To an officer who has rendered three years' continuous service since his last return from leave, furlough for not more than two years may be granted, as follows:—

First, on medical certificate,—unconditionally;

Secondly, without medical certificate,—subject to these provisoes:—(1) That the furlough be due to him; (2) that he have rendered eight years' active service; (3) that the whole number of officers absent on furlough and special leave do not exceed the limit appointed by the Government of India.

(*b.*) Furlough granted under this section may, on medical certificate, be extended to not more than three years.

Section 8.—(*a.*) To an officer who has not rendered three years' continuous service, furlough for not more than one year may be granted on medical certificate.

(*b.*) Furlough granted under this section for less than one year may, on medical certificate, be extended to not more than one year.

Section 9.—An officer on ordinary furlough has a lien on his substantive appointment, or on a substantive appointment of a like character and not less pay. Ordinary furlough includes (1), The first two years of each separate period of furlough under Section 7; (2), So much of furlough under Section 8 as may be due, provided the officer having rendered six months' continuous active service.

Section 10.—An officer on ordinary furlough is entitled, subject to the limitations prescribed in the next paragraph, to a leave allowance equal to half the average salary which he has earned during so much of his continuous active service as is within the three years preceding the day on which he gives up office.

The maximum leave allowance on ordinary furlough is, if paid at the Home Treasury of the Government of India, 200 *l.* a quarter, and if paid in India, 666⅔ rupees a month. There is no minimum limit.

Section 11.—An officer on furlough, other than ordinary, is entitled to 120 *l.* a quarter paid at the Home Treasury, or 400 rupees a month paid in India, or to one quarter of the average salary defined in Section 10, whichever is less.

Chapter IV.

Section 12.—Special leave on urgent private affairs may be granted at any time for not more than six months, provided that an officer who has had special leave must render six years' active service before he can again have such leave.

Section 13.—An officer on special leave has a lien on his substantive appointment, or on a substantive appointment of a like character and not less pay.

Section 14.—For the first six months for which an officer is on special leave, whether the six months be included in the same leave or not, he is entitled to the leave allowance admissible under Section 10. Thereafter he is entitled to no leave allowance.

Chapter VI.

Section 18.—Privilege leave may be granted as follows:—After 11 months' uninterrupted duty, for not more than one month; after 22 months' uninterrupted duty, for not more than two months; after 33 months' uninterrupted duty, for not more than three months.

Before privilege leave can be granted to an officer, he must record a declaration that he has no intention of retiring or of taking furlough, special leave, or leave on private affairs or medical certificate, within three months on his return to duty. Though not absolutely debarred by this declaration from applying to retire or to take such leave within the three months, he should, if he does so, explain fully his change of mind.

Section 19.—(*a.*) If less than the whole amount of privilege leave admissible under Section 18 be at first granted, the rest may be granted afterwards, either at one time, or in instalments: provided that no privilege leave may be granted under this clause after less than six months' uninterrupted duty.

(*b.*) Duty qualifying for fresh privilege leave begins at the end of the leave first granted; and further leave under clause (*a*) of this section, though not counting as duty, does not interrupt duty for fresh privilege leave.

(*c.*) Fresh privilege leave, if admissible under Section 18, may be granted in combination with leave under clause (*a*) of this section: provided that no length of duty can, under any circumstances, qualify for more than three months' privilege leave.

Section 20.—An officer on privilege leave has a lien on his substantive appointment. He has also a lien on his officiating appointment, so long as it is not resumed by an officer having a superior lien on it.

Section 21.—An officer on privilege leave is entitled to a leave allowance equal to the pay or salary which he would earn if he held or officiated in the appointment on which he has a lien.

Chapter IX.

Section 22.—No kind of leave can be granted in continuation of any other kind; but any leave may be retrospectively changed for any other kind or amount of leave which might at first have been granted: provided that the grant or extension of furlough under this rule (otherwise than on medical certificate) is subject to Proviso 3 in Section 7 (*a*).

SUPERANNUATION ALLOWANCES AND PENSIONS.

Allowances on Retirement.

6. On production by an applicant of such medical certificates as shall satisfy the Government under which he may be serving of his incapacity to serve longer in India, he may be allowed—

I. Under 15 years' service, a gratuity not exceeding 12 months' salary.

II. After 15 years' service, one-third of his average (and of his personal allowance, if any) during the previous five years; provided that in no case shall a pension be granted exceeding the sum of 3,000 rupees per annum, whatever the amount of salary, nor of 2,000 rupees per annum, if the salary shall not exceed 12,000 rupees per annum.

III. After 25 years' service, one half of his average salary (and of his personal allowance, if any) during the previous five years; provided, however, that in no case shall a pension be granted exceeding 5,000 rupees per annum, whatever the amount of salary, nor exceeding 4,000 rupees per annum, if the salary shall not exceed 12,000 rupees per annum.

7. After 30 years' service or upwards, a pension may be granted, without production of medical certificate, of the same amount and subject to the same limitation as that sanctioned for 25 years' service on medical certificate. This pension, as the reward of faithful efficient discharge of duty for 30 years, is termed a good service pension.

8. Pensions of the full amount authorised in paragraphs 6 and 7 are to be granted only as the reward of approved service. In any case in which an uncovenanted servant, without having incurred the penalty of removal from Government employ, shall nevertheless, in the opinion of the Government under which he has been serving, not be entitled to the full amount of pension, the local Government will make such a reduction in the amount of pension as it shall consider just.

9. The foregoing rates of pension and gratuity are applicable also, without the production of a medical certificate of unfitness for service, to officers discharged on reduction of establishment.

Service towards Pension.

10. Dismissal for misconduct entails forfeiture of the benefit of past service.

11. Service as a substitute does not count towards pension.

12. Periods of absence on other than privilege leave and preparatory leave shall not count towards pension; nor shall preparatory leave be allowed to count as service, if it is granted in addition to leave on medical certificate to an officer who has enjoyed leave of the latter description on two previous occasions.

13. The whole of service in virtue of which pension is claimed must have been passed in an eligible grade and on a permanent establishment; but claims barred by this rule will be specially considered if the promotion from an ineligible grade was bestowed as a reward for meritorious service or for good conduct.

14. The period of service must be continuous; but, in case of the abolition of the office held by an officer, and his being subsequently employed by Government, his first period of service is to be taken into account.

Gratuities.

15. When an officer is discharged with a gratuity under these rules on reduction of establishment, the gratuity will not be given to him in one sum, but in monthly instalments of a month's pay until the full amount is paid. Should he be re-employed before or after the period for which gratuity is allowed, he will have the option of refunding the gratuity and recovering his former service, or of forfeiting that service by retaining the gratuity. In the latter case, any balance of gratuity remaining undrawn at the date of his re-employment may be paid to him.

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Payment of Pensions.

16. Payment of pension will commence from the date on which the applicant ceases to be borne on the establishment, or from that of his application, whichever may be the later date.

17. No pension shall be payable in arrear for a period exceeding six months, without the express sanction of Government obtained through the civil paymaster, unless the cause of the suspension of payment shall have been the neglect, order, or act of some public officer, and beyond the control of the pensioner, when the civil paymaster, on a reference being made to him, shall exercise his discretion in passing arrears for payment, or submit a representation of the case for the information and orders of Government, as he shall consider proper.

18. An officer shall, on retirement, have the option of drawing his pension either in India or from the Home Treasury. After exercising his option on retirement, he may, at a subsequent period, change the place of payment from India to England, or *vice versâ*. This change can, however, be allowed but once. The payments will be made at the rate of exchange which is annually fixed in communication with the Lords of the Treasury for the adjustment of transactions between the British and Indian Exchequers.

Appendix, No. 5.

PAPERS handed in by Mr. *Seccombe*, C.B., 21st February 1873, with reference to his Evidence on the 12th March 1872. Appendix, No. 5.

LISTS furnished by the Governments of *India*, *Madras* and *Bombay*, of OFFICERS and MEN who are receiving PENSIONS as well as SALARIES in *India* from INDIAN REVENUES; also of Persons who are in the receipt of more than one Pension in *India* from Indian Revenues; and of Persons entitled to Pensions from Imperial Revenues who draw Salaries from Indian Revenues.

The further information to be supplied by the Government of India, will be furnished hereafter.

(No. 389 of 1872.)

Government of India.—Financial Department.—Accounts.

To His Grace the Duke of *Argyll*, K.T., Her Majesty's Secretary of State for India.

My Lord Duke, Simla, 10 October 1872.

WITH reference to your Financial Despatch of the 26th March last, No. 133, we have the honour to forward a list of officers and men drawing pensions as well as salaries from the Military Department, with other particulars required by your Grace, and to state that similar information regarding civil and naval officers is being prepared, and will be supplied hereafter.

We have, &c.
Northbrook.
Napier of Magdala.
John Strachey.
R. Temple.
H. W. Norman.
A. Hobhouse.
E. C. Bayley.

Government of India.—Financial Department.

Enclosure to Despatch No. 389, of 1872.

Office Memo. from Colonel *B. E. Bacon*, Officiating Secretary to the Government of India, Military Department, to the Secretary to the Government of India, Financial Department (No. 524), dated Fort William, the 20th September 1872.

WITH reference to the communication from the Financial Department, No. 3208, dated 6th May 1872, the undersigned is directed to forward the accompanying copy of a letter from the Controller of Military Accounts, No. 877 I, dated 18th September 1872, and of the list therewith received of officers and persons in India who are in receipt of pensions and salaries from Indian Revenues, required by the Right Honourable the Secretary of State, also copy of the communications marginally noted, and to state that it is regretted that the matter escaped attention so long. From the Military Department, Nos. 421–23, dated 13th September 1872.

2. It is concluded that the two returns required by Her Majesty's Government will be compiled in the Financial Department.

From Colonel *F. D. Atkinson*, Controller of Military Accounts, to the Secretary to the Government of India, Military Department (No. 877 I), dated Calcutta, the 18th September 1872.

WITH reference to Military Department docket No. 820 ($\frac{\text{Pensions}}{\text{Officers}}$), dated the 14th May 1872, I have the honour to submit a list of European Military Commissioned and Non-Commissioned Officers and Uncovenanted Officers and men in India who are drawing both pay and pension debitable to the Indian Revenues.

2. In the list are also included those who are drawing more than one pension from Indian Revenues, with the amount of each pension and salary shown against their names.

3. Pay and allowances and staff salary are included in the item "Pay" in the list.

4. Absentees from the country, whether on leave or otherwise, have been excluded from the list.

5. In respect to those drawing salary in addition to pension, whether from the British or Indian Revenues, no portion of the latter is deducted from the former.

6. I regret very much the delay that was caused by the neglect of the clerk in whose hands the papers were placed.

LIST of Commissioned, Non-Commissioned, and Uncovenanted CIVIL OFFICERS and MEN who are receiving PENSIONS as well as SALARIES in *India* from INDIAN REVENUES; also of those who are in receipt of more than One Pension in India from Indian Revenues, and of these entitled to Pensions from Imperial Revenues who draw Salaries from Indian Revenues.

LIST of Military and Uncovenanted OFFICERS and MEN in *India* drawing both PAY and PENSION debitable to the INDIAN REVENUES.

RANK AND NAMES.	Monthly Rate of Pay, and in what Capacity Drawn.		Monthly Rate of 1st Pension, and in what Capacity Granted.		Monthly Rate of 2nd Pension, and in what Capacity Granted.		REMARKS.
	Rs. a. p.		*Rs. a. p.*		*Rs. a. p.*		
Major-General J. Travers, V.C.	3,500 – –	Commanding Meerut Division	83 5 4	For good service	—		
„ J. M. B. F. Tytler, C.B.	3,500 – –	ditto Sirhind ditto	83 5 4	ditto	244 14 4	For wounds received in action.	
„ F. Turner, C.B.	2,500 – –	Inspector General of Ordnance and Magazines	83 5 4	ditto	—		
„ Sir H. Tombs, K.C.B., V.C.	3,500 – –	Commanding Allahabad Division	83 5 4	ditto	—		
„ C. T. Chamberlain, C.S.I.	1,295 5 –	As Major General, Staff Corps	83 5 4	ditto	—		
„ T. M. Stewart, C.B.	2,000 – –	Officiating Superintendent of Port Blair and the Nicobar.—Pay drawn in Civil Department.	(*a*) 83 5 4	ditto	– –	– – –	(*a*) Drawn in England.
„ H. W. Norman, C.B.	6,666 10 8	Ordinary Member of the Viceregal Council.—Pay drawn in Civil Department.	83 5 4	ditto	—		
Colonel A. Taylor, C.B.	2,443 8 –	Chief Engineer, Military Works, Calcutta.—Pay drawn in Public Works Department.	83 5 4	ditto	—		
„ W. Olpherts, C.B. & V.C.	2,227 14 –	Brigadier General Commanding Rohilcund District	83 5 4	ditto	—		
„ H. J. Stannus, C.B.	1,557 – –	Commanding 20th Hussars	83 5 4	ditto	57 2 3	For wounds received in action.	
„ G. Bourcher, C.B.	2,335 5 –	Brigadier General Commanding Eastern Frontier District.	(*b*) 83 5 4	ditto	– –	– – –	(*b*) Payable in England.
J. C. Brown, C.B., Inspector General of Hospitals.	2,700 – –	Consolidated Salary as Inspector General	83 5 4	ditto	—		
Major-General A. Huyshe	2,335 5 –	Inspector General, Royal Artillery	83 5 4	ditto	—		
Captain C. Armstrong	897 14 –	Second Class Barrack Master.—Pay drawn in Public Works Department.	81 10 1	For wounds received in action.	—		
Lieutenant-Colonel G. G. Anderson	1,127 14 –	Circle Paymaster, Allahabad	57 2 –	ditto	—		
„ C. H. Brownlow	1,840 14 –	Brigadier General Commanding at Mooltan	81 10 –	ditto	—		
Captain W. Barron	874 1 6	Deputy Superintendent, Revenue Survey, 3rd Grade.—Paid in Civil Department.	57 2 3	ditto	—		
„ C. E. Bates	774 1 6	Brigade Major, Jullundur	57 2 3	ditto	—		
„ R. G. Birch	563 – 4	With 6th Bengal Cavalry	57 2 3	ditto	—		
Mr. E. Bickers	600 – –	Extra Assistant Commissioner, 1st Grade, Lucknow.—Pay drawn in Civil Department.	57 2 3	ditto	—		
Lieutenant C. R. Blair	– – –	– – – – –	57 2 3	ditto	175 12 –	Invalid Establishment.	
Captain W. Battye	499 1 6	Officiating Wing Officer, Corps of Guides	57 2 3	ditto	—		
Lieutenant-Colonel J. P. W. Campbell	1,427 14 – / 100 – –	Commandant 1st Sikh Infantry / Station Staff, Edwardsabad	163 4 –	ditto	—		
Lieutenant-Colonel S. Chalmers	1,327 14 –	Deputy Assistant Commissary General, 1st class	81 10 –	ditto	—		
„ „ W. M. Cafe	1,327 14 –	Assistant Adjutant General, Sirhind Division	81 10 –	ditto	—		
Captain H. Collett	774 1 6	Deputy Assistant Quarter Master General, Sirhind Division.	81 10 –	ditto	—		
Colonel H. D. Daly	4,250 – –	Agent to Governor General, Central India.—Paid in Civil Department.	81 10 –	ditto	—		
Captain A. A. Dick	1,074 1 6	Commandant, 11th Bengal Cavalry	81 10 1	ditto	—		
Lieutenant-Colonel A. Elderton	827 14 –	As Lieutenant-Colonel of Staff Corps, of which 800 rupees paid in Civil Department.	(*c*) 57 2 3	ditto	– –	– – –	(*c*) Drawn in England.

Captain A. H. Eckford	1,000 – –	Cantonment Magistrate, Barrackpore.—Draws pay in Civil Department.	81 10 –	- ditto	—		
Apothecary J. C. Ellis	550 – –	Civil Surgeon, Etah.—Pay drawn in Civil Department	20 6 6	- ditto	—		
Major C. W. Fletcher	640 14 –	As Major, Staff Corps	57 2 3	- ditto	—		
Lieutenant-Colonel J. C. Haughton	2,750 – –	Commissioner of Cooch Behar.—Pay drawn in Civil Department.	73 7 6	- ditto	—		
„ „ F. V. R. Jervis	962 14 –	Officiating Second in Command, 28th Native Infantry	57 2 1	- ditto	—		
Brigadier General C. P. Keys	2,227 14 –	Pay as Lieutenant-Colonel, with Staff as Brigadier General Commanding Punjab Frontier Force.	(*d*) 163 4 2	- ditto	—		(*d*) Authorised to be drawn in England.
Colonel H. H. Maxwell	2,002 4 –	Superintendent, Gun Foundry, Cossipore	81 10 –	- ditto	—		
Major D. McFarlane	765 7 4	Pay as Second Captain, Horse Artillery, and Staff as Adjutant, F. Brigade, Royal Horse Artillery.	57 2 3	- ditto	—		
Captain C. S. Maclean	1,074 1 6	Officiating Secretary to Government, Punjab, Military Department.—Pay passed by Punjab Government.	57 2 3	- ditto	—		
Mr. J. H. McRae	800 – –	Executive Engineer, Rajpootana.—Pay passed in Public Work Department.	81 10 –	- ditto	—		
Lieutenant-Colonel C. H. Palliser	1,340 14 –	Commandant, 10th Bengal Cavalry	81 10 –	- ditto	—		
Major C. F. Packe	910 14 –	Second in Command, 3rd Bengal Cavalry	57 2 3	- ditto	—		
Captain H. W. Pitcher	644 1 6	Second in Command, 1st Punjab Infantry	57 2 3	- ditto	—		
Major-General C. S. Reid, R.A.	1,521 10 2	As Colonel, Royal Artillery, with Colonel's allowance	163 4 3	- ditto	—		
Colonel T. R. Snow	1,037 – –	As Lieutenant-Colonel	81 10 –	- ditto	—		
Lieutenant-Colonel A. S. Smith	1,032 4 –	As Lieutenant-Colonel of Infantry, with horse allowance.	81 10 –	- ditto	—		
Major G. B. C. Simpson	640 14 –	Bengal Staff Corps	57 2 3	- ditto	—		
Apothecary H. P. Smith	250 – –	Pay and Staff allowance	20 6 –	- ditto	—		
Lieutenant-Colonel M. Thomson	1,002 4 –	As Lieutenant-Colonel, Infantry	57 2 3	- ditto	—		
„ „ H. P. Williams	1,652 14 –	As Lieutenant-Colonel Staff Corps and Staff.—Officiating Pay Examiner with Presidency house rent.	57 2 3	- ditto	—		
„ „ G. A. Williams	1,097 14 –	Second in Command, 32nd Native Infantry	81 10 –	- ditto	—		
Captain H. E. Waller	700 – –	District Superintendent of Police, Monghyr.—Pay drawn in Civil Department.	57 2 3	- ditto	—		
Major-General A. Cunningham	2,000 – –	Archæological Survey.—Pay drawn in Civil Department.	£. s. d. 1 5 –	Per day as Colonel	—		
A. Davidson	476 4 –	As Regimental Paymaster, 105th Foot	– 6 6	Per day as Lieutenant	—		
Major S. Douglas	–		Rs. a. p. 156 6 2	Retired pension as Captain	81 10 –	Special pension.	
Lieutenant J. Bagge	–		£. s. d. – 6 6	Per day as Lieutenant	40 10 –	Special pension of 50 *l.* per annum.	
Colonel R. S. Ewart	–		Rs. a. p. 372 11 3	As Colonel	146 15 –	Monthly amount of 180 rupees annuity.	
Major-General J. L. Taylor	–		£. s. d. 1 5 –	Per day retired pension as Colonel.	£. s. d. 300 – –	Per annum special pension.	
Mr. W. Avery	400 – –	Clerk in Office of Controller of Military Accounts	11 8 –	(*e*) Per quarter as School Master.-Serjeant, Royal Marines.			(*e*) Chargeable to British Revenues.
„ J. Cartland	–		Rs. a. p. 30 – –	As Serjeant	208 12 –	As Registrar Office of Inspector General of Ordnance and Magazines.	
„ E. McLean	250 – –	As Clerk in Pay Examiner's Office	30 – –	As Serjeant Major Madras Army.	—		
„ W. Young	460 – –	Clerk in Office of Examiner, Commissariat Accounts	30 – –	- ditto	—		
„ P. Burns	*70 – –	Inspector, Calcutta Police Force	£. s. d. – 1 –	A day as private			* One-half payable by the Calcutta Municipality, the other half by Government of India.

List of Military and Uncovenanted Officers and Men in India, &c.—*continued.*

RANK AND NAMES.	Monthly Rate of Pay, and in what Capacity Drawn.	Monthly Rate of 1st Pension, and in what Capacity Granted.	Monthly Rate of 2nd Pension, and in what Capacity Granted.	REMARKS.
	Rs. a. p.	*£. s. d.*	*Rs. a. p.*	
Mr. R. Cleary	80 – – Inspector, Calcutta Police Force	– 1 –¼ (*a*) A day as Corporal	– –	(*a*) Chargeable to British Revenues.
„ C. Cleary	70 – – ditto ditto	– 1 – (*b*) A day as Gunner	– –	(*b*) One-third chargeable to British Revenues.
„ V. Kelly	80 – – ditto ditto	– 1 – – – ditto	—	
„ J. R. Leigh	150 – – ditto ditto	– 2 – (*c*) A day as Serjeant	– –	(*c*) One-third payable from British Revenues.
		Rs. a. p.		
„ J. Littlemore	90 – – ditto ditto	30 – – As Serjeant	—	
		£. s. d.		
„ T. Molloy	100 – – ditto ditto	– 1 – A day as Private	—	
„ J. Molony	90 – – ditto ditto	– 2 6 As Serjeant Major	—	
„ J. Purcell	100 – – ditto ditto	– 2 3 A day as Serjeant	—	
„ L. Ryan	90 – – ditto ditto	– 2 – * – ditto	– –	* Payable from British Revenues.
„ J. Sullivan	80 – – ditto ditto	– 1 –½ * A day as Private	—	
„ O. Sweeny	70 – – ditto ditto	– 1 1 (*d*) – ditto	– –	(*d*) Half payable as above.
„ T. Linehan	200 – – ditto ditto	– 2 6 (*e*) A day as Serjeant Major.	– –	(*e*) Payable from British Revenues.
		Rs. a. p.		
Assistant Apothecary A. Fitzgibbon	100 – – As Assistant Apothecary	8 2 8 Monthly Amount of 10 *l.*, Victoria Cross Pension.	—	
Gunner T. Arthur	18 – – As Gunner	8 2 8 – – ditto	—	
Conductor J. Miller	245 14 – As Storekeeper, Gun Carriage Agency	8 2 8 – – ditto	—	
Quartermaster Serjeant C. Edward	47 15 – Quartermaster Serjeant, 21st Hussars	8 2 8 Monthly Amount of 10 *l.*, Annuity for Meritorious Service.	—	
„ „ D. Johnstone	57 3 4 As Bazar Serjeant, with staff salary	8 2 8 – – ditto	—	
			£. s. d.	
Serjeant C. Monks		12 4 – (*f*) – ditto of 15 *l.* ditto	(*g*) – 2 6	(*f*) Paid from British Revenues.
„ D. Lame		12 4 – (*f*) – ditto	(*h*) – 2 –	(*g*) One-sixth ditto.
„ W. Foster		8 2 8 (*f*) – ditto of 10 *l.* ditto	(*i*) – 2 – Chelsea Pension	(*h*) Three-sevenths ditto.
„ M. Mullins		8 2 8 (*f*) – ditto	(*j*) – 1 –	(*i*) One-third ditto.
Serjeant Major E. Taylor		16 5 3 (*f*) – ditto of 20 *l.* ditto	(*k*) – 2 6	(*j*) Three-fifths ditto.
				(*k*) One-sixth ditto.
„ G. Belcham		8 2 8 – – ditto of 10 *l.* ditto	– 2 6	A day, Indian Pension.
			Rs. a. p.	
„ G. Dawes		8 2 8 – – ditto	30 – –	– – ditto.
Serjeant W. Overatt		12 4 – – – ditto of 15 *l.* ditto	30 – –	Indian Pension.
„ J. Shannahan	54 – – As Serjeant Major, Chunar Fort	8 2 8 – – ditto of 10 *l.* ditto	– –	– ditto.
			£. s. d.	
Serjeant-Major J. Torpay		8 2 8 – – ditto	– 2 6	A day, Indian Pension.
„ T. Burrows		8 2 8 – – ditto	– 2 6	– – ditto.
„ L. R. Williams		8 2 8 – – ditto	– 2 6	– – ditto.
„ J. Conroy		8 2 8 – – ditto	– 2 6	– – ditto.

Fort William, 18 September 1872.

F. D. Atkinson, Comptroller of Military Accounts.

Appendix, No. 5.

From Colonel *B. E. Bacon*, Officiating Secretary to the Government of India, Military Department, to the Controller* of Military Accounts, Secretary to Government, Fort St. George,† Military Department, and Secretary to Government of Bombay,† Military Department; (Nos. 421–23), dated Fort William, the 13th September 1872.

THE lists of officers and persons in India who are in the receipt of pensions and salaries from Indian Revenues, which the Right Honourable the Secretary of State requests in his letter (No. 133), dated 26th March 1872, might be furnished with as little delay as possible, being urgently required, I am directed, in continuation of (Nos. 820, 821, and 822), dated 14th May 1872, to request that * they may / † His Excellency the Governor in Council may be moved to cause them to be submitted without further delay, together with an explanation of the delay which has occurred in complying with the requisition, as the Right Honourable the Governor General in Council considers that the information should have been long since furnished.

(No. 149 of 1872—Military Department.)

To the Right Honourable the Secretary of State for India.

My Lord Duke,

ADVERTING to your Grace's Financial Despatch to the Government of India, dated 26th March 1872, No. 133, we have the honour to forward the accompanying List of European Pensioners in Government employ in this Presidency drawing salaries from Indian Revenues.

Proceedings of Government, 26th August 1872. Nos. 420, 421. No. 11, in the packet.

2. It will be observed from the list that Mr. G. Stevens is the only individual in receipt of pension for services rendered in two different capacities, viz., as Overseer, Commissariat Department, and as Manager in the Deputy Judge Advocate General's Office.

3. The only persons entitled to pensions from the Imperial Revenues, who are in receipt of salaries from Indian Revenues, are Chelsea Out-Pensioners, from whose salaries no deduction is made on account of their stipends.

We have, &c.

Ootacamund, 31 August 1872.

(signed) *Hobart.*
F. P. Haines.
A. J. Arbuthnot.
J. D. Sim.

(True Copy.)

H. Milner, Colonel,
Officiating Secretary to Government.

LIST of EUROPEAN PENSIONERS in Government Employ drawing SALARIES in *India* from INDIAN REVENUES.

RANK.	NAMES.	Amount of Pension per Mensem.	Nature of Employment.	Salaries per Mensem.	More than One Pension.	REMARKS.
		Rs. a. p.		*Rs. a. p.*	*Rs. a. p.*	
Colonel - - -	W. J. Wilson - -	340 14 4	Inspector General of Gaol -	1,833 5 4	—	
				*250 - -	- -	* Fixed travelling allowance.
Paid Overseer - -	G. Stevens - -	85 10 -	Late Manager in the office of Deputy Judge Advocate General, Madras.	- -	85 - -	
Corporal - - -	G. Ashe - - -	14 14 6	Head Constable in Police Department.	30 - -	—	
Staff Serjeant - -	J. Atkins - -	30 - -	Rest House Serjeant - - -	30 - -	—	
Quartermaster Serjeant	W. August - -	34 2 4	Head Clerk in the Executive Engineer's Office, Nagpore Force.	78 - -	—	
Driver - - -	D. Bruce - -	14 14 6	Police Serjeant - - - -	60 - -	—	
Barrack Serjeant -	A. Bergine - -	16 2 4½	Constable, Marine Police - -	67 - -	—	
		s. d.				
Corporal - - -	Wm. Broom - -	1 6	Superintendent, Rest House, Metropolitan Police.	30 - -	- -	Chelsea Pensioner, in full imperial, per-diem rate.
		Rs. a. p.				
Private - - -	Thomas Barton -	11 2 10	Head Constable - - -	20 - -	—	
Private - - -	John Breen - -	14 14 6	Head Constable - - -	31 - -	—	
Drum Major - -	J. Brince - -	12 11 -	Deputy Gaoler - - - -	50 - -	—	
		s. d.				
Quartermaster Serjeant	T. W. Burns - -	2 3	Rest House Superintendent, Raichoor.	30 - -	- -	Chelsea Pensioner, one-half imperial, per diem rate.
		Rs. a. p.				
Private - - -	T. Calder - -	14 3 2	Police Constable - - -	60 - -	—	
Serjeant - - -	James Clark - -	30 - -	Manager, Stationery Office - -	150 - -	—	
Serjeant - - -	C. Carmody - -	30 - -	Bailiff, Small Cause Court - -	100 - -	—	
Private - - -	C. Chitty - -	14 14 6	Police Serjeant - - - -	60 - -	—	
Gunner - - -	Croshie, *alias* Wilkinson.	12 11 -	Sub-Inspector - - - -	70 - -	—	
Driver - - -	C. Comeran - -	11 2 11	Police Serjeant - - - -	60 - -	—	
Quartermaster Serjeant	James Connor - -	30 - -	Reserve Inspector in Police Department.	85 - -	—	

List of European Pensioners in Government Employ drawing Salaries in *India* from Indian Revenues—*continued.*

RANK.	NAMES.	Amount of Pension per Mensem.	Nature of Employment.	Salaries per Mensem.	More than One Pension.	REMARKS.
		s. d.		*Rs. a. p.*	*Rs. a. p.*	
Private - - -	W. Culling - -	1 1	Head Constable in Police - -	32 - -	- -	Chelsea Pension[illegible] full imperial, [illegible] rate.
Private - - -	A. Callings - -	- 1	Head Serjeant in the Police -	32 - -	- -	Ditto - ditto.
		Rs. a. p.				
Sub-Conductor - -	J. T. Cresswell - -	52 12 2	Inspector of Police - - -	85 - -	—	
Driver - - -	M. Condrad - -	11 2 11	Gaoler - - - - -	50 - -	—	
Farrier - - -	H. Davis - -	8 5 4	Gaoler - - - - -	150 - -	—	
Serjeant - - -	Daniel Dunn - -	30 - -	Head Constable - - -	32 - -	—	
		s. d.				
Bombardier - -	William Dands -	1 -	Police Inspector - - -	50 - -	- -	Chelsea Pensioner, one-half imperial, per diem rate.
Private - - -	Patrick Danaveun -	1 -	Head Constable - - -	31 - -	- -	One-third imperial, per diem rate.
Private - - -	P. Enright - -	1 -	Head Constable - - -	30 - -	- -	Chelsea Pensioner, one-third imperial, per diem rate.
		Rs. a. p.				
Serjeant - - -	H. Ensell - -	30 - -	Assistant Gaoler - - -	75 - -	—	
Corporal - - -	J. Farrell - -	14 11 -	Gaoler, Guindy - - -	37 8 -	—	
Driver - - -	P. Flory - - -	14 14 6	Police Serjeant - - - -	67 - -	—	
Serjeant - - -	W. Faster - -	30 - -	Chief Constable in the Police -	55 - -	—	
		s. d.				
Serjeant Major - -	J. Freeman - -	2 -	Gaoler - - - - -	100 - -	- -	Chelsea Pensioner, one-third imperial, in full imperial, per diem rate.
Serjeant - - -	F. Fenner - -	2 -	Rest House Superintendent, Gooly.	30 - -	—	
Private - - -	W. Fisher - -	1 -½	Police Head Constable - -	21 - -	- -	Chelsea Pensioner, one-third imperial, in full imperial, per diem rate.
		Rs. a. p.				
Driver - - -	H. Farquhar - -	14 14 6	Gaoler at Vizagapatam - -	75 - -	—	
Serjeant - - -	G. Fletcher - -	14 14 -	Gaoler in the Central Gaol -	150 - -	—	
Driver - - -	W. Gaigner - -	11 2 11	Head Constable, Police Department	30 - -	—	
Serjeant Major - -	C. Hammand - -	37 4 4	Superintendent, Rest House, Errode	30 - -	—	
Driver - - -	M. Heathcote - -	11 2 11	Head Constable, Police Department.	30 - -	—	
		s. d.				
Private - - -	H. Heeman - -	1 -	Head Constable, Salem Police -	30 - -	- -	Chelsea Pensioner, one-third imperial, per diem rate.
		Rs. a. p.				
Serjeant - - -	T. Hays - - -	14 14 -	Gaoler - - - - -	150 - -	—	
Serjeant Major - -	E. Hall - - -	30 - -	Police Inspector - - -	60 - -	—	
Gunner - - -	D. Harrington - -	14 14 -	Superintendent of Public Buildings.	15 - -	—	
Corporal - - -	G. Hawkins - -	14 14 -	In charge of the Garrison Library at Poonamallee.	8 - -	—	
Serjeant - - -	J. Hogan - -	16 2 4½	Police Inspector - - -	85 - -	—	
Serjeant - - -	R. M. Jones - -	33 - 9	Inspector of Police - - -	75 - -	—	
Barrack Serjeant -	W. Jones - -	30 - -	European Chief Turnkey at Central Gaol, Nagpore.	75 - -	—	
Serjeant - - -	J. Jackson - -	30 - -	Police Inspector, 1st Class - -	200 - -	—	
		s. d.				
Serjeant Major - -	J. Kerwicke - -	2 6	Gaoler, Central Gaol - - -	150 - -	- -	Chelsea Pensioner, one-fourth imperial, per diem rate,
		Rs. a. p.				
Serjeant - - -	G. Knight - -	33 8 -	Store Inspector in Mofussil Police, Vizagapatam.	100 - -	—	
		s. d.				
Serjeant Major - -	G. Lovegoy - -	2 -	Gaoler - - - - -	75 - -	- -	Chelsea Pensioner, two-fifths imperial, per diem rate.
		Rs. a. p.				
Bombardier - -	J. McNamara - -	14 11 -	Watchman in Engineer's Workshop, Mount.	15 - -	—	
Serjeant Major - -	F. Moulet - -	37 15 1	Police Inspector - - -	85 - -	—	
Gunner - - -	H. Montogamary -	14 14 -	Police Serjeant - - - -	60 - -	—	
Driver - - -	J. McLeod - -	11 2 11	Police Head Constable - -	30 - -	—	
Drum Major - -	– McCarthy - -	12 11 -	Chief Warder in Central Gaol -	20 - -	—	
Serjeant - - -	– McColeman - -	12 6 9	Chief Constable, Police - -	40 - -	—	
Farrier Major - -	S. McDonald - -	12 11 -	Inspector of Police - - -	85 - -	—	
		s. d.				
Serjeant Major - -	J. McMullin - -	2 6	Inspector of Police - - -	115 - -	- -	Chelsea Pensioner, two-fifths imperial, per diem rate.
		Rs. a. p.				
Private - - -	M. Murray - -	14 14 -	Police Head Constable - -	37 - -	—	
		s. d.				
Serjeant Major - -	J. Macnamara - -	2 -	Gaoler - - - - -	75 - -	- -	Chelsea Pensioner, three-fourths imperial, per diem rate.
		Rs. a. p.				
Private - - -	W. Munro - -	14 14 -	Storekeeper in the Public Works Department.	10 - -	—	
Private - - -	C. Myers - -	14 14 6	Rest House Superintendent, Comcole.	30 - -	—	
		s. d.				
Corporal - - -	W. Newall - -	1 3½	Chief Constable, Salem Police -	50 - -	- -	Chelsea Pensioner, in full imperial, per diem rate.
		Rs. a. p.				
Private - - -	J. Nelson - -	14 14 -	Employed in Ulsoor Water Works	45 - -	—	
		s. d.				
Gunner - - -	J. Owens - - -	1 -	Inspector of Police - - -	100 - -	- -	Chelsea Pensioner, two-fifths imperial, per diem rate.

List of European Pensioners in Government Employ drawing Salaries in *India* from Indian Revenues—*continued.*

RANK.	NAMES.	Amount of Pension per Mensem.	Nature of Employment.	Salaries per Mensem.	More than One Pension.	REMARKS.
		Rs. a. p.		*Rs. a. p.*	*Rs. a. p.*	
Gunner	W. Pirrigar	14 14 –	Police Serjeant	67 – –	—	
Lance Corporal	T. Priddle	14 14 –	Inspector in the Telegraph	140 – –	—	
Private	J. Perkin	11 2 11	Head Constable	30 – –	—	
Farrier	S. Pereira	8 5 4	Gaoler	75 – –	—	
Serjeant Major	C. Radford	37 15 1	Superintendent, General Market	67 – –	—	
Serjeant Major	J. Rath	34 2 4	Superintendent of Packing Government Clothing.	60 – –	—	
Driver	E. G. Relchitor	11 2 11	Inspector of Police	40 – –	—	
Driver	P. Ross	11 2 11	Employed in the R. S. Office	70 – –	—	
Serjeant	J. G. Reay	29 13 –	Gaoler	50 – –	—	
		s. d.				
Serjeant Major	W. Rule	2 6	Gaoler	75 – –	– –	Chelsea Pensioner, one-fourth imperial, per diem rate.
		Rs. a. p.				
Serjeant Major	J. Rechtor	11 2 11	Inspector of Police	50 – –	—	
Serjeant Major	D. Robertson	14 14 6	Head Warder, Central Gaol	9 – –	—	
Serjeant Major	J. Reay	14 14 6	Gaoler	75 – –	—	
Serjeant	J. Reley	30 – –	Head Constable in Mofussil Police	20 – –	—	
		s. d.				
Private	J. Reynolds	1 –	Head Constable of Police	35 – –	– –	Chelsea Pensioner, in full imperial, per diem rate.
Gunner	T. Rawcliff	1 –	Head Constable of Police	27 – –	– –	Chelsea Pensioner, one-third imperial, per diem rate.
Quartermaster Sergeant	J. Shelly	1 6	1st Class Inspector in Police	215 – –	– –	Chelsea Pensioner, in full imperial, per diem rate.
		Rs. a. p.				
Driver	J. W. Smith	11 2 11	Chief Constable, Police	40 – –	—	
		s. d.				
Corporal	G. Smith	– 9	Inspector, Salem Police	75 – –	– –	Chelsea Pensioner, four-sevenths imperial, per diem rate.
		Rs. a. p.				
Driver	S. Smith	14 14 6	Head Warder, Central Gaol	20 – –	—	
Driver	J. Strong	14 14 6	Signal Serjeant	21 – –	—	
Bugler	F. Stamlin	12 11 –	Writer in the Sea Custom Office	40 – –	—	
Driver	C. Sheares	11 2 11	European Head Constable	32 – –	—	
Serjeant	A. Thompson	30 – –	Superintendent of Garden, Government House, Guindy.	80 – –	—	
		s. d.				
Colour Serjeant	Wm. Thipthorpe	1 10	Superintendent, Rest House, Pothanore.	30 – –	– –	Chelsea Pensioner, in full imperial, per diem rate.
Gunner	C. Tayler	1 –	Gaoler in the District Gaol	50 – –	– –	Chelsea Pensioner, one-third imperial, per diem rate.
		Rs. a. p.				
Serjeant Major	D. Wheeler	37 15 1	Inspector, Marine Police	122 – –	—	
Serjeant Major	P. Walsh	30 – –	Supervisor, Department of Public Works.	400 – –	—	
Corporal	F. T. Woods	14 14 6	Clerk, Deputy Adjutant General's Office.	50 – –	—	
		s. d.				
Quartermaster Serjeant	W. Woodworth	2 3	Gaoler in Tranqnbar	50 – –	– –	Chelsea Pensioner, one-third imperial, per diem rate.
		Rs. a. p.				
Private	J. Walker	14 14 6	Serjeant, Lawrence Asylum	35 – –	—	
		s. d.				
Serjeant	T. Watts	2 –	Inspector in the Police	50 – –	– –	Chelsea Pensioner, one-eighth imperial, per diem rate.
		Rs. a. p.				
Serjeant Major	E. H. Welmott	36 4 –	Police Inspector	180 – –	—	
Gunner	R. Wilson, *alias* R. Williams.	14 14 –	Police Inspector	100 – –	—	
		s. d.				
Private	J. Williams	1 –	Police Inspector, 5th Class	60 – –	– –	Chelsea Pensioner, three-sevenths imperial, per diem rate.
		Rs. a. p.				
Driver	C. Watts	11 2 11	Farrier Mules in the Commissariat Department, Kamptee.	20 – –	—	
Driver	F. Williams	7 7 3	Police Constable	60 – –	—	
		s. d.				
Serjeant	J. Downey	1 –	Rest House Superintendent, Beypore.	30 – –	– –	Chelsea Pensioner, one-third imperial, per diem rate.
Colour Serjeant	G. Liptrot	2 –	Rest House Superintendent, Jollarpett.	30 – –	– –	Chelsea Pensioner, one-eighth imperial, per diem rate.
Private	W. Neilson	1 –	Rest House Superintendent, Arconum.	30 – –	– –	Chelsea Pensioner, one-third imperial, per diem rate.

W. C. Clarke, Lieut. Col.,
For Assistant Pay Examiner.

(No. 98.)

EXTRACT BOMBAY MILITARY LETTER, dated 5th September 1872.

2nd. WITH reference to paragraph 4 of our Despatch, No. 80, dated 25th July 1872, we have the honour to transmit the accompanying Lists submitted by the Accountant General (1) of Military Commissioned Officers drawing pensions and salaries from Indian Revenues; (2) of Pensioned European Soldiers drawing pensions from Imperial Revenues, and holding appointments in the Civil Department in which their salaries are paid from Indian Revenues; and (3) of Officers of the Civil Department, with those of the late Indian Navy, drawing pensions from the Indian Revenues and holding appointments in the Civil and Marine Departments, in which their salaries are paid from Indian Revenues.

No. 1.

LIST of OFFICERS receiving PENSIONS as well as SALARIES in *India* from INDIAN REVENUES.

RANK AND NAMES.	Corps and Appointment.	Regimental Pay.	Salaries.	Pension.	REMARKS.
		£. s. d.	£. s. d.	£. s. d.	
Lieutenant Colonel W. Gray -	Staff Corps, and Examiner of Commissariat Accounts.	827 14 –	900 – –	(a) 57 3 –	(a) Wound pension.
Lieutenant Colonel F. MacGowan	Staff Corps - - - -	827 14 –	- -	(a) 81 10 –	
Lieutenant Colonel J.H. Reynolds(b)	Staff Corps, and Second in command, 17th Regiment Native Infantry.	827 14 –	- -	(a) 166 6 –	(b) On Furlough to England.
Brevet Major W. H. Newport -	Staff Corps, and Officiating Second in command, 16th Native Infantry.	374 1 –	135 – –	(a) 40 12 –	
Captain G. C. Grant (c) - -	Staff Corps, and Acting Judge at Kurrachee.	- -	1,500 – –	(a) 57 3 –	(c) Drawing pay from Civil Department.
R. G. Betham, Esq. - - -	Pension Paymaster, Dupoolee -	- -	375 – –	(d) 122 7 –	(d) Receives pension from Marine Department.
Conductor C. Lake - - -	Ordnance Department - - -	- -	500 – –	(e) 48 15 8	(e) Retiring pension. Receives salary from Civil Department as Marshal, County Gaol.
Major A. Raitt (f)* - - -	Superintendent, House of Correction.	- -	350 – –	- -	(f) Receives pension in England,* but draws pay from Civil Department.
Major General H. J. Barr - -	Staff Corps, and Controller of Military Accounts.	- -	2,200 – –	(g) 83 5 4	(g) Good service pension.
Major General C. Tremenhere, C.B. (h)	Political Resident at Aden - -	- -	3,000 – –	(g) 83 5 4	(h) Forfeited his appointment as Political Resident at Aden from 16 July 1872, in consequence of his having proceeded to Europe on furlough.
Colonel T. Stock - - -	Staff Corps, and Brigadier General Commanding Bombay District.	827 14 –	1,400 – –	(g) 83 5 4	Promoted to the rank of major general, and on leave for six months to England on medical certificate since May 1872.

* Receives in England 241 *l.* 12 *s.* 6 *d.* per annum, as a retired captain.

(True Copy.)

Tudor Trevor,
Assistant Accountant General.

(signed) *J. L. Lushington,*
Accountant General.

No. 2.

LIST of PERSONS receiving PENSIONS in *India* from IMPERIAL REVENUES, and drawing SALARIES from INDIAN REVENUES.

REGIMENT.	Rank.	NAMES.	Rate of Pension.	Salaries.		REMARKS.
			s. d.	£.		
8th Regiment - - - -	Serjeant - -	Robert Smith - - -	1 6	110		Employed in the Small Cause Court.
31st ditto - - - - -	Ditto - -	John Grant - - -	1 10	175		Ditto in the Custom House Flotilla Department.
57th ditto - - - - -	Private - -	Peter McDaniel - -	– 8	50		Ditto in the Lunatic Asylum, Colaba.
56th ditto - - - - -	Ditto - -	James Coleman - -	– 11	150		Ditto in the Bombay Mint.
103rd Foot - - - - -	Corporal - -	Stephan Higgins - -	– 4	130		Ditto in the House of Correction.
Horse Battery, Royal Artillery -	Quartermaster Serjeant.	Charles Mapp - -	– 6¾	175	A	Ditto in the ditto.
32nd Regiment - - - -	Private - -	Henry Lambourne - -	1 1	75		Ditto in the County Gaol.
19th Hussars - - - -	Serjeant - -	Robert Boileau - -	2 –	150		Ditto in the High Court (Sheriff's Office).
74th Highlanders - - -	Private - -	James Thomson - -	1 1	125		Ditto in the House of Correction.
Royal Artillery - - - -	Gunner - -	Henry McLoughlin - -	– 9	88		Ditto in the European General Hospital.
Horse Battery, Royal Artillery -	Quartermaster Serjeant.	Frederick Willmer - -	– 10⅘	120		Ditto in the House of Correction.
1st ditto - - - - -	Gunner - -	John Ellis - - -	– 4⅘	39		Ditto in the Pay Examiner's Office.

(True Copy.)

Tudor Trevor,
Assistant Accountant General.

(signed) *J. L. Lushington,*
Accountant General.

No. 3.

LIST of OFFICERS receiving PENSIONS as well as SALARIES in *India* from INDIAN REVENUES.

NAMES OF OFFICERS.	Amount of Indian Naval and Civil Pensions.	Amount of Pay.	WHERE EMPLOYED.	REMARKS.
	£. s. d. per Annum.	Rs. a. p. per Month.		
Mr. J. N. C. Beyts	300 – –	350 – – / 50 – –	Marine Department	£. 100 capitalised. Recovery on account of which is effected as the pay exceeds the amount of his pension and a fourth.
„ H. Barrett	90 – –	850 – –	Civil Department	£. 50 - ditto - ditto.
„ J. Brebner	125 – –	600 – –	Marine Department	£. 62 - ditto - ditto.
„ W. J. G. Beamount	60 – –	175 – –	– – ditto	Pension in abeyance.
„ G. O. B. Carew	250 – –	750 – –	– – ditto	£. 125 capitalised. Recovery on account of which is effected as the pay exceeds the amount of his pension and a fourth.
„ L. J. Ford	250 – –	250 – – Furlough Allowance Pay	– – ditto	£. 125 - ditto - ditto.
„ G. B. Hewett	200 – –	500 – –	– – ditto	£. 100 - ditto - ditto.
„ A. G. Moury	60 – –	705 8 11	Civil Department	£. 60 - ditto - ditto.
„ G. Ingle	250 – –	850 – –	Marine Department	£. 100 - ditto - ditto.
„ H. Morland	150 – –	650 – –	– – ditto	£. 150 - ditto - ditto.
„ W. J. Powell	100 – –	400 – –	– – ditto	£. 10 - ditto - ditto.
„ G. T. Robinson	300 – –	1,700 – –	– – ditto	£. 100 - ditto - ditto.
„ A. W. Stiffe	250 – –	1,050 – –	– – ditto	£. 120 - ditto - ditto.
„ H. W. Warner	100 – –	500 – –	– – ditto	£. 100 - ditto - ditto.
„ M. Chapman	60 – –	350 – –	– – ditto	Pension in abeyance.
„ E. Bishop	60 – –	175 – –	– – ditto	– – ditto.
„ A. T. Shuttleworth	90 – – Rs. per Month.	1,200 – –	Civil Department	£. 90 capitalised. Recovery on account of which is effected as the pay exceeds the amount of his pension and a fourth.
„ E. Giles	67 8 –	245 – –	– – ditto.	
„ W. E. Hilleard	50 – –	300 – –	– – ditto.	
„ Lewis Cabral	54 12 –	75 – –	– – ditto.	
„ W. Jones	9 4 –	45 – –	Marine Department:	
„ Sulliman	10 – –	12 – –	Civil Department	Out of his monthly pension 2 rupees are abated in order that the amount of pension and his present pay should not exceed the amount of his former at the time he was pensioned.

(True Copy.)

Tudor Trevor,
Assistant Accountant General.

(signed) *J. L. Lushington*,
Accountant General.

Appendix, No. 6.

PAPERS handed in by Mr. *Seccombe*, C.B., 21st February 1873, with reference to his Evidence on the 28th April 1871.

Appendix, No. 6. STATEMENT furnished by the GOVERNMENT of INDIA, showing the TRIBUTES and CONTRIBUTIONS paid by NATIVE STATES to the GOVERNMENT of INDIA.

Aitchison's Collection of Treaties, Engagements, and Sunnuds, with Index. Eight volumes.

The additional information called for from the Government of Bombay will be furnished hereafter.

(No. 25 of 1873.)

Government of India.—Financial Department.—Accounts.

To His Grace the Duke of *Argyll*, K.T., Her Majesty's Secretary of State for India.

My Lord Duke, Fort William, 10 January 1873.

WITH reference to paragraph 4 of your Grace's Despatch in this department, No. 142, dated 4th May 1871, we have the honour to forward a copy of the papers mentioned below, containing a statement showing the tributes and contributions paid by Native States to the Government of India.

2. The authority for the collection of the several tributes and contributions from the petty States is not to be found in any one set of papers, but in a multitudinous mass of correspondence. The papers published in Aitchison's Treaties, with the additional information given in the Statement, will, it is hoped, be found sufficient for the requirements of the Select Committee of the House of Commons.

3. A further communication will be made on receipt of the additional information called for from the Government of Bombay.

We have, &c.
(signed) *Northbrook*,
R. Temple,
B. H. Ellis,
H. W. Norman,
A. Hobhouse,
E. C. Bayley.

Government of India.—Financial Department.

Enclosure to Despatch No. 25 of 1873.

OFFICE MEMORANDUM—By *C. E. Buckland*, Esq., for Officiating Under Secretary to the Government of India, Foreign Department (No. 10 P.), dated 3rd January 1873.

IN continuation of the office Memorandum from this Department, No. 343 P., dated 5th February last, the undersigned is directed to forward the accompanying schedule of payments made to the British Government by the Native States and petty chiefships in India, together with a copy of a letter* to the Bombay Government, from which it will be seen that the information regarding the States in that Presidency is even now not quite complete.

* No. 2372 P., dated 21st December 1872.

Appendix, No. 6.

From *C. U. Aitchison*, Esq., Secretary to the Government of India, Foreign Department, to the Secretary to the Government of Bombay (No. 2372 P.), dated 21st December 1872.

WITH reference to the entries regarding Mahee Kanta contained in the schedule enclosed in your letter, No. 6128, dated 25th October last, I am to call attention to the fact that, under the head of authority under which the payment was fixed, it is not sufficient to refer to the dates of Colonel Ballantyne's settlement. Reference is needed to the letters of Government authorising the commencement of that settlement, and sanctioning it when it was completed, or to the engagement on which it was based.

2. I am to observe also that a lengthy correspondence and much delay in fulfilling the requisition of the Financial Department has been caused by the fact that in the original letter, No. 4552, dated 23rd September 1871, the Government of India was referred to a letter which contains by no means a complete or accurate statement of the information required. So far as was possible from the items of information supplied by degrees, a statement—that appended—has been prepared in this office, and I am now to request that it may be examined and completed, so that when it is forwarded for submission to the Indian Finance Committee of the House of Commons, there may be no room for doubt that it contains every payment to the British Government from the Native States and political Jagheers in the Bombay Presidency, on whatever account the payment may be made.

3. I am, by the way, to ask whether the payment of Chowth, from Cambay, as entered in the above-mentioned schedule at *Rs.* 26,731. 4. 8., includes the item of *Rs.* 1,156. 5. 2. entered in Bombay Government Selections, No. XXVI., new series, under the head of Collections "on account of home tax and cess on certain trades made direct by the Mamlutdar of the Chowth of Cambay." It would be instructive also to state the cause of the diminution of the item of Chowth from the amount at which it was entered in the schedule attached to the Treaty of 1802, viz. 60,000 rupees.

(A True Copy.)

D. Barbour,
Officiating Under Secretary to the Government of India.

SCHEDULE to accompany OFFICE MEMORANDUM from Foreign Department to Financial Department No. 10 P., dated 3rd January 1873.

I.—RAJPOOTANA.

No.	Name of State.	Amount of Tribute or Contribution.	REMARKS.
		Rs. a. p.	
1	Oodeypoor - - -	2,00,000 – –	By Article VI. of Treaty, No. 1, dated 13th January 1818 (page 11 of Treaty, Vol. IV.), the tribute payable annually was fixed at three-eighths of the revenue of the actual territory of Oodeypoor. In 1826 when Colonel Sutherland was officiating as Political Agent in Meywar, he recommended to Government that, as the State was involved in financial embarrassments, the tribute should be fixed at three lakhs of rupees. This recommendation was acceded to by Government, and the tribute continued to be realised at that amount until 1846, when the same officer, while holding the appointment of Agent in Rajpootana, recommended, for several reasons, a further reduction in the tribute from three to two lakhs of rupees. Government sanctioned the recommendation in letter No. 1360, dated 25th June 1846, copy of which was sent to Financial Department by docket No. 1361 of the same date.
	Ditto - - - -	50,000 – –	This is a contribution from Oodeypoor for the maintenance of the Meywar Bheel Corps (See page 6 of the Treaty Book, Vol. IV.).
	Jeypoor - - - -	4,00,000 – –	Eight lakhs per annum was the payment fixed by Treaty of 1818, No. 10, in Vol. IV. of Treaty Book. This was reduced to four lakhs by the Treaty of 1871. (Copy was attached to the Office Memorandum, No. 343 P., sent to the Financial Department on the 5th of February 1872.)
	Jodhpoor - - -	98,000 – –	Under Article VI. of Treaty, No. 13, dated 6th January 1818, the tribute was fixed at 1,08,000 rupees. In 1847 the State obtained a remission of 10,000 rupees in consideration of the cession to the British Government of its rights to the province and fort of Omercote. See papers sent to the Financial Department with docket No. 1341, dated 17th June 1847.
	Ditto - - - -	1,15,000 – –	Contribution for Erinpoora Irregular Corps. See Treaties IV., page 43.
	Boondee - - -	1,20,000 – –	*See* Treaties IV., page 64, and Engagements therein referred to.
	Kotah - - - -	1,84,720 – –	*See* Treaties IV., page 72.
	Contribution from Kotah *for Deolee Corps.*	2,00,000 – –	Under Article VI. of Treaty No. 25, dated 10th April 1838, the expense of the force to be maintained by Kotah was limited to three lakhs of rupees. In cosequence of repeated remonstrances the payment for it was reduced to two lakhs in 1844. (Treaties IV., page 71.)

I.—RAJPOOTANA—*continued.*

No.	Name of State.	Amount of Tribute or Contribution.	REMARKS.
		Rs. *a.* *p.*	
	Jhallawar	30,000 – –	Under Treaty No. 26, dated 8th April 1818. (*See* Treaties IV., pages 88 to 90.)
	Doongurpoor	27,387 8 –	Under Agreement, No. 51, dated 29th January 1820 (page 172 of Treaties, Vol. IV.). The amount is paid in Salim Sahee Rupees 35,000, equivalent to Company's Rupees 27,387-8, Treaties IV., page 167.
	Pertabghur	56,387 12 –	*See* Treaties IV., page 187.
	Banswarra	39,129 – –	Or 50,000 Salim Sahee Rupees. Under the terms of Article IX. of Treaty of 1819 (*see* Treaties IV., page 183) the amount was raised to the amount of 50,000 Salim Sahee Rupees in the correspondence which was sent to the Financial Department by docket No. 1390 P., dated 4th July 1871.
	Serohi	6,881 – –	The annual tribute realisable from the Rao of Serohi was 15,000 rupees. In consideration of His Highness' loyal conduct during 1857, Government sanctioned the reduction of the tribute by half in letter No. 5142, dated 18th December 1857. (*See* Treaties IV., page 57.)* In 1868 a further concession was made to the Rao by Government letter, No. 640, dated 22nd June of that year, in permitting him to pay his tribute in Government Rupees instead of Bheelaree Rupees, at the rate of 91·12 rupees per cent. According to this rate the Rao now pays *Rs.* 6,881-4.
	Shahpoora	10,000 – –	*See* Treaties II., page 62.

II.—CENTRAL INDIA.

	Holkar	1,19,076 2 8	Before the mutiny Holkar contributed to Mehidpoor Contingent *Rs.* 1,11,213 12 2 " " Malwa Bheel Corps - 7,862 6 6 Total - - - *Rs.* 1,19,076 2 8 In 1865 Government (by No. 785, dated 11th September 1865, addressed to the Agent to the Governor-General for Central India, copy of which was sent to the Financial Department by docket No. 786, of the same date) agreed that this contribution should be capitalized by the payment in commutation thereof of 23,81,520 rupees in ten years, at the rate of 2,38,152 rupees annually to be invested in Government 5 per Cent. Securities in His Highness' name, the interest of which should be assigned to the British Government.
	Bhopal	2,00,000 – –	*See* Treaties IV., page 309.
	Punnah	9,955 – –	*See* Treaties III., page 230.
	Chirkaree	8,583 9 6	*See* Treaties III., page 232.
	Dewass, senior branch Dewass, junior branch	33,600 – – (*Halee Rupees.*)	On account of the United Malwa Contingent, Treaties IV., page 335. The figure, 35,600 rupees, there mentioned, should be altered to 33,600 rupees.
	Gwalior	20,000 – –	This amount was paid by the State of Amjeera for the maintenance of the Malwa Bheel Corps, and is now paid by Maharaja Scindia, to whom, after the mutiny, Amjeera was made over.
	Ali Rajpoor	1,474 3 2 or 1,500 – – (*Halee Rupees.*)	Paid as a contribution towards the maintenance of the Malwa Bheel Corps.
	Dhar	19,656 – 4 or 20,000 – – (*Halee Rupees.*)	- ditto - - - ditto - - - ditto.
	Jhabooa	1,474 3 2 or 1,500 – – (*Halee Rupees.*)	
	Burwanee	3,931 – – or 4,000 – – (*Halee Rupees.*)	- ditto - - - ditto - - - ditto.
	Jowrah	1,61,810 – –	*See* page 343 of *Aitchison's Treaties*, Vol. IV.
	Paldeo	242 – –	Paid on account of the village and diamond mine of Seha.
	Behut	1,400 – –	*See* page 246 of Treaty, Vol. III.
	Adjeyghur	7,013 12 –	*See* page 235 of Treaty, Vol. III.

III.—STATES IN THE BOMBAY PRESIDENCY.

No.	Name of State.	Amount of Tribute or Contribution.	Authority for its Levy.	REMARKS.
	KATTYWAR:	*Rs. a. p.*		
1	Drangdra	40,671 – –		
2	Limree	44,128 – –		
3	Kuntharia	1,491 – –		
4	Karole	703 – –		
5	Kumulpoor	776 – –		
6	Khumlao	730 – –		
7	Gendee	1,200 – –		
8	Chuchnee	318 – –		
9	Chulala	971 – –		
10	Jakhun	242 – –		
11	Khandia	806 – –		
12	Tulsana	913 – –		
13	Tawee	310 – –		
14	Dewlia	467 – –		
15	Durode	366 – –		
16	Pulalee	357 – –		
17	Bhoeeka	1,759 – –		
18	Bhutan	641 – –		
19	Bhulgamra	1,400 – –		
20	Bhudwana	998 – –		
21	Lahad	362 – –		
22	Wunalla	396 – –		
23	Samla	959 – –		
24	Sahooka	519 – –		
25	Ootdee	493 – –		
26	Unkewalia	1,300 – –		
27	Wudwan	25,916 8 –		
28	Jhampodar	138 – –		
29	Kherallee	678 – –		
30	Jhamar	464 – –		
31	Goondiallee	1,408 – –		
32	Dhoodhey	1,102 – –		
33	Bhalooda	474 – –		
34	Rajpoor	2,412 – –		
35	Vudode	1,252 – –		
36	Vunna	3,715 – –		
37	Wankaneer	17,422 – –		
38	Than	6,763 – –	Permanent settlement of Colonel Walker in 1807–8. Treaties, Vol. VI., pages 364–5 & 379.	
39	Kesuria	278 – –		
40	Moolee	7,501 – –		
41	Moojpur	603 – –		
42	Saila	15,001 – –		
43	Choora	6,324 – –		
44	Kurmud	140 – –		
45	Dussura	12,968 – –		
46	Bajana	7,980 – –		
47	Patree	5,235 – –		
48	Jhinjoowarra	11,073 8 –		
49	Wunode	1,953 – –		
50	Bharejda	94 – –		
51	Raee Sanklee	556 – –		
52	Kotda Peetha	4,850 – –		
53	Canpoor Ishwaria	209 – –		
54	Jusdun	7,661 8 –		
55	Bhudlee	1,001 – –		
56	Kariana	773 – –		
57	Anundpoor	650 – –		
58	Choteela	642 8 –		
59	Khumbala	368 8 –		
60	Paliad	907 – –		
61	Bhimora	279 – –		
62	Bumonbore	69 – –		
63	Mewassa	405 – –		
64	Matra Timba	264 – –		
65	Sunossura	169 – –		
	Ituria Guddala	229 – –		
	Choburree	140 – –		
	Nilwalla	465 – –		
	Dhandulpoor	2,381 – –		
	Soodumbra			
	Sajukpur	316 8 –		
	Rampurda	75 – –		
	Akudia	117 – –		
	Umreylee	1,621 – –		
	Jaitpoor Bhilka	50,262 – –		
	Bhulgaum	185 – –		
	Wassawar	697 – –		
	Morvee	9,263 – –		

III.—STATES IN THE BOMBAY PRESIDENCY—*continued.*

No.	Name of State.	Amount of Tribute or Contribution.	Authority for its Levy.	REMARKS.
	KATTYWAR—*continued.*	*Rs. a. p.*		
78	Nowanuggur	50,296 – –	*See* previous page.	
79	Drappa	3,706 – –		
80	Veerpoor	3,418 – –		
81	Moleladeree	1,279 – –		
82	Satoodur	1,466 – –		
83	Sesung Chundlee	720 – –		
84	Gondul	50,207 4 –		
85	Menguee	3,412 – –		
86	Kotra Sanganee	9,077 12 –		
87	Bhudwa	1,394 – –		
88	Reypurra	2,922 – –		
89	Rajcote	18,991 – –		
90	Gowreedur	1,011 – –		
91	Kotharia	948 – –		
92	Lodeeka	1,287 – –		
93	Pall	1,253 – –		
94	Gudka	643 – –		
95	Wudallee	246 – –		
96	Weerwa	149 – –		
97	Shapoor	464 – –		
98	Kahsiallee	84 – –		
99	Mowa	120 – –		
100	Khirusra	2,366 – –		
101	Joonaghur	28,394 – –		
	Ditto	21,610 – –	Represents the amount to which the British Government is entitled under the Engagement of 1822, whereby it undertook to collect the dues of the Nawab from the remainder of Kattywar on condition of receiving one quarter to cover the expense of the collection. Treaties VI., pages 371 and 397.	
102	Bontwa	29,642 – –	Permanent settlement of Colonel Walker in 1807-8. Treaties, Vol. VI., pages 364-5 and 379.	
103	Umrapoor	511 – –		
104	Porebunder	21,202 – –		
	Ditto	15,000 – –	Represents the half share of the Customs of the Port of Porebunder which was ceded by the Rana in 1809 to purchase the right of British protection. *See* Treaties VI., pages 375 and 421. The amount so payable was at first fixed at 24,083 Company's rupees, but was reduced to 15,000 rupees by paragraph 15 of despatch from the Court of Directors to the Government of Bombay, No. 6 of 9th February 1853.	
105	Bhowunggur	139 – –	Permanent settlement of Colonel Walker in 1807-8. Treaties, Vol. VI., pages 364–5 and 379.	
	Ditto	52,000 – –	Revenue due by the Thakoor for his villages in the districts of Dundoka, Rampoor, and Gogo, under Art. I. of the Engagement of 1860. Treaties VI., pages 416 and 374.	
	Ditto	69,006 – –	Revenue due by the Thakoor for the Gaekwar's share in Bhownuggur. The payment of this revenue was transferred to the British Government on account of the Gaekwar by the Engagement of 8th November 1808, Treaties VI, pages 411 and 374; and the Gaekwar had already ceded it to the British Government as a means of defraying the expense of the subsidiary force. *See* Treaties VI., page 327; the amount payable is 74,500 Surat rupees, equivalent to 69,006 Company's rupees.	

III.—STATES IN THE BOMBAY PRESIDENCY—*continued.*

No.	Name of State.	Amount of Tribute or Contribution.	Authority for its Levy.	REMARKS.
		Rs. *a.* *p.*		
	Cambay - - - - -	26,731 4 8	Represents the "chowth" or one quarter of the revenue which the Peishwa used to receive from this State, and which he ceded to the British Government by Article IV. of the Treaty of 1802. Treaties III., page 64. The amount at present is stated at *Rs.* 26,731 4. 8., in the Schedule attached to letter from Bombay Government, No. 6128, dated 25th October 1872.	
	Ditto - - - - -	11,970 8 7	Represents the British share of the Customs collections receivable under an engagement concluded by the Bombay Government in 1856, copy of which is appended. The amount in 1870-71 is, in the above-mentioned letter, stated at *Rs.* 11,970 8. 7.	
	Baroda - - - - -	7,351 8 –	The equivalent of Broach, 9,000 rupees, the amount of "chowth" which the Peishwa ceded by the Article IV. of the Treaty of 1802 above-mentioned.	
	SATTARA:			
	Akulkote - - - -	14,592 – –	Letter of Bombay Government, in the Judicial Department, No. 1428, dated 11th May 1868, and Resolution of Bombay Government, in the Judicial Department, No. 1777, dated 19th June 1868, fixing 14,592 rupees as the amount which the Raja was to pay in lieu of the Contingent of Horse, which he was bound to provide by the engagement of 1820. See Treaties VI., page 28.	
	Punt Suchee of Bhore -	5,876 – –	The equivalent of Chandwud 5,500 rupees which used to be paid by this petty State to Sattara under the denomination of "Peelkhana Khurch," and which was transferred to the British Government on the lapse of Sattara. *See* letter from Bombay Government, No. 6128, dated 25th October 1872.	
	Chief of Juth - - -	6,400 – –	Resolution of Bombay Government, No. 3004, dated 16th October 1867, fixing 6,400 rupees as the amount payable in lieu of the Contingent of Horse, which this Jaghiredar was bound to furnish under the engagement of 1820. Treaties VI., page 59.	
	Chief of Phulton - -	9,600 – –	Ditto. Treaties VI., page 69.	
	SOUTHERN MAHRATTA:			
	The Putwudhun Jaghiredars.	49,429 11 –	*See* Treaties VI., page 147.	
	The Gorepuraz Jaghiredars	2,617 14 –	Ditto - ditto, page 149.	
	The Chief of Kati (in Kandeish)	125 8 –	The Bombay Government, in enclosure to Letter, No. 6108, dated 25th October 1872, state that the authority for this payment cannot be traced.	
	REWA KANTA:			
	Barrea - - - -	9,336 4 –	*See* Treaties VI., page 534.	
	Loonawarra - - -	10,471 7 –	Ditto - ditto, page 535. The equivalent of the Balasahee 12,000 rupees, which the State is bound to pay, is now stated by the Bombay Government to be *Rs.* 10,471 7., and not *Rs.* 10,653 6. 11., the sum mentioned in the Treaty Book. *See* enclosure in letter from Bombay Government, No. 3000, dated 22nd May 1872.	
	Mahee Kanta - - - -	- - -	Authority still to be mentioned. The Bombay Government has been asked to indicate it.	

IV.—STATES IN THE SOUTH OF INDIA.

No.	Name of State.	Amount of Tribute or Contribution.	Authority for its Levy.	REMARKS.
		Rs. a. Tribute		
1	Travancore - - -	7,83,111 - 10	Under Article III. of the Treaties, dated 17th November 1795, and 12th January 1805. (Treaties, V., page 312.)	For the expense of three battalions of Sepoys, one company of European Artillery, and two companies of Lascars, and for one additional regiment of Native Infantry. *See* letter from the Resident, dated 2nd September 1806, enclosed in letter from the Government of Fort St. George to the Government of India, dated 31st October 1806.
		Pescush		
		13,319 8 -	Under a koulnamah from the Nawab of the Carnatic, dated 11th Rujjub 1180 A.H., 1764 A.D.	By this koulnamah the Nawab of the Carnatic made over to the Raja of Travancore the villages of Shencottah and the Pagoda of Cape Comorin in return for the annual nuzzerana, and the established peshcush according to custom formerly observed during the time of the Rajas of Trichinopoly. The peshcush was stated at 4,000 Tormacooly Chacras and a large elephant with tusks fit for sowaree; the nuzzerana for Shencottah at 3,000 Madura white Chacras; and that for the Pagoda at Cape Comorin at 700 Madura Chacras. The equivalent for this is Company's *Rs.* 13,319. 8.
2	Cochin - - - -	2,00,000 - -	Under Article II. of Treaty, dated 6th May 1809, the sum payable was 2,76,037 rupees (*See* Treaties, V., page 323). But the amount was in 1818-19 on the representation of the Raja as to the amount which his territory could pay, reduced to two lakhs by the Madras Government, acting on the authority conveyed direct to that Government by the Court of Directors in their Despatch of 20th November 1816, paragraphs 48 to 58. (*See* letter from Madras Government to Government of India, dated 8th September 1818, and to Madras Government from Government of India, dated 17th October 1818.)	
3	Nizam's Government—on account of Mahratta chouth.	1,08,110 - -	The equivalent for Hyderabad 1,20,000 rupees, which the Nizam is bound to pay under Article IX. of Treaty of 1822. (*See* Treaties V., page 93.)	

V.—FEUDATORY CHIEFSHIPS IN THE LOWER PROVINCES OF BENGAL.

	Cooch Behar - -	*67,700 15 -	* *i.e.*, half the annual revenue which is paid to Government under Article IV. of the Treaty of 5th April 1773, for which *see* Treaties, I. page 150.	
	CHOTA NAGPOOR:			
	Sirgoojah - -	1,891 10 8	Paragraph 13 of letter from Agent to the Governor General for South Western Frontier, No. 6, dated 12th June 1852.	Amount fixed for five years in February 1825 at 3,200 rupees per annum, including the payments of Jushpoor and Odeypoor.
	Jushpoor - -	775 - -	15 Ditto - ditto - - - -	A feudal dependency of Sirgoojah.
	Oodeypoor - -	533 5 4	17 Ditto - ditto - - - -	Ditto - ditto -
	Korea - - -	386 2 2	19 Ditto - ditto - - - -	Amount fixed for 10 years at 400 rupees local currency = Company's *Rs.* 386. 2. 2. in 1847.
	Chang Bhukar -	386 2 2	20 Ditto - ditto - - - -	Ditto - ditto -
	Gangpoor - -	500 - -	22 Ditto - ditto - - - -	Amount fixed for five years in 1828.
	Bonai - - -	200 - -	47 Ditto - ditto - - - -	Amount fixed for five years in 1820.

The propriety of revising these temporary settlements is now engaging the attention of the Lieutenant-Governor of Bengal.

FEUDATORY CHIEFSHIPS IN THE LOWER PROVINCES OF BENGAL—*continued.*

No.	Name of State.	Amount of Tribute or Contribution.	Authority for its Levy.	REMARKS.
		Rs. a. p.		
	Cuttack Tributary Mehals:		By letter, No. 347, dated 11th April 1837, the Bengal Government conveyed to the Agent to the Governor General for the South-western Frontier Agency sanction to his recommendation that these two estates should be transferred from his jurisdiction to that of the Superintendent, Tributary Mehals of Cuttack; and in No. 8, dated 22nd April 1837, the Agent to the Governor General for the South-western Frontier informed the Superintendent of the Tributary Mehals, Cuttack, that the tribute of Atmullik was 450 rupees, and that of Boad 750 sicca rupees=Company's rupees 480 and 800 respectively.	
	Atmullik - - -	480 9 -		
	Boad - - -	800 - -		
	Dhenkanal - -	5,099 - 9	Letter of 14th March 1805, from Secretary to the Commissioner of Cuttack to the Collector of Pooree, fixing the payment of these States in perpetuity at a certain number of cowrees, which payment has since been commuted into the equivalent in Company's rupees.	
	Burrumba - -	1,397 15 5		
	Joremoo - - -	661 7 11		
	Hindole - - -	551 3 11		
	Nursingpoor - -	1,455 8 3		
	Nyaghur - - -	5,525 4 1		
	Runpoor - - -	1,400 13 2		
	Talchere - - -	1039 10 5		
	Ticurreah - -	882 - -		
	Atghur - - -	2,800 - -	Ditto - - ditto - - ditto - -	The amount commuted came to *Rs.* 7,198. 6. 7., but by No. 272, dated 9th August 1853, the sanction of Lord Dalhousie, as Governor of Bengal, was conveyed to the Superintendent's proposal that the amount should be reduced to 2,800 rupees, *i. e.*, one-third of the annual rental.
	Khundpara - -	4,211 8 -	Ditto - - ditto - - ditto - -	The amount of kahuns of cowrees, originally payable by this chiefship, should be 19,100, not 24,100, as is entered in the Treaty Book, Vol. I., page 190.
	Nilgiri - - -	3,900 7 8	Ditto - - ditto - - ditto - -	The amount commuted came to *Rs.* 5,991. 14. 8., but by letter dated 8th September 1809, Government in the Revenue Department granted the Rajah of Nilgiri a compensation of *Rs.* 2,107. 12. 3. per annum, on account of the loss of duties formerly received by him from pilgrims. And the letter from the Commissioner of Cuttack to the Collector, when conveying this grant and authorising him to deduct the amount from the Rajah's peshkush, showed that the amount was stated in Arcot rupees = to Company's *Rs.* 2,091. 7.
	Keonjhur - -	976 11 11	By Clause 2 of the Treaty of 16th December 1804, the Rajah agreed to pay 12,000 kahuns of cowrees, which is equivalent to Company's *Rs.* 1,976. 11. 11. As a reward for his services in 1857-58, the Government of India remitted 1,000 rupees per annum from the abovementioned annual payment.	
	Mohurbhunj - -	1,067 11 9	Clause 2 of the Treaty of 1st June 1829 (Treaties 1, page 184), fixed the tribute of this State at sicca rupees 1,001 = Company's *Rs.* 1,067. 11. 9.	

VI.—FEUDATORY CHIEFSHIPS IN THE PUNJAB.

No.	Name of State.	Amount of Tribute or Contribution.	Authority for its Levy.	REMARKS.
		Rs. *a.* *p.*		
	Kuppoorthulla - -	1,31,000 – –	Treaties, Vol. II. page 373.	
	Chumba - - -	5,000 – –	By Sunnud CXXIX., dated 6th April 1848 (pages 374, 381, and 382 of Treaties, Vol. II.), the Chumba territory was assigned to Raja Siree Sing and to his heirs male, &c., on payment of a yearly tribute to the British Government of 12,000 rupees. In 1854 the Raja made over the sanitarium of Dalhousie to the Government, and in consideration of this, his yearly tribute was reduced by 2,000 rupees. In 1867, in consideration of a further cession of land, a further reduction, amounting to 5,000 rupees, was made from his yearly tribute. The sum now paid by the Raja is 5,000 rupees.	
	Mundee - - -	1,00,000 – –	According to terms of Sunnud CXXVIII. dated 24th October 1846. Treaties, II., pages 374 and 379 to 381.	
	Sokeit - - - -	11,000 – –	According to terms of Sunnud CXXX., dated 24th October 1846. Treaties, II., pages 375 and 383–4.	
	Kahloor (Belaspoor) -	8,000 – –	This is the nuzzerana paid by the Chief for the Pergunnah of Bussee Bucher-too, the transfer of which to him was sanctioned by Government in 1867.	
	Bussahir - - -	3,945 – –	*See* Treaties, II., page 317.	
	Hindur (Nalaghur) -	5,000 – –	This amount is paid under the terms of the Sunnud granted to Uggur Sing on the 19th January 1860. No. XCV. (pages 335 of Treaty, Vol. II.)	
	Baghul - - - -	3,600 – –	*See* Treaties II., page 318.	
	Joopul - - - -	2,500 – –	Ditto - - page 319.	
	Koomharsain - -	2,000 – –	Ditto - - pages 319–320.	
	Bhujjee - - -	1,440 – –	Ditto - - page 319.	
	Mailog - - - -	1,450 – –	Ditto - - page 321.	
	Bulsun - - - -	1,080 – –	Ditto - - page 321.	
	hami - - - -	360 – –	Ditto - - page 320, altering 40 workmen to 20.	
	Kothar - - - -	*1,000 – –	*See* Treaties II., page 320 - - -	* The amount of 1,080 rupees therein entered has been corrected by the Commissioner of Umballa in his letter No. 475–3777, dated 8th November 1872, 80 rupees having been remitted by order of Government, No. 15, dated 28th July 1843, on account of land taken up for the Cantonment of Subathoo.
	Komhiar - - -	180 – –	Ditto - - page 322.	
	Mangul - - -	72 – –	Ditto - - page 323.	
	Beejah - - - -	180 – –	Ditto - - page 321.	
	Bughat - - - -	2,000 – –	Ditto - - page 347.	
	Turoch - - - -	280 – –	Ditto - - page 332.	

VII.—FEUDATORY CHIEFSHIPS IN THE CENTRAL PROVINCES.

No.	Name of State.	Amount of Tribute or Contribution.	Authority for its Levy.	REMARKS.
		Rs. a. p.		
	Bustar	3,056 – –	By letter,* No. 601, dated 11th September, to Chief Commissioner.	*The letter quoted fixed the amount payable at 4,000 Nagpooree rupees, equivalent to 3,056 Company's rupees.
	Kharonde	3,550 – –	Fixed at these amounts for 20 years by order of Government, No. 869, dated 28th August 1867.	
	Raeghur	400 – –		
	Baighur	–	Fixed at these amounts for 20 years by order of Government, No. 869, dated 28th August 1867.	
	Saranghur	1,350		
	Patna	600 –		
	Sonpur	5,000 –		
	Rehrakol	5 80 – –		
	Bamra	350 – –		
	Sakti	350 – –	Fixed at this amount for 20 years by order of the Chief Commissioner, No. 5622–334, dated 2nd December 1867, in accordance with the principle sanctioned in the abovementioned letter of the Government of India.	
	Kawarda	16,000 – –	Fixed at this amount for 20 years by the orders of Government, No. 399, dated 17th April 1868.	
	Kondka, or Chooee Kuzan	11,000 – –	Fixed at this amount for 20 years by the orders of Government, No. 1026, dated 9th October 1867.	
	Khyraghur	47,000 – –	Fixed at these amounts for 20 years by the orders of Government, No. 969, dated 24th September 1867.	
	Nandgaon	46,000 – –		

Appendix, No. 7.

PAPER furnished by Mr. *E. F. Harrison*, and referred to in Question 5299 of Session 1872.

STATEMENT showing the Cost of the INDIAN NAVY in the Year 1861-2, as compared with the Expense of the New Establishment of the BOMBAY MARINE, including Pensions and Charges for Naval Protection.

Charges for Indian Navy, 1861-2.	£.	£.
Vessels and Boats:		
Pay	130,419	
Contingencies and repairs	32,038	
Commissariat supplies	50,139	
Stores	24,556	
Coals	7,891	
		245,043
Dockyard and Other Establishments:		
Pay	36,167	
Contingencies	2,810	
Stores	1,363	
		40,340
Wages of Artificers and Stores:		
Master builder's department	3,749	
Steam factory	6,825	
		10,574
Miscellaneous:		
Establishment at Bassadore	1,058	
Telegraph messages	10	
Allowances of senior naval officer at Aden	664	
Ditto - - ditto - - in Persian Gulf	599	
Bounty and crimpage money, &c.	3,382	
Dockyard police	1,025	
Surveys	1,035	
Pensions	5,493	
Passage money	2,771	
		16,037
Charges in England:		
Retired pay	16,668	
Furlough pay	10,398	
		27,066
		339,060
Deduct,—		
Marine Receipts in Bombay in 1861-2		35,562
Net Marine Charge £.		303,498

Bombay Marine Charges, &c., 1871-2.	£.	£.
Marine administrative establishments		7,151
Dockyard superintending establishments		12,453
Marine pay and allowances		27,921
State yacht (this vessel is also used as a dispatch boat)		1,365
Wages of Artificers:	£.	
Builder's department	16,152	
Steam factory	31,549	
Marine storekeeper's department	3,359	
Dock master's department	2,265	
Miscellaneous	158	
		53,483
Purchase of ships and vessels		900
Ditto - - victuals for crews		13,513
Ditto - - coal and fuel (purchased in India)		2,977
Coal and steam agencies		1,124
Timber and stores purchased in India		30,021
Charges for the survey schooner "Constance"		3,822
Pensioners		3,115
Miscellaneous charges in India		3,447
Charges in England:		
Retired pay to officers of the late Indian Navy		40,078
Furlough pay		100
Stores		48,866
Commutation of pensions		1,972
Balance of contract for construction of two monitors		19,479
Contribution towards expense of Her Majesty's ships employed in the Indian Seas		31,628
Advances of pay and passage money to officers proceeding to India		612
Expenses of an officer studying gunnery		31
		304,058
Deduct,—		
Marine Receipts in Bombay, 1871-2		43,846
Net Marine Charge £.		260,212

Note.—The contribution towards expenses of Her Majesty's ships is exceptionally small this year, partly from the full amount due not having been paid within the year, and partly from the force maintained not having been at the full strength; the amount due for the year was 66,484 *l.* On the other hand the payment of 19,479 *l.* for monitors is quite exceptional, and the charge for retired pay of officers of the Indian Navy is subject to gradual reduction.

STATEMENT showing the MARINE CHARGES of BENGAL, MADRAS, and BRITISH BURMA, for 1861-62 and 1871-72, with an ABSTRACT of the TOTAL MARINE CHARGES during those Years:—And a STATEMENT of the COST of MILITARY TRANSPORT.

BENGAL.

1861-62.	£.	1871-72.	£.
Master Attendant's office, salaries, establishments, and contingent charges	5,266	Master Attendant's Office	8,333
Shipping office, ditto ditto	2,189	Shipping Office	1,625
Naval Storekeeper's, ditto ditto	2,642	Marine Court, agents for transports, consignments, &c.	1,813
Kidderpore Dockyard	17,777	Naval Storekeeper's Department	2,469
Ordnance Office (Marine Branch)	677	Dockyard salaries, establishments, and contingencies	8,125
Charges on account of steamers (wages of commanders, officers, engineers, crews, &c.)	20,620	Wages of dockyard and steam factory, artificers, and miscellaneous dock charges.	7,915
Pilot schooners and charges for pilots	66,687	Marine pay and allowances	13,037
Marine surveys, &c.	4,928	State yacht establishment	840
Lighthouses, light ships, and buoy vessel	11,203	Pilotage, pilot establishments, and vessels	66,530
Government steam factory, steam agents, and coal depôts	4,420	Lighthouses and ships	772
Coal depôt at Point de Galle	2,600	Purchase of ships and vessels	3,033
Charges for victuals	4,521	Coal and steam agencies	329
Stores	31,929	Coal and fuel purchased in India	16,563
Miscellaneous	17,028	Purchase of victuals	5,514
Charges in England:		Timber stores, &c., purchased in India	4,720
Pensions of the Bengal Pilot Service	9,858	Port charges, Calcutta and Mutlah	23,918
Furlough pay of ditto	1,027	Miscellaneous	1,167
Passage and outfit of volunteers for ditto	79	Charges in England:	
	203,481	Pensions of the Bengal Pilot Service	9,888
		Furlough pay of ditto	1,306
		Repairs of the "Czarewitch"	2,226
		Construction of an iron screw steam transport	30,100
		Stores	10,009
Deduct,—Marine Receipts in Bengal	89,983	Deduct,—Marine Receipts in Bengal £. 138,289	220,232
		Ditto in England 1,969	
			140,258
Net Marine Charges, Bengal, in 1861-62 £.	113,498	Net Marine Charges, Bengal, in 1871-72 £.	79,974

MADRAS.

	£.		£.
Superintendent of Marine, salaries, establishments, &c.	2,492	Master Attendant	1,925
Master Attendant's Office	4,558	Marine Surgeon	284
Shipping Master	448	Miscellaneous establishments	997
Establishment at the outports	2,802	Contingencies, provisions, &c.	561
Lighthouse charges	1,538	Lighthouses and ships	2,529
Charges of Paumben steam tug, including coals	1,049	Miscellaneous	13
Stores	14,679	Charges in England:	
Miscellaneous	1,629	Stores	167
	29,195		6,476
Deduct,—Marine Receipts in Madras	10,666	Deduct,—Marine Receipts in Madras	4,961
Net Marine Charges, Madras, 1861-62 £.	18,529	Net Marine Charges, Madras, 1871-72 £.	1,515

BRITISH BURMA.

	£.		£.
Marine charges at Arracan	2,534	Shipping Master	72
Pegu:		Naval Storekeeper's Department	533
Rangoon Shipping Office	55	Steamer "Nemesis," pay of commander and crew, &c.	2,846
Superintendent of the Irrawaddy Flotilla, and Superintending Engineer of the Naval Dockyard, Rangoon.	8,941	Pilotage charges	56
Steam vessels, accommodation flats, troop and transport vessels.	5,323	Lighthouses	4,262
Stores	2,541	Miscellaneous repairs of ships	17
Tenasserim:		Victuals for crews of ships	393
Master Attendant, Moulmein	791	Coal and fuel purchased in India	1,942
Pilot establishment	337	Timber and stores ditto	2,896
Purchase of marine stores and coals	1,660	*Conveyance of mails, &c., on the Irrawaddy	8,200
Steamer "Nemesis," pay of commander and crew	3,819	Miscellaneous	105
Mergui and Tavoy establishment, provisions supplied and contingent charges.	2,200		
	28,201		21,322
Deduct,—Marine Receipts in British Burma	12,368	Deduct,—Marine Receipts in British Burma	5,566
Net Marine Charges, British Burma, 1861-62 £.	15,833	Net Marine Charges, British Burma, 1871-72 £.	15,756

* With this exception, subsidies for conveyance of mails are now shown under the Postal Department; such charges are accordingly omitted from the Statement for 1861-62.

STATEMENT showing the Marine Charges of *Bengal, Madras,* and *British Burma,* for 1861-62 and 1871-72, &c.—*continued.*

ABSTRACT of the TOTAL MARINE CHARGES for the whole of INDIA.

1861-62.		1871-72.	
	£.		£.
Charges for the Indian Navy	339,060	Marine Charges - Bombay	304,058
Sundry Marine Charges at Bombay	46,720	Ditto - Bengal	220,232
Marine Charges - Bengal	203,481	Ditto - Madras	6,476
Ditto - Madras	29,195	Ditto - British Burma	21,322
Ditto - British Burma	28,201	Miscellaneous Marine Charges in the Home Accounts, viz.:	
Indus Steam Flotilla	66,036	Allowances of a Harbour Engineer whilst engaged in drawing up Reports on various Indian Harbours £. 833	
		Advance to Rear Admiral Mends 100	933
Gross Marine Charges for comparison with 1871-72 - £.	712,743*	Charges of the Indus Steam Flotilla	21,079
£.		Gross Marine Charges (Finance Accounts, p. 45) - £.	574,100
Less,—Marine Receipts - Bombay 35,562		Less,—Marine Receipts: £.	
Ditto - Bengal 89,983		Bombay 43,846	
Ditto - Madras 10,666		Bengal { In India 138,289 / In England 1,969	
Ditto - British Burma 12,368		Madras 4,961	
Receipts of the Indus Steam Flotilla 3,885	152,464	British Burma 5,566	
		Receipts of the Indus Steam Flotilla 2,263	196,894
Net Charge under the head of Marine for comparison with 1871-72 - £.	560,279	Net Charge under the head of Marine - £.	377,206

* For comparison with the Finance Accounts of 1861-62 (page 47), the following must be added:—

	£.
Charges as given above	712,743
Add,—Charges in the Straits Settlements	4,780
Mail Subsidies (*see* Note on previous page)	6,000
Pilot charges at Aden	700
TOTAL Marine Charges as given in Finance Accounts - £.	724,223

MILITARY TRANSPORT SERVICE.

1865-66.*		1871-72.	
Charges in India:	£.	Charges in India:	£.
Sea transport charges	320,715	Sea transport charges	66,780
Medical comforts	17,461	Medical comforts, &c. to troops proceeding to sea	3,433
		Indian Troop Service	42,615
Charges in England:		Charges in England:	
Passage of officers and men	280,416	Indian Troop Service	260,772
	618,592	Passage of officers and troops otherwise than in troop ships	18,987
Less,—Receipts and Recoveries in India £. 1,962		Purchase of land at Port Said	8,800
„ „ England 685		Stores and provisions supplied to the 8th Regiment Madras Native Infantry, on their return voyage from Singapore to Madras	454
	2,647	TOTAL Charges for Military Transport - £.	401,841
		Less—Receipts and Recoveries in India £. 8,854	
		„ „ England 8,995	17,849
Net Charges for Military Transport - £.	615,945	Net Charges for Military Transport - £.	383,992

There was also a payment in this year of 177,021 *l.* on account of contracts for construction of Indian troop transports.

* Particulars of the charge are not available for the years preceding 1865-66.

Appendix, No. 8.

PAPER handed in by Colonel *Innes*.

GENERAL ABSTRACT of EXPENDITURE on MILITARY WORKS in INDIA from 1862–63 to 1870–71, arranged under the Heads exhibited in the Returns prepared by the Government of India.

	1862-63.	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	1870-71.
IMPERIAL:	£.	£.	£.	£.	£.	£.	£.	£.	£.
Original works	379,133	508,524	643,695	821,192	1,322,129	1,601,173	1,938,379	1,306,445	791,287
Repairs	197,788	195,565	214,183	243,111	203,542	232,940	249,397	203,705	201,710
Total £.	576,921	704,089	857,878	1,064,303	1,525,671	1,834,113	2,187,776	1,510,150	992,997
Retrenchments remitted, and wear and tear	28,859	11,792	—	—	—	—	—	—	—
Total £.	605,780	715,881	857,878	1,064,303	1,525,671	1,834,113	2,187,776	1,510,150	992,997
Add Berars	2,050	1,827	2,296	5,373	3,885	—	—	—	—
Straits Settlements	9,134	8,193	4,790	4,962	5,579	—	—	—	—
GRAND TOTAL £.	616,964	725,901	864,964	1,074,638	1,535,135	1,834,113	1,187,776	1,510,150	992,997
Of which there was paid by the Bombay Special Fund	25,493	63,480	177,503	154,888	256,313	93,180	62,221	60,831	—
Leaving, paid from Ordinary Funds	591,471	662,421	687,461	919,800	1,278,822	1,740,933	2,125,555	1,449,319	992,997
ABSTRACT OF ORIGINAL WORKS:									
Fortifications	43,365	46,284	157,633	105,944	130,045	59,060	76,520	92,953	57,095
Cantonments	9,398	17,104	20,286	38,881	36,015	59,171	59,736	50,755	27,669
Accommodation for Troops	234,870	288,761	325,449	430,218	913,602	1,209,155	1,480,345	923,845	557,293
Commissariat	5,941	8,618	7,648	14,906	27,136	52,176	64,155	34,049	8,894
Ordnance	7,303	49,020	36,292	35,036	65,063	81,675	89,589	89,491	71,994
Staff	3,129	3,557	9,628	46,974	19,238	17,453	27,748	15,425	7,898
Stud	818	1,786	1,950	3,284	3,833	6,263	6,517	1,740	64
Naval	6,021	2,751	165	4,037	6,677	4,651	16,232	14,763	5,048
Works for the Bhootan Campaign	—	—	6,104	43,828	14,232	8,527	—	—	—
Lawrence Asylum Building	—	4,648	8,426	11,589	13,307	10,269	20,315	15,168	2,114
Minor works	69,682	86,335	70,114	86,551	94,369	94,821	98,983	72,118	54,368
Total £.	380,527	508,864	643,695	821,248	1,323,607	1,603,221	1,940,141	1,310,247	792,437
Deduct Contribution	1,394	340	—	56	1,478	2,048	1,762	3,802	1,150
TOTAL Original Works £.	379,133	508,524	643,695	821,192	1,322,129	1,601,173	1,938,379	1,306,445	791,287
ABSTRACT OF REPAIRS:									
Fortifications	8,554	8,743	11,309	11,896	10,030	7,651	10,168	7,808	7,802
Cantonments	27,064	22,839	24,184	35,969	33,337	35,575	37,464	38,635	35,640
Accommodation for Troops	138,972	140,172	153,444	169,264	139,291	168,195	170,979	133,032	136,745
Commissariat	7,672	8,412	8,029	9,014	7,560	8,139	10,271	7,188	7,470
Ordnance	8,094	7,656	8,294	8,428	5,141	5,791	9,825	8,362	6,967
Staff	2,740	3,003	3,290	2,798	3,267	3,754	5,096	4,857	4,149
Stud	2,692	2,705	2,777	2,821	4,128	2,475	3,888	2,461	2,315
Naval	2,000	2,035	2,856	3,001	1,804	2,330	2,979	2,446	1,385
Total £.	197,788	195,565	214,183	243,191	204,558	233,910	250,670	204,789	202,473
Deduct Contributions £.	—	—	—	80	1,016	970	1,273	1,084	763
TOTAL Repairs £.	197,788	195,565	214,183	243,111	203,542	232,940	249,397	203,705	201,710

Appendix, No. 9.

PAPER handed in by Colonel *Crommelin*, R.E., C.B., 18 February 1873.

Appendix, No. 9.

STATEMENT of Average Cost per MAN for BARRACK ACCOMMODATION, &c., at certain STATIONS of the ARMY.

STATIONS.	A. Barracks for Unmarried Soldiers.	B. Barracks for Married Men.		C. Auxiliary Accommodation.	D. Hospital Accommodation.		TOTAL Cost per Man.
	Cost per Man, excluding Auxiliary Accommodation.	Cost per Family.	Cost per Man spread over the whole Regiment.	Cost per Man.	Cost per Patient.	Cost per Man spread over the whole Regiment.	
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Lucknow - -	1,000	1,526	169	532	1,515	190	1,891
Morar - - -	1,094	2,132	237	582	1,610	201	2,114
Nusseerabad - -	1,100	2,376	264	585	2,476	309	2,258
Allahabad - -	1,344	2,210	245	715	1,810	226	2,530
Saugor - - -	1,475	3,286	365	785	1,896	237	2,862
Mhow - - -	2,300	3,226	358	1,225	2,993	374	4,257

A. This column shows the cost per man merely of sleeping wards and dining-rooms.

C. This column gives the cost per man of the full accommodation required by a regiment of infantry for auxiliary purposes, and comprises such buildings as canteen, quarter guard, orderly-room, &c. &c.

Appendix, No. 10.

PAPER handed in by Colonel *Crommelin*, R.E., C.B.

EXTENT OF BARRACK ACCOMMODATION PROVIDED FOR BRITISH TROOPS.

STATEMENT showing approximately the Extent of Barrack Accommodation for European Soldiers (Unmarried and Married), of all Arms of the Service, in New Buildings Completed and in Progress, and in Old Buildings, at each Station in the Bengal Presidency, including the Stations occupied by Bombay and Madras Troops in Central India, Central Provinces, Hyderabad, Rajpootana, and Burmah.

N.B.—Lower floors of double-storeyed barracks are calculated upon as being occupied, deductions being made at end of Statement for unfavourable Stations. All new barracks in progress have been calculated as if completed with two storeys, except in the few cases where the progress in the lower floors has been trifling. Warrant and Non-commissioned Officers are not included in the Statement.

7 *January* 1871.

STATIONS AND GARRISON.	New Double-storeyed Barracks for Unmarried Men.		Old Buildings for Unmarried Men.	Married Men.		TOTAL.	REMARKS.
	Completed.	In Progress.		Completed.	In Progress.		
BENGAL:							
FORT WILLIAM 1 Regiment Infantry, and 1 Company Garrison Artillery.	–	–	889	140	–	1,029	The auxiliary accommodation is complete.
DUM-DUM 6 Companies of Infantry.	–	–	(*a*) 949	60	–	1,009	(*a*) Accommodation required for only six companies, or 480 men. There is, therefore, an excess for 469 men. Auxiliary accommodation complete.
BARRACKPOOR 2 Companies of Infantry. 2 Batteries, and Head Quarters Brigade of Artillery.	(*b*) 420	(*b*) 84	(*c*) 252	(*d*) 46	–	802	A good deal of auxiliary accommodation is required at Barrackpoor. (*b*) This may be considered an unfavourable station, therefore a deduction must be made for the lower floors to the extent of 240 men. (*c*) Accommodation required for only two companies of infantry, or 160 men; there is an excess, therefore, for 92 men. (*d*) Ten of the quarters are temporary only, and must be replaced. It will be eventually necessary to provide new barracks for the two companies of infantry.
DINAPOOR 1 Regiment of Infantry. 1 Battery of Artillery.	–	–	956	(*e*) 143	–	1,099	The temporary barracks for the regiment of infantry will ere long have to be replaced by permanent buildings. (*e*) The married quarters are in excess by 25. There is a good deal of auxiliary accommodation.
CHINSURAH Depôt.	–	–	(*f*) 581	–	–	581	(*f*) This depôt has, I believe, been abandoned. The accommodation must be deducted.
HAZAREEBAUGH 1 Regiment of Infantry.	–	–	735	105	–	(*g*) 840	(*g*) The station is to be abandoned. The accommodation must be deducted.
BERHAMPOOR	–	–	200	–	–	200	I believe there is accommodation here for more than 200 men, but the station is to be abandoned, and the accommodation must be deducted.
DARJEELING	–	–	126	14	–	140	New barracks will have to be built for whatever force is sent to this station.
TOTAL for BENGAL	420	84	4,688	508	–	5,700	
NORTH-WEST PROVINCES:							
ALLAHABAD 1 Regiment of Infantry. 1 Battery of Artillery. 1 Garrison Battery.	1,320	252	–	122	–	(*h*) 1,694	(*h*) Nearly all the auxiliary buildings here are completed, and the station is a doubtful one as to climate. All the lower-floor accommodation may be deducted to the extent of 720 men.
ALLAHABAD FORT Detachment.	–	–	200	–	–	200	I think it may safely be said that there is accommodation for 200 men in the Ellenborough Barrack.
MORADABAD Detachment.	–	66	–	–	–	66	There is temporary accommodation for about two companies here in hired buildings. Foundations of several barracks commenced, but work stopped.
CHUKRATA 1 Regiment of Infantry.	828	–	–	34	68	930	The accommodation here is in semi-permanent cottage barracks. Auxiliary accommodation has only lately been set in hand.
KAILANA Depôt.	–	–	–	10	–	10	This depôt adjoins Chukrata, and is intended for 700 men.

STATEMENT showing approximately the Extent of Barrack Accommodation, &c.—*continued.*

STATIONS AND GARRISON.	New Double-storeyed Barracks for Unmarried Men.		Old Buildings for Unmarried Men.	Married Men.		TOTAL.	REMARKS.
	Completed.	In Progress.		Completed.	In Progress.		
NORTH-WEST PROVINCES—*continued.*							
MEERUT 3 Field Batteries of Artillery. 1 Garrison Battery. 1 Regiment of Infantry. 1 Regiment of Cavalry.	–	–	1,000	85	–	1,085	There is at present at Meerut full accommodation for the garrison noted in column 1; but it has been determined to remove the infantry out of the artillery lines, and to provide new barracks for this arm. A number of the small barracks, in which the infantry are now accommodated, are to be pulled down, so as to clear the area for the artillery. I have only calculated for the number of barracks that will remain standing. If the infantry force is to be reduced to a wing, it may be possible to have the whole garrison in existing buildings, as the two new infantry hospitals will be available; and there are various buildings of kinds at Meerut. We may have, however, something to build for the infantry, but not much. Some married men's quarters will have to be built for both cavalry and infantry. The present quarters of the cavalry are to be taken up for the single men of the regiment.
AGRA 1 Field Battery of Artillery. 1 Regiment of Infantry.	226	–	450	65	–	741	I think that some additional accommodation will be required for both artillery and infantry; perhaps a full-company barrack for infantry, and a half-company barrack for the artillery; also a few quarters for married men of infantry. The auxiliary accommodation is nearly sufficient.
AGRA FORT	200	–	–	–	–	200	The accommodation here is fairly complete.
RANEEKHET 1 Regiment of Infantry.	–	144	285	–	40	469	The two double-storeyed barracks will probably be used as the hospital. The existing buildings for unmarried men are only temporary barracks. A complete set of cottage barracks for the whole regiment have been set on hand.
BAREILLY 1 Field Battery of Artillery. 1 Regiment of Infantry.	–	–	816	72	–	888	The artillery are fairly accommodated, except a few families. The accommodation for infantry is sufficient for eight companies; but about 60 family quarters are still wanted. Auxiliary accommodation fair.
CAWNPOOR 1 Battery of Field Artillery. 1 Regiment of Infantry.	750	86	132	109	13	1,090	The infantry regiment are in the remodelled double-storeyed barracks, and are fully provided for; some auxiliary accommodation still wanting. The artillery are in old buildings, and are also well provided for. Some auxiliary accommodation wanting.
BENARES 1 Wing of Infantry. 1 Battery of Field Artillery.	–	–	600	–	–	600	There is sufficient accommodation in old temporary buildings for the garrison noted in column 1; but a new cantonment is contemplated. I will not, however, deduct the accommodation in old buildings, as it may prove convenient to occupy the old cantonment for some time longer.
ROORKEE	–	–	500	–	–	500	There is accommodation here for about 500 men, but the station is to be abandoned; deduction must therefore be made.
MUTTRA	–	–	500	–	–	500	Same remark applies as per Roorkee; but the barracks are more temporary.
FUTTEHGHUR	–	–	250	–	–	250	Same remark as per Muttra.
SHAHJEHANPOOR	–	–	500	–	–	500	Same remark as per Roorkee. The buildings here are good.
TOTAL for NORTH-WEST PROVINCES	3,324	548	5,233	497	121	9,723	

STATEMENT showing approximately the Extent of Barrack Accommodation, &c.—*continued.*

STATIONS AND GARRISON.	New Double-storeyed Barracks for Unmarried Men.		Old Buildings for Unmarried Men.	Married Men.		TOTAL.	REMARKS.
	Completed.	In Progress.		Completed.	In Progress.		
PUNJAB:							
PESHAWUR 3 Field Batteries of Artillery. 1 Garrison. 2 Regiments of Infantry.	640	–	2,074	296	–	3,010	This must be considered an unfavourable station, therefore 320 must be deducted for lower floors. Four new double-storeyed barracks have been completed. The married men are in old buildings, and I fancy that, under any circumstances, several new quarters must be built. The accommodation for existing garrison in old buildings is fair, and sufficient in extent. All the old buildings will be abandoned if new project of fort is carried out.
NOWSHERA	–	–	1,000	105	–	1,105	There is more than sufficient accommodation for the regiment quartered here. The excess may be taken at 150 men.
RAWULPINDEE 1 Garrison Battery of Artillery. 1 Field Battery of Artillery. 2 Regiments of Infantry.	198	198	1,368	110	–	1,874	If both storeys are occupied as dormitories, I do not think that much more will be required here for unmarried men. More quarters are wanted for the families. The auxiliary accommodation is nearly complete.
MURREE Hill Depôt.	72	36	266	120	–	494	The auxiliary accommodation is satisfactory. The extra work to be done here will depend on strength of the force that may be fixed for the station.
ATTOCK 1 Garrison Battery of Artillery. 2 Companies of British Infantry.	–	–	185	16	–	201	The garrison is fairly accommodated, but I think that new buildings will be eventually required.
MOOLTAN 1 Field Battery of Artillery. 1 Garrison Battery of Artillery. 1 Regiment of Infantry.	–	396	537	113	–	1,046	The returns do not satisfactorily give the details of accommodation in old buildings, but I believe that the garrison is fairly accommodated, and that, when they get the new barracks now in progress, they will be well off.
FEROZEPOOR 1 Garrison Battery of Artillery. 1 Field Battery of Ar-Artillery. 1 Regiment of Infantry.	378	–	997	172	–	1,547	The accommodation here is very fair; not much remains to be done.
BALOON Depôt.	–	525	–	–	–	525	The five new double-storeyed barracks that have been commenced will, when modified, suffice for the depôt; family quarters have to be provided, also auxiliary accommodation.
MEEAN MEER 3 Field Batteries of Artillery. 1 Regiment of Infantry.	–	–	1,240	120	–	1,360	Accommodation satisfactory.
SEALKOTE 1 Field Battery, Artillery. 1 Regiment of Cavalry. 1 Regiment of Infantry.	–	–	1,011	84	–	1,095	If the cavalry regiment is located here, a new set of barracks must be built for them, otherwise the accommodation is sufficient for infantry and artillery.
JULLUNDUR 1 Battery, Field Artillery 1 Regiment of Infantry.	330	198	492	65	–	1,085	When the new barracks are finished there will, I think, be sufficient accommodation for single men. Some family barracks and auxiliary accommodation will remain to be completed.
DELHI Wing of Infantry. 1 Field Battery.	506	–	–	74	–	580	The accommodation here is sufficient.
UMBALLA 2 Batteries of Artillery. 1 Regiment of Cavalry. 1 Regiment of Infantry.	–	–	1,944	144	72	2,160	Here, too, the accommodation is nearly sufficient.
DUGSHAI 1 Regiment of Infantry.	–	144	770	88	8	1,010	The old buildings will last for a long time if the roofs are thoroughly repaired. Excess accommodation for 200.

STATEMENT showing approximately the Extent of Barrack Accommodation, &c.—*continued.*

STATIONS AND GARRISON.	New Double-storeyed Barracks for Unmarried Men.		Old Buildings for Unmarried Men.	Married Men.		TOTAL.	REMARKS.
	Completed.	In Progress.		Completed.	In Progress.		
PUNJAB—*contd.*							
SUBATHOO - - - - - 1 Regiment of Infantry.	–	–	382	96	–	478	I think there must be some mistake in the returns about this station, for the full regiment is fairly accommodated. I think some additional barracks and auxiliary accommodation must be provided.
KUSSOWLIE - - - - Depôt.	72	–	356	52	24	504	The new barracks might accommodate 24 more men in the lower storeys by arranging for mess-rooms, either in transepts or verandahs. Not much more required here, unless the strength of depôt is increased.
JUTOGH - - - - - Mountain Battery of Artillery.	–	–	96	–	–	96	The unmarried men are in old bungalows. Quarters for 12 married men and auxiliary accommodation required.
CAMPBELLPOOR - - - - 1 Cavalry Regiment.	–	–	411	10	–	421	This station is to be abandoned. The barracks have been much injured by earthquake, and are not trustworthy, I fancy.
LAWRENCEPOOR - - - - 1 Battery of Artillery.	–	–	144	16	–	160	These barracks have been a good deal injured by earthquake, but they will come into use for new station.
DERA ISMAIL KHAN - - 1 Company.	83	–	–	–	–	83	I believe this station is to be abandoned.
FORT LAHORE - - - -	–	–	200	7	–	207	Accommodation sufficient for garrison.
UMRITSUR - - - - -	–	–	264	16	–	280	Unoccupied.
FORT GOVINDGURH - - 1 Company of Infantry.	–	–	188	20	–	208	I believe some auxiliary accommodation is required.
TOTAL for PUNJAB -	2,279	1,497	13,925	1,724	104	19,529	
OUDH:							
LUCKNOW - - - - - 3 Batteries of Royal Artillery. 1 Regiment of Cavalry. 2 Regiments of Infantry.	396	–	2,248	325	–	2,969	The old barracks at Lucknow will require considerable repairs. The accommodation in all respects is sufficient.
FYZABAD - - - - - 1 Battery of Field Artillery. 1 Regiment of Infantry.	–	–	1,008	74	22	1,104	One new full-company and four new half-company double-storeyed barracks have just been commenced, but not too far progressed to necessitate completion. The old barracks were some years ago reported shaky; but, if properly looked after, will no doubt last some years longer. The accommodation is in all respects fair.
SEETAPOOR - - - - - 1 Battery of Field Artillery. 1 Wing of Infantry.	264	132	468	53	–	917	The old barracks were some time ago reported shaky, but with ordinary care should last much longer. The accommodation is in all respects fair. When all the new barracks are completed, there will be excess accommodation for about 300 men.
TOTAL for OUDH -	660	132	3,724	452	22	4,990	
CENTRAL INDIA:							
MHOW - - - - - 2 Light Field Batteries of Artillery. 1 Regiment of Cavalry. 1 Regiment of Infantry.	288	240	1,300	135	–	1,963	The returns are not satisfactory. I have given the numbers in old buildings from my own calculation of what the accommodation is. A deduction of 240 must be made on account of lower floors. A good deal remains to be done here.
INDORE - - - - - 1 Company of Infantry. Detachment of Artillery.	–	–	68	–	–	68	Here again the return is unsatisfactory. I fancy there is sufficient accommodation for the unmarried men, but that quarters are required for the families.

STATEMENT showing approximately the Extent of Barrack Accommodation, &c.—*continued.*

STATIONS AND GARRISON.	New Double-storeyed Barracks for Unmarried Men.		Old Buildings for Unmarried Men.	Married Men.		TOTAL.	REMARKS.
	Completed.	In Progress.		Completed.	In Progress.		
CENTRAL INDIA—*contd.*							
GWALIOR FORT - - 1 Garrison Battery of Artillery. Wing of Infantry.	396	264	–	72	–	732	There is still a good deal to be done in the Fort; as the position is high, I have calculated upon the occupation of lower floors.
MORAR - - - - - 2 Field Batteries of Artillery. 1 Garrison Battery of Artillery. 1½ Regiments of Infantry.	280	1,650	708	64	104	2,806	Returns incomplete. A good deal remains to be done here. Eight hundred and seventy must be deducted for lower floors.
NOWGONG - - - - -	–	750	252	70	–	1,072	The old buildings in old cantonment will be abandoned. No more new buildings will be required for the men, but additional auxiliary accommodation is wanting.
JHANSIE - - - - -	–	–	525	47	–	572	Station to be abandoned; buildings very bad.
SEEPREE - - - - -	–	–	124	12	–	136	- Ditto - ditto - ditto.
TOTAL for CENTRAL INDIA - - -	964	2,904	2,977	400	104	7,349	
CENTRAL PROVINCES:							
JUBBULPOOR - - - - 1 Battery of Artillery. Wing of Infantry.	–	252	690	52	–	994	One hundred and twenty men must be deducted for lower floors. The old barracks are not very satisfactory buildings; 150 must be deducted for excess accommodation in old buildings.
SAUGOR - - - - - 1 Battery of Artillery. Regiment of Infantry.	660	396	996	130	–	2,182	Four hundred and eighty must be deducted for lower floors. I expect that all the old buildings must be abandoned; at any rate, a deduction of about 700 men should be made. The old married quarters are very bad.
KAMPTEE - - - - - 2 Batteries of Artillery. 1 Regiment of Infantry.	–	–	910	173	–	1,083	It will not be necessary to do much here if the garrison is reduced. If the present garrison remains, some of the old buildings must be replaced by new ones.
CHINDWARRA DEPOT -	–	–	31	2	–	33	Abandoned, I believe.
ASSEERGURH - - -	–	72	85	20	–	177	
SEETABULDEE - - - -	40	–	–	–	–	40	A good deal to be done here.
TOTAL for CENTRAL PROVINCES - -	700	720	2,712	377	–	4,509	
HYDERABAD:							
TRIMULGHERRY - - - 3 Field Batteries of Artillery. 1 Garrison Battery of Artillery. 2 Regiments of Infantry. 1 Regiment of Cavalry.	420	214	2,130	337	–	3,101	Two hundred and ninety-four must be deducted for lower floors; about 300 must be deducted for old barracks abandoned. The cavalry barracks have been condemned, and are being replaced by new ones. The garrison is fairly accommodated, but a good deal remains to be done.
TOTAL for HYDERABAD - -	420	214	2,130	337	–	3,101	
RAJPOOTANA:							
NUSSEERABAD - - - - 1 Battery of Artillery. 9 Companies of Infantry.	198	546	420	105	–	1,269	Deduct 340 for lower floors. I am not sure about the accommodation in the old barracks. The new buildings are in a bad state. It is difficult to say what more accommodation is required until after my approaching visit. Deduct 132 for old artillery buildings.
NEEMUCH - - - - - 1 Battery of Artillery. Wing of Infantry.	396	132	344	30	–	902	Deduct 240 for lower floors. I believe that the old buildings will not long be serviceable. Family quarters required.
TARRAGHUR - - - - 1 Company.	–	–	20	–	–	20	Barrack for convalescents in Tarraghur.
TOTAL for RAJPOOTANA - -	594	678	784	135	–	2,191	

STATEMENT showing approximately the Extent of Barrack Accommodation, &c.—*continued.*

STATIONS AND GARRISON.	New Double-storeyed Barracks for Unmarried Men.		Old Buildings for Unmarried Men.	Married Men.		TOTAL.	REMARKS.
	Completed.	In Progress.		Completed.	In Progress.		
BURMAH:							
RANGOON 2 Garrison Batteries of Artillery. 1 Regiment of Infantry.	–	–	1,488	67	–	1,555	The return from Burmah is not very intelligible. I do not understand how there can be accommodation for 1,488 single men. I think 500 should be deducted. The old buildings have been condemned, and must shortly be replaced.
THAYETMYO 1 Garrison Battery of Artillery. 1 Regiment of Infantry.	–	–	750	75	–	825	There is only a wing of infantry at Thayetmyo, although it has been thought proper to arrange for a whole regiment. I do not think much more is required here.
TOUNGHOO	–	–	482	78	–	560	The accommodation here seems complete.
TOTAL for BURMAH	–	–	2,720	220	–	2,940	
	SUMMARY.						
BENGAL	420	84	4,688	508	–	5,700	
NORTH WEST PROVINCES	3,524	548	5,233	497	121	9,723	
PUNJAB	2,279	1,497	13,925	1,724	104	19,529	
OUDH	660	132	3,724	452	22	4,990	
CENTRAL INDIA	964	2,904	2,977	400	104	7,349	
CENTRAL PROVINCES	700	720	2,712	377	–	4,509	
HYDERABAD	420	214	2,130	337	–	3,101	
RAJPOOTANA	594	678	784	135	–	2,191	
BURMAH	–	–	2,720	220	–	2,940	
TOTALS	9,361	6,777	38,893	4,650	351	60,032	
Deduct accommodation in excess of what is required at the Stations	–	–	3,551	–	–	3,551	
Deduct abandoned Stations	–	–	3,554	–	–	3,554	
Deduct lower floors at unfavourable Stations	2,167	1,697	–	–	–	3,864	
Deduct depôts	573	300	693	–	–	1,566	
Deduct old accommodation which cannot be reckoned on as permanent	–	–	5,541	–	–	5,541	
TOTAL Deductions	2,740	1,997	13,339	–	–	18,076	
Balance that can be utilised at Regimental Stations	6,621	4,780	25,554	4,650	351	41,956	
	11,401						

MEMORANDUM OF DEDUCTIONS.

Lower Floors at Unfavourable Stations.		Excess Accommodation in Old Buildings.		Abandoned Stations.		Depôts.		Old Accommodation which cannot be reckoned on as Permanent.	
Stations.	No. of Men.	Stations.	No. of Men.	Stations.	No. of Men.	Stations.	No. of Men.	Stations.	No. of Men.
Barrackpoor	240	Dum-Dum	469	Hazareebaugh	340	Kailana	10	Barrackpoor	46
Allahabad	720	Barrackpoor	92	Berhampoor	200	Murree	494	Dinapoor	1,099
Peshawur	320	Dinapoor	25	Roorkee	500	Baloon	525	Darjeeling	140
Mhow	240	Chinsurah	581	Muttra	500	Kussowlie	504	Benares	600
Morar	870	Nowshera	150	Futtehpoor	250	Chindwarra	33	Peshawur	2,074
Jubbulpoor	120	Dugshai	200	Shahjehanpoor	500			Fyzabad	1,082
Saugor	480	Seetapoor	300	Campbellpoor	421			Trimulgherry	500
Trimulgherry	294	Nowgong	252	Dera Ismail Khan	83				
Nusseerabad	340	Jubbulpoor	150	Umritsur	260				
Neemuch	240	Saugor	700						
		Rangoon	500						
		Nusseerabad	132						
TOTALS	3,864		3,531		3,554		1,566		5,541

Appendix, No. 11.

PAPERS handed in by Mr. *Thornton*.

EXPENDITURE since 1862–63, in Construction of BARRACKS at STATIONS since abandoned as MILITARY STATIONS.

STATION.	AMOUNT SPENT IN				REMARKS.
	Construction of New Works.	Improvement of existing Buildings.	Temporary Accommodation.	TOTAL.	
	£.	£.	£.	£.	
Chinsura	-	5,272	-	5,272	A depôt, abandoned on the introduction of the system of embarking all troops from Bombay.
Berhampore	-	15,541	-	15,541	Abandoned in consequence of the re-distribution of the Force. The Barracks, which were in good condition, were utilised as a Civil Hospital.
Rajghaut (Benares)	-	214	-	214	Abandoned in consequence of extreme unhealthiness. It had only been occupied as a Military Post during and immediately after the Mutiny.
Azinghur	-	-	231	231	Abandoned on the concentration of the Force in Oude.
Goruckpore	-	-	2,495	2,495	
Nagode	-	1,065	-	1,065	Abandoned in consequence of the re-distribution of the troops.
Roy Bareilly	-	5,212	-	5,212	An experimental station, abandoned on the concentration of the Force in Oude.
Chindwara (Sanitarium)	1,181	-	-	1,181	An experimental sanitarium, abandoned in consequence of unfavourable reports.
Sholapore	747	5,506	1,060	7,313	Abandoned on the re-distribution of the Force in the Bombay Presidency.
TOTAL £.	1,928	32,810	3,786	38,524	

Note.—The Artillery Barracks at Jubbulpore are not occupied, the revised distribution of troops not providing for Artillery at that Station; it, however, remains a Military Station for Infantry. The defects in the Barracks have been remedied for 30,000 rupees, but the buildings are not quite finished.

EXPENDITURE since 1862–63, in Construction of BARRACKS which are unoccupied, because they have given way, or are pronounced unsafe, or too hot for habitation for Soldiers.

STATION.	ESTIMATED COST OF WORK.		Loss, or Addition to Estimate, arising from bad Work.	REMARKS.
		£.	£.	
Saugor	-	165,000	95,000	Barracks abandoned as being unsafe. Saving in work and material which can be brought into use estimated at 70,000 *l.* Possibly need not be re-constructed on same scale.
Allahabad	£. Infantry, 173,110 Artillery, 27,241	200,351	22,500	Owing to bad roofs and other defects, some of the Infantry and Artillery Barracks are unoccupied, as being unsafe till repaired. The estimate for remedying the defects is 22,500 *l.*
Nusseerabad	-	85,502	11,500	Defects remedied, and Barracks finished, except one or two, but not yet occupied. Cost of remedying the defects, 11,500 *l.*
TOTAL £.	-	450,853	129,000	

EXPENDITURE since 1862-63, on BARRACKS now occupied by Troops, and the Number of such Troops.

STATION.	AMOUNT OF EXPENDITURE ON							European Force at the Station.*	Number of Men, excluding Officers.
	New Sets of Buildings.	Improvement of existing Buildings.	Hill Sanitaria. New Buildings.	Hill Sanitaria. Improvements.	Temporary Accommodation.	Rest Houses.	TOTAL.		
BENGAL:	£.	£.	£.	£.	£.	£.	£.		
Fort William	–	6,054	–	–	–	–	6,054	1 Battery, Artillery 1 Regiment, Infantry	930
Dum Dum	35,961	9,402	–	–	3,316	–	48,679	6 Companies, Infantry	671
Barrackpoor	106,234	–	–	–	6,735	–	112,969	2 Batteries, Artillery 2 Companies, Infantry	453
Darjeeling (including Jullapahar and Sinchal).	–	–	6,384	–	4,778	2,015	13,177	1 Battery, Artillery Depôt	190
Dinapoor	1,888	3,110	–	–	9,853	–	14,851	1 Battery, Artillery 7 Companies, Infantry	866
Hazareebaugh	–	–	–	–	8,646	–	8,646	1 Regiment, Infantry	914
Benares (including Secrole and Pandypoor).	–	4,062	–	–	13,544	–	17,606	1 Battery, Artillery 4 Companies, Infantry	497
Chunar	–	–	–	–	–	–	–	1 Company, Infantry Invalid Battalion	92
Cawnpoor	18,441	51,951	–	–	701	1,573	72,666	1 Battery, Artillery 1 Regiment, Infantry	981
Bareilly	2,198	23,782	–	–	–	–	25,980	1 Battery, Artillery 6 Companies, Infantry	866
Moradabad	17,168	–	–	–	–	–	17,168	2 Companies, Infantry	210
Allahabad	306,041	–	–	–	7,028	9,731	322,800	2 Batteries, Artillery 1 Regiment, Infantry	1,038
Shahjehanpoor	–	808	–	–	–	–	808	4 Companies, Infantry	400
Raneekhet	–	–	19,223	–	1,065	–	20,288	4 Companies, Infantry	483
Meerut	16,716	29,724	–	–	–	13,009	59,449	4 Batteries, Artillery 1 Regiment, Cavalry 6 Companies, Infantry	1,487
Futtehghur	–	–	–	–	1,303	–	1,303	2 Companies, Infantry	214
Chuckrata	–	–	44,553	–	–	–	44,553	1 Regiment, Infantry	901
Agra (including Toondla).	13,200	17,045	–	–	–	8,958	39,203	2 Batteries, Artillery 1 Regiment, Infantry	1,160
Muttra	–	–	–	–	4,722	–	4,722	1 Regiment, Cavalry	454
Landour	–	–	–	2,691	–	–	2,691	Convalescent Depôt	150
Roorkee	–	–	–	–	1,642	–	1,642	Royal Engineers 3 Companies, Infantry	518
Attock	–	2,735	–	–	–	–	2,735	1 Battery, Artillery 1 Company, Infantry	193
Bhagsoo (or Dhurmsala).	–	–	2,665	3,181	–	–	5,846	Detachment, Infantry	80
Baragully	–	–	–	–	–	–	–	2 Companies, Infantry	201
Campbellpoor	–	–	–	–	14,216	–	14,216	1 Battery, Artillery	154
Cherat	–	–	–	–	–	–	–	7 Companies, Infantry	676
Dalhousie	–	–	53,148	–	851	5,940 (Huts).	59,939	Convalescent Depôt	476
Delhi	–	105,433	–	–	–	–	105,433	1 Battery, Artillery 5 Companies, Infantry	570
Dera Ismail Khan	–	14,558	–	–	–	–	14,558	1 Company, Infantry	99
Dugshaie	–	–	33,221	6,598	–	–	39,819	1 Regiment and 1 Company, Infantry.	935
Ferozepoor	81,071	14,403	–	–	–	–	95,474	2 Batteries, Artillery 1 Regiment, Infantry	935
Jullundur	79,393	–	–	–	3,979	–	83,372	1 Battery, Artillery 7 Companies, Infantry	882

* *Note.*—The number of men occupying particular barracks cannot be given at the India Office.

EXPENDITURE since 1862-63, on Barracks now occupied by Troops, &c.—*continued.*

STATION.	AMOUNT OF EXPENDITURE ON							European Force at the Station.*	Number of Men, excluding Officers.
	New Sets of Buildings.	Improvement of existing Buildings.	Hill Sanitaria. New Buildings.	Hill Sanitaria. Improvements.	Temporary Accommodation.	Rest Houses.	TOTAL.		
BENGAL—*cont^d.*	£.	£.	£.	£.	£.	£.	£.		
Jutogh	–	–	–	–	4,518	–	4,518	1 Battery, Artillery	100
Kalabagh	–	–	–	–	–	–	–	2 Companies, Infantry	265
Kangra	–	–	–	1,664	–	–	1,664	Detachment, Infantry	30
Kussowlie	–	–	28,567	11,588	–	–	40,155	Convalescent Depôt	684
Meean Meer (Lahore)	–	31,303	–	–	–	–	31,303	3 Batteries, Artillery 1 Regiment and 1 Company, Infantry	1,147
Mooltan	66,114	5,932	–	–	–	–	72,046	1 Battery, Artillery 7 Companies, Infantry	773
Murree and Nundkote	–	–	13,933	22,576	2,235	–	38,744	Convalescent Depôt	481
Nowshera	16,638	12,481	–	–	–	–	29,119	5 Companies, Infantry	817
Peshawur	122,658	34,860	–	–	905	–	158,423	3 Batteries, Artillery 11 Companies, Infantry	1,604
Sealkote	–	8,775	–	–	–	–	8,755	1 Battery, Artillery 1 Regiment, Cavalry 6 Companies, Infantry	1,253
Solon	–	–	–	–	–	–	–	1 Company, Infantry	157
Subathoo	–	–	20,790	22,750	–	13,282	56,822	7 Companies, Infantry	752
Umballa	41,390	84,020	–	–	–	–	125,410	2 Batteries, Artillery 1 Regiment, Cavalry 1 Regiment, Infantry	1,422
Umritsur and Gorrindghur	–	–	–	–	–	–	–	1 Company, Infantry	145
								1 Battery, Artillery 1 Company, Infantry	153
Rawul Pindee	37,135	28,600	–	–	–	–	65,735	2 Batteries, Artillery 12 Companies, Infantry	1,649
Jubbulpoor	39,415	38,993	–	–	–	2,804	81,212	5 Companies, Infantry	589
Saugor	197,608	8,213	–	–	–	–	205,821	1 Battery, Artillery 3 Companies, Infantry	447
Lucknow (including Fort Muchee Bawun).	43,771	167,598	–	–	–	–	211,369	2 Batteries, Artillery 1 Regiment, Cavalry 2 Regiments, Infantry	2,554
Fyzabad	10,467	49,371	–	–	–	–	59,838	1 Battery, Artillery 1 Regiment, Infantry	997
Seetapoor	44,078	18,308	–	–	–	–	62,386	1 Battery, Artillery 4 Companies, Infantry	657
Gwalior, Fortress	84,873	3,333	–	–	–	–	88,206	4 Batteries, Artillery	1,618
Gwalior (Morar)	226,242	11,626	–	–	7,709	–	245,577	1 Regiment and 3 Companies, Infantry	
Jhansi	–	15,664	–	–	–	–	15,664	3 Companies, Infantry	460
Nowgong	92,644	4,942	–	–	–	–	97,586	1 Battery, Artillery	313
TOTAL of the BENGAL ARMY	1,701,344	807,086	222,484	71,048	97,746	57,312	2,957,020	–	37,723
MADRAS:									
Bangalore	39,327	93,702	–	–	1,082	–	134,111	3 Batteries, Artillery 1 Regiment, Cavalry 1 Regiment, Infantry	1,895
Bellary	–	40,222	–	–	857	–	41,079	1 Battery, Artillery 1 Regiment, Infantry	1,051
Calicut	–	4,121	–	–	–	–	4,121	1 Company, Infantry	86
Cannanore	10,687	26,016	–	–	–	–	36,703	1 Battery, Artillery 6 Companies, Infantry	774

* *Note.*—The number of men occupying particular barracks cannot be given at the India Office.

EXPENDITURE since 1862-63, on Barracks now occupied by Troops, &c.—*continued.*

STATION.	AMOUNT OF EXPENDITURE ON							European Force at the Station.*	Number of Men, excluding Officers.
	New Sets of Buildings.	Improvement of existing Buildings.	Hill Sanitaria. New Buildings.	Hill Sanitaria. Improvements.	Temporary Accommodation.	Rest Houses.	TOTAL.		
MADRAS—*cont^d.*	£.	£.	£.	£.	£.	£.	£.		
Madras: Fort St. George, St. Thomas' Mount, Palaveram, Poonamallee	21,182	32,910	–	–	4,333	–	58,425	1 Battery, Artillery 6 Companies, Infantry 3 Batteries, Artillery Artillery, Veteran Company Depôt	799 387 129 149
Mulliapooram	–	1,571	–	–	–	–	1,571	1 Company, Infantry	100
Ramondroog	–	2,496	–	–	–	–	2,496	Convalescent Depôt	39
Trichinopoly	–	12,162	–	–	–	–	12,162	1 Battery, Artillery 2 Companies, Infantry	324
Vizagapatam	–	–	–	–	–	–	–	Veteran Company	36
Wellington	–	10,706	–	–	–	–	10,706	Depôt	403
Kamptee	–	51,828	–	–	–	4,423	56,251	2 Batteries, Artillery 7 Companies, Infantry	1,002
Nagpore (or Seetahildee).	–	–	–	–	–	–	–	Detachment of Infantry	49
Puchmurree	–	–	–	1,658	–	–	1,658	1 Company, Infantry	149
Rangoon	–	35,548	–	–	–	–	35,548	2 Batteries, Artillery 7 Companies, Infantry	833
Tonghoo	–	15,892	–	–	–	–	15,892	2 Batteries, Artillery 1 Regiment, Infantry	1,178
Thayet Myo	83,179	26,879	–	–	2,382	–	112,440		
Secunderabad and Trimulgherry	89,600	80,796	–	–	–	–	170,396	4 Batteries, Artillery 1 Regiment, Cavalry 2 Regiments, Infantry	2,541
Port Blair	15,612	2,293	–	–	–	–	17,905	1 Company, Infantry	110
TOTAL of the MADRAS ARMY	259,587	437,142	–	1,658	8,654	4,423	711,464	– – – – –	12,034
BOMBAY:									
Aboo	–	–	–	55,707	–	–	55,707	Detachment, Infantry, and Sanitarium.	107
Aden	6,576	96,554	–	–	–	–	103,130	2 Batteries, Artillery 1 Regiment, Infantry	700
Ahmedabad	12,025	23,657	–	–	11,841	–	47,523	1 Battery, Artillery	152
Ahmednuggur	49,476	21,018	–	–	–	–	70,494	1 Battery, Artillery 1 Regiment, Cavalry	641
Baroda	–	–	–	–	–	–	–	Detachment of Artillery	24
Belgaum	36,246	10,642	–	–	21,239	–	68,127	1 Battery, Artillery 1 Regiment, Infantry	1,071
Bombay (Colaba)	25,211	30,553	–	–	–	–	55,764	3 Batteries, Artillery 3 Companies, Infantry	448
Deesa	2,199	16,140	–	–	16,524	–	34,863	1 Battery, Artillery 1 Regiment, Infantry	951
Deolallee (Rest House for Troops before embarkation).	–	–	–	–	–	194,583	194,583	Detachment, Infantry	20
Hyderabad	4,400	4,616	–	–	–	–	9,016	1 Battery, Artillery 3 Companies, Infantry	416
Kirkee	119,573	41,566	–	–	3,875	–	165,014	3 Batteries, Artillery	436
Kurrachee	–	82,720	–	–	–	–	82,720	1 Battery, Artillery 5 Companies, Infantry	799
Guizree, Sanitarium	–	–	–	–	–	–	–	Artillery and Infantry	52
Poona	78,307	88,679	–	–	1,566	–	168,552	2 Regiments and 2 Companies, Infantry.	2,086
Poorundhur, Sanitarium	3,269	6,263	–	–	–	–	9,532	Detachment, Infantry	17
Sattara	3,941	2,561	–	–	2,516	–	9,018	2 Companies, Infantry	208
Asseerghur	–	–	–	–	–	–	–	1 Company, Infantry	120

* *Note.*—The number of men occupying particular barracks cannot be given at the India Office.

EXPENDITURE since 1862–63, on Barracks now occupied by Troops, &c.—*continued.*

STATION.	AMOUNT OF EXPENDITURE ON							European Force at the Station.*	Number of Men excluding Officers.
	New Sets of Buildings.	Improvement of existing Buildings.	Hill Sanitaria. New Buildings.	Hill Sanitaria. Improvements.	Temporary Accommodation.	Rest Houses.	TOTAL.		
BOMBAY—*cont^d.*	£.	£.	£.	£.	£.	£.	£.		
Neemuch	71,212	6,101	–	–	–	–	77,313	1 Battery, Artillery 3 Companies, Infantry	457
Nusseerabad	120,068	32,752	–	–	–	–	152,820	1 Battery, Artillery 5 Companies, Infantry	698
Indore	3,939	379	–	–	–	–	4,318	1 Company, Infantry	107
Mhow	94,085	175,528	–	–	–	–	269,613	2 Batteries, Artillery 1 Regiment, Cavalry 7 Companies, Infantry	1,506
TOTAL of the BOMBAY ARMY	630,527	639,729	–	55,707	57,561	194,583	1,578,107	–	11,016
TOTAL of Expenditure at occupied Stations £.	2,591,458	1,883,957	222,484	128,413	163,961	256,318	5,246,591	–	60,773
Expenditure at Stations abandoned	747	32,810	–	1,181	3,786	–	38,524	*See* Statement I.	
Expenditure at Places *not* permanently occupied as Stations for European Troops:									
Parisnath	–	–	–	3,333	–	–	3,336		
Shillong	–	–	–	–	4,727	–	4,727		
Ranegunge	–	–	–	–	–	325	325		
Nynee Tal	–	–	–	4,846	–	–	4,846		
Kohat	–	1,726	–	–	–	–	1,726		
Sydun Baolee	–	–	–	–	15,535	–	15,535		
Mohtore	–	–	–	4,711	–	–	4,711		
Khundwah	–	–	–	–	–	48,152	48,152		
Akola	–	–	–	–	–	28,058	28,058		
Seepree	–	–	–	–	778	–	778		
Taraghur	–	–	–	1,161	–	–	1,161		
Kalingur	–	–	–	–	–	851	851		
Arconum	–	–	–	–	–	302	302		
Beypoor	–	–	–	–	–	1,525	1,525		
Errode	–	–	–	–	–	532	532		
Jollerpet	–	–	–	–	–	366	366		
Kumool	–	–	–	–	–	1,262	1,262		
Manderdes	–	1,644	–	–	–	–	1,644		
Seroor	–	600	–	–	–	–	600		
Khundalla	–	–	–	4,798	–	–	4,798		
Teethul	–	–	–	574	–	–	574		
TOTAL	747	36,780	–	20,607	24,826	81,373	164,333		
GRAND TOTAL of Expenditure on Barracks, &c. since 1862–63 £.	2,592,205	1,920,737	222,484	149,020	188,787	337,691	5,410,924		

* *Note.*—The number of men occupying particular barracks cannot be given at the India Office.

Public Works Department, India Office,
21 March 1873.

W. T. Thornton.

Appendix, No. 12.

STATEMENT relating to CANALS in Operation during 1870-71, in the NORTH WEST PROVINCES and the PUNJAB (asked for by the Parliamentary Committee, 13th June 1871, Question 6879).

CANAL.	Length.		Area Irrigated.	Capital Outlay to 31 March 1871.	Maintenance and Repairs, 1870-71.	Direct Receipts, 1870-71.				Indirect Receipts from Increased Land Revenue.	Total Receipts.	REMARKS.
	Main Channels.	Distributaries.				Water.	Navigation.	Miscellaneous.	Total.			
	Miles.	*Miles.*	*Acres.*	£.	£.	£.	£.	£.	£.	£.	£.	
Ganges Canal	654	3,069	766,614	2,427,816	87,725	178,018	3,286	9,733	191,037	25,192	216,229	The Ganges Canal irrigates a portion of the North West Provinces lying between the Ganges and the Jumna; it came into operation in 1855-56.
Eastern Jumna Canal	130	606	212,715	197,332	18,175	54,438	- -	2,199	56,637	15,035	71,672	The Eastern Jumna Canal is the reconstruction of a long-disused Mahomedan work, originally made to water a royal park. New headworks had to be provided, falls and bridges to be built, the greater part of the canal to be dug on a new alignment, and the embankments raised throughout. It flows into the Jumna near Delhi. It was re-opened in 1830.
Doon Canals	67	- -	12,419	54,998	2,469	2,694	- -	1,617	4,311	475	4,786	The Doon Canals are five small works irrigating the valley of the Dehra Doon, at the foot of the Himalayas. Without them there could be no population or cultivation in the Doon at all.
Rohilkhund Canals	151	- -	56,233	53,314	7,420	2,505	- -	198	2,703	3,260	6,201	The Rohilkhund Canals are a number of small badly aligned works, irrigating the district of Bareilly. Projects have been prepared for remodelling and extending them, and in the meantime they are only kept in sufficient repair to meet existing engagements.
Bijnour Canals	32	- -	1,882	6,996	156	215	- -	23	238			The Bijnour Canals are two small works under the charge of the collector of Bijnour. The question of remodelling them is under consideration.
Baree Doab Canal	212	692	279,210	1,260,250	37,797	69,228	81	4,047	73,356	26,143	99,499	The Baree Doab Canal was commenced by the British Government in 1849-50, and portions of it came into operation in 1860-61. It irrigates part of the country between the rivers Ravee and Beas.
Western Jumna Canal	405	259	462,707	276,474	34,950	114,118	571	3,948	118,637	37,256	155,893	The Western Jumna Canal is an old Mahomedan work, re-opened in 1817—20, and in some places re-aligned, by the British Government. The main line rejoins the river near Delhi. Considerable improvements and extensions of some of the branches are under consideration.
Inundation Canals:												
Upper Sutlej	213	- -	77,070	56,455	10,447	5,055	- -	685	5,740	2,791	8,531	Nearly the whole of the Lower Sutlej and Chenab Inundation Canals, and all but 108 miles of the Indus system, were in operation at the annexation of the Punjab. They are distinguished from the perennial canals by supplying water only during the floods of the rivers which feed them.
Lower Sutlej and Chenab	632	- -	202,036	11,150	18,766	68	- -	15,358	15,426	21,330	36,756	
Indus	592	- -	174,342	38,911	8,761	8,505	- -	81	8,586	8,094	16,680	
Shahpoor	- -	- -	2,460	2,061	423	- -	- -	- -	501	- -	501	The Shahpoor Canals are two small inundation canals, taken over as Imperial works from the Local Government in 1870.

Public Works Department, India Office,
20 December 1872.

W. T. Thornton.

Appendix, No. 13.

PAPER handed in by Mr. *Thornton.* Appendix, No. 13.

ABSTRACT of the ESTIMATE of the COST of the HYDRAULIC LIFT DOCK at *Hog Island, Bombay Harbour*, prepared by Mr. *Edwin Clark*, C.E., 28th June 1867.

	£.	s.	d.
Price of materials fitted ready for delivery -	109,261	2	–
Freight and insurance - - - - - -	21,136	15	–
Erection - - - - - - - -	26,321	1	–
Total - - - £.	156,718	18	–

ABSTRACT of the EXPENDITURE actually paid in *England* for the Lift.

	£.	s.	d.
Payments to Messrs. Emmerson and Murgatroyd.	220,782	5	5
Commission to Mr. E. G. Clark - - -	10,750	–	–
Freight (one-third paid in England) - -	7,752	7	–
Sundries - - - - - - - -	360	10	6
Total - - - £.	239,645	2	11
To this must be added,— Freight to be paid in Bombay - - £.	15,504	14	–

And also certain minor expenses not yet paid in England, and some at Bombay, of which there is no record in this country.

NOTE explanatory of the discrepancy between the Estimate and the Actual Cost.

	Excess. £.
(1.) After the estimate framed by Mr. Clark had been received, a contract was made with Messrs. Emmerson and Murgatroyd on the 13th of December 1867, for the supply of all materials for the pontoon and lift in this country, the shipment being undertaken by the Store Department of the India Office. At the rates mentioned in Mr. Clark's estimate, this portion of the work should have cost 109,000 *l.*; the weight of material supplied was, however, in excess of that contained in the estimate, and the payment under this contract was 125,000 *l.* Of the excess, about 10,000 *l.* was due to the plates for the pontoon being made ½-inch thick throughout, instead of ⅜-inch - - - - - - - -	16,000
(2.) Mr. Clark's estimate omitted his own commission - - - -	10,750
Carried forward - - -	26,750

Appendix, No. 13.

	Excess. £.
Brought forward - - -	26,750
(3.) A contract for the erection of the pontoon was made with Messrs. Emmerson and Murgatroyd, on the 2nd of February 1869, but it was found desirable that the cost of erecting the lift should be paid directly by the Government, rather than by a firm which would have charged a very high lump sum for the work. It was eventually agreed that Messrs. Emmerson and Murgatroyd should provide the labour, and charge the actual cost, plus 10 per cent. commission, an arrangement by which Mr. Clark anticipated that only one-half the expense attendant on a contract would be incurred; instead, however, of the original estimate of 26,300 *l.* for erection of the pontoon and lift, the actual expense incurred was 15,750 *l.* for the pontoon, and 69,000 *l.* for the lift, the excess being attributed by Mr. Clark to the high price of labour, to longer time than he had expected being occupied in the erection, and to irregularity in the depth of the site, some columns being sunk in 73 feet of water, and rock having to be removed for others - - - - - - - - - - - -	58,450
(4.) Platform, stagings, and extra materials used in the erection of the lift, not included in Mr. Clark's first estimate, the precise site for the dock not having then been determined - - - -	18,000
(5.) Freight has cost 23,257 *l.*, instead of 21,137 *l.* as estimated - -	2,120
Aggregate of excess thus shown - - - £.	105,320

The actual excess up to the present time, so far as is known, has been 98,430 *l.*

Public Works Department, India Office,
7 July 1873.

W. T. Thornton, Secretary.

Appendix, No. 14.

PAPERS handed in by Sir *Charles Trevelyan.*

MINUTE by Sir *Charles Trevelyan* on a proposed Line of RAILWAY between *Cawnpoor* and *Lucknow*, dated Calcutta, the 18th February 1863.

CAWNPOOR AND LUCKNOW LINE.

MR. WILSON has proposed, in behalf of the Indian Light Railway Company, to construct a line from Cawnpoor *viâ* Lucknow to Byram Ghât, or some neighbouring point on the Gogra, without constructing a bridge over the Ganges at Cawnpoor, and it has been determined to refer the proposal for the decision of the Secretary of State. It therefore becomes my duty to record my opinion on this important subject.

As the object for which the credit and resources of the State have, by an abnormal arrangement, been pledged to a very large amount to the East Indian Railway, was to obtain a firm, military, and political hold upon the Great Gangetic Valley, it is an essential part of the plan of that railway that it should be connected with Lucknow by a bridge over the Ganges and a solidly-constructed branch, so that trains may pass into Lucknow at full speed either from Calcutta and Allahabad on one side, or from Meerut and Umbala and the other great military stations in the north-west on the other, and that Lucknow should be the Terminus from which the subsidiary system of railways for Oudh should take its start.

This object cannot be secured otherwise than through the agency of the East Indian Railway. This company alone is capable of building a bridge over the Ganges at Cawnpoor, which is an integral part of the work; and there must be only one line of railway and one management, in order that the rolling-stock which circulates through the rest of the Gangetic Valley may freely pass in and out of Lucknow.

The short railway (about 40 miles) between the bank of the Ganges opposite Cawnpoor and Lucknow is perhaps the most lucrative in India. There are no engineering difficulties; and the entire traffic of the great city of Lucknow, and of the rich and populous country connected with it, must, for years to come, pass that way. This small section is therefore eagerly coveted by railway companies; but it must be taken in connection with the construction of a bridge over the Ganges at Cawnpoor, which, as I said, is an essential part of the work. To give it to a railway company which would not also undertake to build the bridge, would throw away this rich resource, and postpone for an indefinite period the construction of the bridge. On the other hand, if both bridge and road are confided to the East Indian Railway Company, the profits upon the one will balance the loss upon the other, and the bridge may be at once commenced.

In my opinion, therefore, the East Indian Railway Company should be asked whether they will undertake the work. Their reply probably will be that they will if they can have a guarantee. I am as strongly opposed to such guarantees as anybody can be, but in this instance I do not care whether there is a guarantee or not, partly because the political and military considerations involved completely overpower any objection that can be raised on this ground, and partly because I am persuaded that the early construction of the Cawnpoor Bridge and Lucknow Branch will be advantageous even in a strictly financial point of view, and will lighten, instead of increasing, our burden.

Delhi must be regarded in the same point of view as Lucknow. Although it will not now be on the main line of the Gangetic and Punjab Railway, this city ought to be bound up in the closest possible union with the rest of our system, and, like Lucknow, it will be the starting point for a fresh system of railways across Rajputana, Hurriana, and the protected Sikh States, which is a region singularly suited for the construction of cheap railways. It is also traversed by a trade of first-rate importance between the dry countries which produce cotton and salt, and the rich Gangetic Provinces with their sugar and tobacco and other tropical produce; and, by the introduction of simply-constructed, inexpensive railways, this trade would be at once increased, and drawn into particular channels greatly to the advantage of the Customs Revenue. The remarkable effect of the opening of the

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Madras Railway upon the salt trade of the south of India indicates what may be expected from the creation of such new facilities to commerce.

The short Delhi and Lucknow Sections are therefore not properly branches, but integral portions of the main line leading to termini of first-rate importance, and any proposal which would impair the efficiency of these connecting links is strongly to be deprecated.

EXTRACT from a MINUTE, 4th December 1863, on the proposed OUDH and ROHILKHUND LINES of RAILWAY.

THE question on which the Governor General has consulted us, includes two main points,—1st, What kind of Railways it will be advisable to assist, and 2nd, what assistance should be given to them.

The official position is as follows:—

This Government has offered to concede to the Indian Branch Railway Company two lines branching off from the East Indian Railway, one from Cawnpoor to Lucknow, and the other from Khoorja to Moradabad, and to give a grant-in-aid for 20 years, of 100 *l.* per annum per mile of opened railway of the standard gauge.

The Branch Railway Company objects to being precluded from the narrow gauge; urges that the terms offered are insufficient if the standard gauge is to be adopted; and claims the concession of a "longitudinal line," leaving the East Indian Railway at Buxar, between the Gogra and the Goomtee, and extending through the provinces of Benares, Oudh, and Rohilkhund, till it rejoins the East Indian Railway near where the Ganges and Jumna issue from the Himalayas.

What is now proposed is to pay to the Company 100 *l.* per annum for 20 years for every mile of railway of the standard gauge open for traffic, and a suitable sum, in proportion for a narrow gauge line; to pay at the same rate on each 10,000 *l.* of the cost of any bridge the estimated cost of which shall exceed 10,000 *l.*; to pay half subsidy on mileage and bridges under construction, to be reckoned in part payment of the annuity for 20 years; and the Government to have the power of requiring either that the railway shall be originally constructed on the standard gauge, or, if it shall have been constructed on a narrow gauge, that it shall at any time be converted into the standard gauge.

I have always been of opinion that a fallacy is involved in the idea of light railways. The railway experience of England is greater than that of any other country. For many years after our railway system commenced, there was a constant craving after a cheaper kind of railway. Project after project appeared for the formation of light railways or tramways, but they were all dropped. Atmospheric and other eccentric forms of railway were attempted; but, however specious the light railway principle might be, there was something in it which always led to its being abandoned on close examination, and it never arrived even at the dignity of an experiment. Cheap agricultural railways are now being made in various parts of the country, but they are all solid, full-gauged railways, quite capable of bearing the rolling stock of the main lines with which they are connected, and their cheapness arises only from their being single lines; from the landed proprietors asking moderate rates for their land, because they are convinced of the advantage to them of the railways; and from the Parliamentary expenses having been reduced to a mere trifle.

Experience is so much better than theory, that I will not waste time in endeavouring to account for these results. The fact seems to be that a metalled road is a cheap medium of communication, and so also is a solidly constructed railway, but that a railway which is constructed in such a manner that it will not admit of the full application of the power of steam, is not an economical medium.

The practical difficulties in the way of converting a narrow gauge, into a full gauge, railway are so great, that I look upon the power which it is proposed to reserve to the Government of ordering such a conversion, to be entirely illusory. Earthwork, bridges, rails, rolling stock, all have to be constructed on a different scale for a narrow, and a medium, gauge; and, as observed by the honourable the President, in the event of conversion, a small section of the earthwork and ballast, and some buildings, would be all that would be saved.

The "longitudinal" line, of which the Indian Branch Railway Company desires the concession, is no branch, but a main line, more than 500 miles long, passing through some of the richest and best populated provinces of the Empire. Even the branches to Cawnpoor and Khoorja, connecting this line with the East Indian, are so important, that the Government very properly stipulated that they should be laid on the standard gauge. The commonest foresight, therefore, requires that the main line, as well as these branches, should be laid on the standard gauge; and if the Branch Railway Company obtains the concession, it must change its name and concentrate its efforts on the construction of an entire system, main line and branches, on the splendid field which will be placed at its disposal. The Indian standard gauge is five feet six inches. The gauge fixed upon by a Government commission for the Irish railways, as the smallest which could with advantage be adopted, was five feet three inches.

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EXTRACT from MINUTE, 21st September 1863, on a proposed BRANCH from the MUTLA RAILWAY.

ANOTHER important feature in the plan is, that it is proposed to construct the extension with a much lighter rail than has been adopted on the main line. I have already expressed my opinion that a fallacy is involved in the proposal to have light railways, and that the advantage of the railway system is very imperfectly obtained, if the line is not constructed with sufficient solidity to allow of the application of the full power of steam to it. The expediency of this is still more obvious when the railway is a branch of a main line which has been solidly constructed; and if this railway is to be looked to for the means of facilitating the communication between Calcutta and the lower stations on the Hooghly, this condition must be insisted upon.

EXTRACT from a further MINUTE, dated 4th November 1863, on the OUDH and ROHILKHUND LINES.

I ALSO think it right to call attention to the passage quoted by the Chairman from a letter of Mr. Wilson's, from which it appears still to be his intention to make the Oudh and Rohilkhund line a thoroughly light line. His expression is, "The only effect of the increase of the gauge upon us will be to lengthen our axles as regards the vehicles, which will in no other respect be changed, either in dimension or weight," and so on. He also says, "It is distinctly understood that the main line engines are not to come over our lines." This would, of course, greatly detract from the advantage of the railway. As remarked in my Minute, dated the 18th of February last,* the primary object of our railway system in the north of India is to obtain a firm military and political hold upon the Great Gangetic Valley, for which purpose it is necessary that our trains should pass into Lucknow at full speed, either from Calcutta and Allahabad, on one side, or from Meerut and Umballa and the other great military stations in the north-west, on the other.

LETTER from Major *De Bourbel*, R.E., to Sir *Charles Trevelyan*.

My dear Sir Charles Trevelyan, Nynee Tal, 9 November 1863.

I HAVE not written an official report on the Nulhattee experimental railway, as it is under the control of the Government of Bengal, and therefore out of my beat; and further, the line is so near completion that I was unwilling to say anything which might prejudice the undertaking at first starting.

I thought it would be best to let the experiment work itself out fairly, and to let the result show whether a light railway of this sort is a profitable concern.

I formed so low an opinion of its capabilities on the occasion of my visit there, that I have strongly advised the Government of the North-West Provinces not to commit itself to the introduction of this kind of light railway in its territory, until we know positively whether the Nulhattee line can be made to answer. The present structure of permanent way, rolling stock, stations, electric telegraph, &c., is so slight, that I do not believe in their being able to stand heavy work. The structure can, of course, be amended in form; but increase of strength means an increase of expense, which is not compatible with the assumed cost of these light railways, 4,000 *l.* per mile, and this, besides, would alter the character of the railway.

Railways can either be made permanent or temporary; the former method should always be employed where there may be a prospect of sufficient constant traffic between two fixed points to make the work pay; the latter mode of construction is admissible only in new countries, like the western portion of the United States, where, at the outset, the position of the towns and villages was undetermined, the direction of the channels of trade in future uncertain, and it could not be foreseen what deviations in the course of a railway might hereafter become necessary.

Permanent railways, though more costly in the first instance, are, no doubt, in the end, cheaper than temporary railways, which do not last, and have to be renewed at intervals, and which eventually are probably replaced by permanent works. The history of American railways teaches us this, and should be a warning to the public not to engage their capital in enterprises of this nature. It should be noted, however, that railways of any kind, whether permanent or temporary, are sure to benefit and improve the country at large, by giving a general stimulus to trade and industry, and, in a country where capital is scarce, it is better, perhaps, to begin with temporary railways of an inexpensive kind than to have none at all. The shareholders, though they may at first reap some profit, must, of course in the end suffer; but the country is a gainer at large, and as it increases in wealth, more money will be found to prosecute the works on a more permanent footing.

I look upon the light railways now being started in India, as temporary railways, for it will be impossible to do more with 4,000 *l.* per mile, their estimated cost. Any idea of attaining

* *See* page 663.

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attaining durability at this price is a delusion. In an old and settled country like this, with fixed channels of trade, and with English capital at command, there is no need to have temporary railways, unless it be in an experimental or tentative way in those provinces which are as yet thinly populated, hardly cultivated, and as yet but imperfectly known.

Permanent railways, again, are of two kinds, low speed and high speed. If made in a thorough manner, the former may be expected to cost in this country from 8,000 *l.* to 10,000 *l.* per mile, and the latter from 13,000 *l.* per mile and upwards.

In England, we commenced with low speed railways, having rails of 35 lbs. to the yard, engines of 7½ to 15 tons weight, carriages of three tons weight, and with trains of 52 tons load. (This is more or less the equipment intended for the Nulhattee line, only 4,000 *l.* per mile is too cheap for the work to be durable.)

As the traffic increased, greater speed and more power became necessary, and gradually high speed railways were attained, with rails of from 70 to 85 lbs. per yard, engines of 45 to 60 tons weight, carriages of 5 tons, and trains of 200 tons load.

It seems to me, therefore, that the amount of traffic which may be expected upon any line should govern the character of the permanent railway to be adopted. Taking the branch railways proposed in Oudh and Rohilkhund as a case in point, I would suggest the permanent way and rolling-stock being made sufficiently strong to stand moderate speed, viz., rails about 65 lbs. to the yard, engines of 35 tons, &c. With the small traffic at first expected,* trains might run at low speed; as the traffic increased, the speed might, as required, be raised to a maximum of 30 miles an hour; this would, I think, suffice for all practical purposes; such a railway could not, however, be made in this country for less than 11,000 *l.* per mile, and in no sense could it be called a light railway.

I trust that you will forgive the freedom of my remarks on this subject, and if there be any point on which you may wish for more information, I shall be glad to furnish it if I can.

Believe me, &c.

R. de Bourbel.

P.S.—The above remarks apply to locomotive railways only, and not to cattle tramways. I think that the latter would be preferable to any locomotive temporary, or light, railway in a new country, if the prospect of traffic be not good enough to warrant the construction of a permanent railway.

MINUTE on RAILWAYS for RAJPUTANA and CENTRAL INDIA, 14th January 1864.

I ENTIRELY agree that we should pause and review our position before we commit ourselves to any engagement in reference to railways in Central India.

The great central region of Rajputana and Malwa has been embraced by the arms of the Great Indian Peninsula, the Bombay and Baroda, and the East Indian Railways; and there is a pressure from various quarters for carrying extensions into it.

The Bombay and Baroda Railway contemplates two lines, one from Baroda to Indore, and the other, in extension of the Baroda and Ahmedabad line, by Deesa, Oodeypoor, Ajmeer, and Jeypoor to Agra.

The Great Indian Peninsula Railway is arranging for the construction of a branch from Asseergurh to Indore, with the intention of carrying it on by Gwalior to Agra.

In the north-west several projects are under consideration for the construction of railways for the accommodation of the great existing trade between the Valley of the Ganges, with its rich "colonial produce," and the dry, salt and grain-producing country of Rajputana.

The opinion at Agra is that the best line for their section of the frontier will be from Chandósee, a large mart on the eastern side of the Ganges which collects the trade of the Bareilly and Moradabad districts, *viâ* Alygurh, Muttra, and Bhurtpoor, to Jeypoor.

At Delhi, efforts have been made to get up a company for laying a rail to Bewanee, a mart on the Hansi and Bikaneer frontier; but the trade with Bewanee is not to be compared with that between Delhi and Jeypoor and the countries beyond.

From Jeypoor the line ought, of course, to be extended to Ajmeer and the Sambhur Salt Lake.

In short, we have to consider the wants and circumstances of the central region of India, which has as yet been unprovided with any system of railways.

In every point of view, political, military, commercial, and financial, it is very desirable that such a system should be carefully arranged without unnecessary delay. Every friend of civilisation will also desire it as the most effectual means of carrying the light of knowledge into those benighted regions.

The facilities are unusually great. Throughout the largest part of this region, the engineering difficulties are at a minimum. There are no great rivers, and the rails may be laid

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* Owing to the great existing trade between the Gangetic Valley, with its rich productions of rice, sugar, tobacco, &c., and the dry, grain and salt-producing region of Rajputana and Central India, and to other causes, there are hardly any railways in India on which a larger traffic may be expected from the first, than on these cross lines between Cawnpoor and Lucknow, and between Shahjehanpoor and Moradabad and the nearest points of the East Indian Railway. *C. E. T.*

laid on the dry sandy soil, as they have been between Suez and Cairo. Like the rest of India, it is a country of towns and villages, with a people given to locomotion; and there are many populous and rich places, especially towards the south. But the main fact is, that there is a great existing trade between this central region, and the Valley of the Ganges on one side, and Bombay and Baroda on the other. This trade, even in its actual state, is sufficient in several directions to support a first-class railway; and its further development will, of course, be greatly promoted by the introduction of railways. The extent of this trade must not be judged by the poverty of the soil in the northern part of the region. This is one of many illustrations that trade does not depend so much upon actual produce as upon diversity of production. Appendix, No. 14.

The peculiarity of this Central Province of the continent of India is, that it is almost entirely occupied by Native States. This will render special arrangements necessary to secure the requisite grants of land, and exemption from, or the consolidation of, the transit duties, which most of the States still collect. More assistance than this is not to be expected from these Native States; nor in fact is it desirable, for if the Native States were partners in the undertaking, they would expect to be so also in the management.

There will be no difficulty in determining what lines of rails it will be advisable to construct, and in what order they ought to be constructed.

The point which immediately presses for consideration is of a different kind. It would be extremely difficult to preserve harmony of action among so many different railway companies; and there is also great awkwardness in a guaranteed trunk line constructing and working an unguaranteed branch. For these and other reasons, it would be desirable that a separate Rajputana and Central India Railway Company should be formed from among the shareholders of the three existing companies. Those companies are deeply concerned in the bridging of the great intervening space by a well-considered system of railways; and if they were all represented in the management, it would be likely to be done in a manner consistent with the interests of all.

Although the new lines will act as branches in reference to the existing railways, they will be trunk lines for other extensive regions, and they ought to be made, from the first, in a substantial manner, on the supposition of their having a full traffic.

I will not enter upon the question of State subvention. This must depend on the lines which it may be determined to construct after a general consideration of the whole subject. My belief is, that, if the lines are properly chosen, and economically constructed, the greater part, if not the whole, of them will, from the first, be self-supporting. The capacity of India for supporting railways has been altogether underrated. The very vastness of the country induces traffic by a sort of geometrical progression, owing to the large number of people who have, from various quarters, to pass through any given central point. This circumstance has special force in reference to Central India, which, geographically, is the heart of the whole continent.

The proceedings on this subject should be reported, without delay, to the Secretary of State.

MADRAS MILITARY EXPENDITURE.

MINUTE by the Honourable Sir *C. E. Trevelyan*, K.C.B., Member of the Council of the Governor General, 17 December 1863.

THE Governor General remarks that this subject has been nine months under consideration, and that the result seems rather meagre. The Papers were seen by me for the first time yesterday.

The changes which it will be necessary to make in the public establishments, in consequence of the general increase in the expense of living and the rates of wages, have constantly occupied my attention since my return to India. The subject has come before me in a variety of ways, and I am prepared to give a confident opinion on it.

The Madras Native Army cannot be dealt with as an exceptional case. Prices and wages are even higher in the Bombay Presidency than they are at Madras, and the causes which have produced these results in the south and west of India are rapidly making themselves felt throughout the north.

In whatever form assistance may be given to the Madras Native Army, whether by direct increase of pay, or by indirect allowances calculated according to the price of food, the notoriety of the concession cannot fail to bring upon us a pressure from various other quarters.

I entirely agree with the Madras Government that, of the two modes, the direct one is the best. We must give as much, according to the indirect, as according to the direct, method; and the former has the great additional disadvantage of being wasteful in its mode of application. Whether the allowance be given in kind, as it is on the western coast of the Madras Presidency, or in money with reference to prevailing market rates, there is great opening for uncertainty and fraud.

This mode of paying native troops is also prolific of perpetual irritation, owing to the variety of questions it raises between the troops and the Government, and is, therefore,

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very inferior to the ordinary method of giving a fixed rate of pay, leaving the soldier to provide for himself.

We must face this question as a general question for the whole of India, and we ought, therefore, to deal with it according to general principles. The case of the Madras Native Army has to be dealt with first, as the most pressing, but it ought to be settled on general principles which will be equally applicable to the rest of India.

If we merely increased the pay of the existing establishments in proportion to the increase in the expense of living, the Exchequer would soon be bankrupt. The true principle is, that increase of pay should be coincident with reduction of numbers. This would, in itself, be a great administrative improvement. The state of most of our subordinate native establishments, civil as well as military, is that we have more servants than are wanted for the work; that they are ill paid; do their work badly; and make up for the deficiency of their pay by obtaining assistance, in an indirect and often very oppressive manner, either from the Government or the people. Our maxim ought to be, "Few, but well worked and well paid." Pains would also then be taken to simplify the work and get rid of unnecessary processes. One of the bad consequences of having had an unlimited command of labour has been a general indifference to the adoption of methods of abbreviating and expediting the work, to which so much attention has been paid of late years in England.

In the beginning of 1860, Sir Patrick Grant and myself recommended to the Supreme Government that the 52 regiments of the Madras Native Army should be reduced to 40; but the reduction actually made was only to 44.

Since that recommendation was made, the Madras Native Infantry Regiments employed in Burmah and the Straits have been reduced from 14 to 6, and native troops have been liberated to the extent of at least 8,000 men, by the substitution of the organised civil police for the numerous detachments by which the Madras Native Army was formerly frittered away.

The reasons for the reductions recommended by Sir Patrick Grant and myself are now stronger than ever. We have more Madras Native Infantry Regiments than we well know what to do with. Regiments are kept at places where they are not wanted, merely because they must be stationed somewhere. The geographical character of the Madras Presidency, narrowing to a point, with two long seaboards, makes it easily capable of military control, and the facilities have lately been much increased by railways. All that is really necessary is a strong central force at Bangalore, with a few outposts. The people are among the most peaceably disposed and easily governed in Her Majesty's dominions. They have not seen war for two or three generations, and have forgotten the use of arms.

Forty well paid and contented regiments would be a far more reliable and effective force than 44 half-starved regiments.

Forty *good* regiments will be more than enough for the work which the Madras Army has to do under present circumstances. They will also furnish a disposable force, in time of need, either for foreign service, or to take the place of other regiments ordered on foreign service.

I am not afraid of the Sepoys unduly stinting themselves for the sake of their families, or for any other cause, when their pay is made sufficient. They did not do so in former years. The case of foreign service is exceptive. The Madras Sepoy is eminently a family man. He frets about his family when he is absent from them, and makes large remittances in their favour, but they live cheaply and happily when they are together.

For these reasons, I cannot agree with the letter which it has been determined to send to the Madras Government, proposing to grant relief, in the shape of compensation for dearness of provisions, to the existing force of the Madras Native Army, or with Sir R. Napier's note of the 11th instant, upon which it is founded, and I request that this Minute may be recorded as expressing my dissent, and that it may be forwarded, as such, to the Secretary of State.

The proper way of dealing with the subject, in my opinion, will be to reduce four more regiments, and to increase the pay of the rest.

In 1837 a pension of four rupees a month was conceded to the Madras Sepoys after 15 years' service, in the event of their being invalided. This has worked badly by creating a tendency on the part of the Sepoys to become non-effective, in order that they may retire and earn the present high rate of wages, in addition to their pension, and by unduly burdening the pension list. If a graduated scale of pay, increasing according to length of service up to 21 years, were given, as recommended, a corrective would be provided against premature removal to the pension list and the saving in the pension list would go far to compensate the additional outlay from the increased rates of pay.

The Madras Government propose that this increase of pay should be given without making any alteration in the other advantages, such as batta, rice money, hutting money, rations, and pensions, which the Native Army now enjoy. Colonel M'Goun, the Military Controller, admits that "the occasion was a tempting one for converting the compensation for rice into a fixed money payment, but there were obstacles to this very desirable measure, and hence it has been considered expedient to leave it untouched, at all events for the present."

I agree that no alteration should be made in the other advantages enjoyed by the Sepoys; but if compensation were also given according to the price of grain, the State would have to pay twice over, once in the shape of increased rates of pay, and again in the shape of compensation; and, as the price of grain is continually rising, the charge might become extremely serious. This point will require careful attention.

Calcutta, 17 December 1863. *C. E. Trevelyan.*

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PUNJAB FRONTIER POLICY.

MINUTE by the Honourable Sir *C. E. Trevelyan*, K.C.B., Member of the Council of the Governor General, 25th January 1864.

I RECENTLY expressed my intention of recording a few observations on the subject of our Punjab Frontier policy.

Even in a purely financial point of view, the matter is of vital importance. If our military force were frequently employed, as it has lately been,* twice our present army would be insufficient. As it is, the Commander in Chief has based upon what has taken place, a proposal for increasing the strength of all the Native regiments in Northern India.

Two opposite lines of policy have been followed at different times and places in India, in reference to warlike Hill tribes.

The first of these is mainly founded upon the principle of not unnecessarily molesting such tribes, of encouraging them to enter upon industrial pursuits, and, generally, of making it their interest to be quiet. Cleveland's successful exertions in the Bhaugulpore and Rajmahall hills, and Outram's pacification of the Bheels in Western India, are instances in point.

A remarkable example of the opposite treatment was deeply impressed upon my mind early in my public service. The country between Oodeypoor and Guzerat is occupied by semi-barbarous tribes of Rajputs and others, who had been accustomed, from time immemorial, to make occasional raids into the plains. As regularly as the cold weather came round, the troops from the neighbouring Bengal and Bombay stations were, for several successive years, assembled to punish these people. Villages were burnt, cattle were harried, but it was found that the more this was done, the more lawless and predatory the people became. What before was an agreeable and profitable pastime, became a dire necessity. Upon this state of things, Lord Metcalfe wrote one of his masterly Despatches exposing the extreme impolicy of this course of proceeding. The calling out of the troops was stopped, and we have heard no more of these people or their depredations. The recent military operations in the Jynteah hills is another case in point. If, instead of attempting to introduce the income tax, we had left these people to the enjoyment of their virtual independence, we should have been saved this bloodshed and expense.

These considerations apply with augmented force to the Punjab Frontier. The people there are extremely warlike. The line of distinction between the hills and the plains is well marked. On the plains, where our horse artillery and cavalry are able to act, we have it all our own way. In the mountains, even a large and expensively equipped force may be unable to make a serious impression, as we have recently experienced to our cost. Although warlike, the people are inclined to industry and commerce; and the great demand for the supply of our cantonments, and the opening of the roads to trade, give us unusual facilities for indulging them in this disposition. If the present high prices could, by the improvement of the communications, be brought fully to bear upon these mountain tracts, they would be the best pacificator of all.

It is unreasonable to expect that there should be an entire exemption from outrage in that quarter. If the frontier were thrown back, we should only be brought into connection with wilder and more warlike tribes, and our line of communication would be more difficult to maintain. It is a "highland" and "border" line, and we must lay our account for the occurrence of occasional outrages. We should, as far as possible, prevent them, and when they occur, we should punish them as we best can. I am as strong an advocate as anybody can be for an active state of preparation, and I freely admit that it may be necessary at times to take decisive measures of coercion. What I contend for is that conciliation and mutual interest should be the primary principle of our policy, and that the resources of this policy should be exhausted before we have recourse to other means. I also think that when military force has to be applied, it should be done only in proportion to the occasion, and that operations which are intended for punishment, should not be conducted as if subjugation were the real object.

The policy I advocate has, I know, been acted upon to a considerable extent on this frontier. In the Derajat, where there are available waste lands, portions of the Hill tribes have been encouraged to settle on the plains, and they have thereby become guarantees for the peaceable conduct of their brethren who have remained in the hills. If the same policy were applied throughout, according to the varying circumstances of the different sections of the frontier, and if the military force were held in reserve as an extreme remedy in case of need, there would be nothing left to be desired. The greatest of crimes is an unnecessary war, and this applies as much to the Punjab Frontier as to any other.

I also think that the liability to military operations on this frontier is increased by the circumstance that the civil Government of the Punjab is invested with a military character, by having a force permanently placed at its separate disposal, irrespective of the ordinary military authorities; but as the rectification of this would involve further changes which this is not the place to discuss, I shall content myself with this indication of my opinion.

Calcutta, 25 January 1864. *C. E. Trevelyan.*

* This refers to the Ambeyla campaign.

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REDUCTION OF MILITARY FORCE.

MINUTE by the Honourable Sir *C. E. Trevelyan*, K.C.B., dated 22 July 1864.

I TAKE the same view of this important subject as the Governor General.

India is passing through a social change, the bearing of which upon the finances requires the most attentive consideration.

Owing to the great and general rise in prices and wages, and to the demand for improvements in every branch of administration, the public expenditure is rapidly increasing. The expense of collecting and assessing the land revenue has risen from 2,030,489 *l.* in 1861–62 to 2,611,350 *l.* in the present year. Public Works, from 4,742,183 *l.* to 5,358,730 *l.*; Law and Justice, from 1,951,217 *l.* to 2,354,311 *l.*; Police, from 2,163,163 *l.* to 2,358,540 *l.*; and Education, from 342,593 *l.* to 561,175 *l.*, being a total increase in these five departments only of upwards of 2,000,000 *l.* in three years.

Even this rate of increase is likely to be exceeded in future. The necessity for increasing the pay of the subordinate establishments of the Western Presidency has only just declared itself, and we have only lately become fully aware of the extent of the prospective demands upon us connected with the army. The liberal additions to the pay and retiring allowances of military and medical officers arising out of the amalgamation of the army will entail a heavy expense for some years to come. Large boons have been conferred upon the European troops in extra clothing and improved rations, and still larger upon the native troops in increased pay to native officers, accelerated good conduct pay to native soldiers, and more liberal rates of compensation for dearness of provisions; and, behind all this, is the heavy additional charge upon the whole of the commissariat and ordnance expenditure, arising from the general increase of prices.

The permanent branches of revenue are, no doubt, steadily improving, but this ground of confidence is much shaken by the anxious and precarious state of the opium revenue. A new feature has been developed in the bearing of the general rise in agricultural wages and profits upon this branch of revenue. The cost of production has increased from 1,449,465 *l.* in 1861–62, to an estimated amount of 2,254,161 *l.* in 1864–65; and it appears from information which has been lately received, that a further amount of 477,100 *l.* will be required. Therefore, whatever may be the gross annual amount of the opium revenue, which is itself extremely uncertain, it must be taken subject to an additional dimunition of 1,281,000 *l.* for increased cost of production. I will not enter further upon this subject at present, because I shall shortly have to submit my opinion upon it in detail.

After all the discussion that has taken place about new direct taxation, it can hardly be necessary to enter again upon the question. I entirely agree with my predecessor, that "the faith of the Government is morally pledged not to continue the income tax beyond the period of five years, for which it has been imposed, unless absolutely necessary;" and I am of opinion that the establishment of confidence between Government and people, and the successful progress of our future administration depend more upon this faith being kept than upon anything else. A license tax upon trades and professions is a modified income tax, and we had better renew the income tax outright on the ground of necessity, if such necessity exists, than keep the word of promise to the ear and break it to the hope by the substitution of a license tax for the income tax. Moreover, a license tax, as an Imperial tax, would be very unequal, vexatious, unproductive, and expensive to collect. On these grounds Lord Canning shrunk from enforcing it after it had been enacted at a time when the finances were supposed to be in a very uncertain state. It is suited only for municipal taxation, where people know each other's means, and willingly contribute to objects in which they are immediately interested.

The inequality of taxation between the rural and town population is not so great as his Excellency the Commander in Chief supposes; for the land revenue, which the agriculturists pay, is what neither they nor their ancestors ever enjoyed. It is the Government share of the produce, the *hákimí hissa*. The Government is, in fact, joint proprietor with the agriculturist; and, as this hákimí hissa has been reduced of late years from half, or one-third, of the gross produce, to half of the net produce or rent, the ryot is more than ever exempted from taxation in those provinces where middle men have not been interpolated between the Government and the peasant proprietor. There is, however, an opposite side of this question, which has taken firm possession of the public mind both in England and India; and it is proposed, simultaneously with the abolition of the income tax, to charge the inhabitants of towns with the cost of their police, which will be a relief to the Exchequer to the extent of about 500,000 *l.*, and will be combined with the firm establishment in India of the municipal system, a measure pregnant with advantages of various kinds.

In the main, therefore, we must look to reduction of expenditure, rather than to increase of taxation, in order to meet the coming exigency. The change of circumstances, which involves increased expenditure in one direction, allows of a reduction of it in another. We must compensate enhanced cost by improved administration. No exertion is spared to reduce expenditure in the civil departments. The new police establishment in every part of India has been under revision for two years past, and large savings have been made, while others are still in progress. Steps have been taken to balance the increase in the expense of collecting and assessing the land revenue by diminishing the number of subordinate treasuries and by other arrangements. The large annual charge for allowances to district and village officers is to be revised. The costly marine establishments are in course of reduction. The dockyard at Calcutta and the ordnance manufactory at Cossipore are under inquiry

inquiry. The account and audit system of the department of Public Works has been thoroughly reviewed, and placed upon what is believed to be a satisfactory footing. The general system of account and audit is now occupying the anxious attention of two commissioners from England, in conjunction with the ablest financial officers of this Government. The annual charge for interest has been reduced by 500,000 *l.*, and exertions are being made to concentrate and economise the cash balances, in order to render a further amount available for the payment of debt.

But here, as in England, France, and most other countries, the only important savings that can be made are in the military expenditure. The cost of the Indian Army, here and at home, is about one-third of the whole of our expenditure. The cost of the army is also rapidly on the increase, owing to causes which have been explained, and it is necessary to place limits upon this branch of expenditure in pure self-defence. If the State does not control the military expenditure, the military expenditure will overpower the State. I do not hope for any considerable diminution of the charge for the Army; my expectations are limited to preventing its undue growth, and to keeping it as nearly as possible to the standard of 12,000,000 *l.* expenditure in India, besides the home military charges, amounting to more than 2,100,000 *l.*, which cannot be reduced.

During the rise of our power in India, great armies were maintained by us to balance large organised native forces, kept on foot in the interior of India by Runjit Singh, Scindia, Holkar, Nagpore, &c. These native armies have now ceased to exist, with the exception of Scindia's, which has been placed under strict limitation. The Native States were particularly strong in artillery. On this essential point we have now a complete predominance. Such, indeed, is the absence of any artillery force capable of making head against ours, that I believe we have heaped up military means in this arm much beyond what is called for by reasonable precaution.

On our frontier, the only two Native States which could furnish any ground of alarm are Affghanistan and Nepaul. But it is notorious that, however formidable these powers may be in their mountains, they cannot attempt to stand before our regular infantry, cavalry, and artillery, in the plains. Dost Mahomed, within my memory, proclaimed a jihád,* and came down upon the Sikh force at Peshawur with all the strength of his kingdom, but he was worsted in the fight which ensued. The last time the Affghans met us in arms, their best cavalry fled before a British detachment from Gujerat to Khaibar. When the Nepaul Brigade was called to our assistance during the Mutiny, their capacity for conducting civilised modern warfare on the plains was seen to be below contempt. Of course, if we unnecessarily thrust ourselves into the mountains, as we did at Ambeyla, we shall suffer for it; but we may hope that this mistake will not be repeated in our time. Even in their best and strongest days, the Native States, whether in the hills or plains, were incapable of combination, and it is not likely that they will display a new capacity in this respect now that they are reduced in power, contracted in limits, and, for the most part, widely separated. If the Native States could ever have been tempted to turn against us, it would have been during the Mutiny. Instead of this, we saw the unexpected and happy result that these States, having so much to lose, were more to be relied on even than our own subjects.

Our military position is also greatly improved in another respect. The ultimate object of the European Army is to control the Native Force which we must maintain in certain proportion. The native, so completely outnumbered the European, element in our army, as to tempt the native troops to rise in mutiny. This state of things has now been reversed. The Native Force has been reduced within safe limits, and it has been disarmed against ourselves by being almost entirely deprived of artillery and arms of precision. Not only does our military force preponderate, beyond all comparison with former times, over anything that can be opposed to it, but this force can now be relied upon. Our greatest danger formerly was our military force itself. Now we have reason to hope that it is only a cause of safety.

The Commander in Chief expresses doubts of the fidelity of the new police, and observes that, contrary to the principle on which it was intended that this force should be based, an undue degree of homogeneity has been given to it. Having assisted in the formation of this force and in its subsequent revision, I venture to express an opinion which does not accord with his Excellency's view. The new police is strictly local both in its composition and organisation. The men are engaged in each district for the service of the district. As far as possible, they are inhabitants of the district in which they serve, and, at any rate, they have no personal connection with the police of any other district. There are, no doubt, certain general principles of police management which are common to all countries, and in this sense only the police are homogeneous. But the application of these general principles, through the addition of the important element of European supervision, was the main object of the change. I am persuaded that these local district forces, scattered over wide areas within each district, under their respective European officers, supported by well-paid, trusty, European, East Indian, and native subordinates, will be found, when the day of trial comes, far more reliable than the old native troops or police. If the whole population turns against us, the police will be absorbed in the general vortex, but I have no fear of their separately opposing us.

It remains to be considered how we stand towards our own subjects, compared with former times. As long as foreigners rule in India, there will never cease to be hostile scheming and speculation; and the people of India are so credulous and susceptible that

* Religious war.

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there will ever be a periodical renewal of sensational rumours. But there is a vast interval between speculation and action. The people have been disarmed through the whole length and breadth of Northern India. In Southern India, they have not seen war for several generations, and the population has become so completely unaccustomed to the use of arms that there is no part of Her Majesty's dominions where, with ordinary good government, the public tranquillity is so completely to be relied upon. Even the native military force there has acquired a civil character. A strong division at Bangalore, with moderate garrisons at Madras, Trichinopoly, and Cannanore, would control the whole southern portion of the Peninsula. The Hyderabad country is sufficiently garrisoned by the strong force at Secunderabad, with its reserve, already connected in great part by rail, at Poonah.

The present military establishment was fixed about four years ago, and it was then laid down that it was to be open to revision as soon as the then existing circumstances had been altered by the progress of railways and other improvements. Since that, the railway has been completed nearly through the full extent of the great Gangetic valley. In the South of India, it has been opened from Madras to the opposite coast, with a branch nearly completed to Bangalore, and another to Cuddapah; and, still further south, the interior has been tapped from the port of Negapatam to Trichinopoly. From Bombay, the Deccan has been deeply penetrated in two directions, and another line has been opened to Surat, Baroda, and Ahmedabad, with an extension about to be carried on to Deesa.

But the great change which has taken place since 1860–61, is that, owing to circumstances which could not then have been anticipated, an industrial direction has been given to the mind and energies of the native population to a degree almost unprecedented in history. Both in town and country, everybody is occupied in pushing his fortune; and the only people who complain are the servants of Government, who are confined to fixed salaries, giving them a much smaller command than heretofore over the necessaries and comforts of life. The Ambeylah affair was a satisfactory test of the real disposition of the country. The elite of our force was held in check for some weeks by an obstinate enemy, and reinforcements were sent forward from every part of Northern India. There was abundance of "rumours," but nobody raised a hand against us outside the Affghan hills. The true explanation was the mountain of cotton at Allygurh, waiting to be sent to Calcutta by rail. People took a secondary interest in what was going on upon the frontier, but their heart was in their cotton screws, and in the fabulous sums reported to be made by merchandise of various descriptions. The salt trade was suspended, because everybody had "gone into" cotton, and the usual supply of bearers was not to be had for the hospital and other establishments of the reinforcements in progress to the North-West. They were earning wages such as their fathers never dreamt of, and would not respond to the call of the commissariat.

On the many occasions on which the distribution of the Army has been considered under Lord Elgin's and Sir J. Lawrence's Governments, there have always been regiments of European infantry and batteries of artillery which were unappropriated in the sense of their not being required at any particular station, and the difficulty was to know where to put them. The recent survey of the force from Peshawur to Meerut must, I think, have made upon the whole Council a deep impression of the overpowering nature of the military means at our disposal in that part of India. I do not believe that there is any part of the world which is so strongly garrisoned.

The Commander in Chief alludes to the increased difficulty of recruiting the European force. Surely this is an argument for husbanding it to the utmost, in the interest, not only of India, but of the whole Empire.

I do not, of course, enter into the question of the proportion of artillery required according to military rules. This branch of the subject has been worked out in detail by Sir W. Denison and others. As there are many thousand British troops at Gibraltar, Malta, and the West Indies, &c., which have not a single field gun, I believe it will be found that the proportion of field artillery to infantry and cavalry in India much exceeds that of the rest of the British Army. Under any circumstances, the greatest part of the Army must be left in garrison. The real question, therefore, is what proportion of artillery is necessary and available for that section of the Army which is likely to take the field.

Although I differ from the general view taken by the Commander in Chief and Sir R. Napier, there are several particular points on which I agree with them. I have given Sir R. Napier all the support in my power in his proposal to extend the East India and Punjab line of railway to Peshawur. Nothing could be more effectual, not only to strengthen our military position, but to develope the abundant commercial elements, and to supply a corrective to the exclusive military character of that frontier. I participate in the Commander in Chief's doubts as to the expediency of maintaining unsupported, uncontrolled, bodies of Native Horse in Central India. I am clearly of opinion that there was no necessity whatever for retaining any Native artillery in the Madras Presidency, and I doubt the necessity of keeping up a body of Native artillery, with their necessary reliefs, for service at Aden. I am also clearly of opinion that the separate Punjab Native Force ought to be placed under the same military command as the rest of the force in the Punjab, but this is connected with further changes in the military administration, upon which I could not enter without diverting attention from the immediate object in view, viz., making such a moderate reduction of the European infantry and artillery on the Indian establishment, as it would be safe to make at the present time and under the present circumstances of India.

Simla, 22 July 1864. *C. E. Trevelyan.*

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BOMBAY SUPPLEMENTARY ESTIMATE FOR PUBLIC WORKS.

MINUTE by the Hon. Sir *C. E. Trevelyan*, K.C.B., Member of the Council of the Governor General, 11 January 1864.

I WILL endeavour to state the case of the Bombay Supplementary Estimate for Public Works as concisely as possible.

The appropriation originally made for Public Works in the Bombay Presidency for 1863-64, irrespective of railways, was 48 lakhs of rupees, to which 10 lakhs were added when the general budget for the year was settled, making in all 58 lakhs.

After this, three lakhs were appropriated for the Kurrachee Harbour Works out of the reserve of 23,80,000 rupees for reproductive works, and the Government of Bombay was authorised to submit a Supplementary Budget for 5½ lakhs of rupees, of which 2½ were to be for permanent buildings for European troops out of the reserve of 30 lakhs assigned for that purpose, and the remaining three lakhs were to be for civil works out of the reserve of 23,80,000 rupees for reproductive works.

In my budget statement I announced, with the sanction of the Government of India, that any funds beyond the 4,995,100 *l.* appropriated for public works, that could be expended with advantage on cotton roads, or works of irrigation or navigation, or any other useful works during the year, would be granted, and this pledge was affirmed by the Secretary of State when he laid the Indian Budget before the House of Commons.

Upon this, the Governor of Bombay in Council held a conference at Poonah with the chief revenue officers, and the officers of the highest rank and experience in the public works and railway departments of that Presidency, which met almost daily for the 27th of July to the 10th of August, and discussed in detail the best arrangements for carrying on and completing the public works which were not already fully provided for in the Budget.

The result of this conference was, that the Bombay Government requested the sanction of the Supreme Government to a Supplementary Estimate for 56,19,903 rupees, subject to a deduction of 2,74,385 rupees from local funds and from a re-appropriation of funds already authorised in the yearly budget, making, after allowing for the 5,50,000 rupees previously authorised, a net additional demand of 47,95,518 rupees.

In answer to this, Colonel Strachey, by desire of the late Governor General, informed the Government of Bombay on the 25th of September last, that no orders could be given upon their communication, but that when proposals should be made in conformity with the instructions previously issued, whereby a Supplementary Estimate to the extent of 5½ lakhs of rupees had been called for, they would receive attention.

To this a rejoinder was received from the Government of Bombay, dated the 13th of October last, urging a reconsideration of the proposals submitted in the Supplementary Budget, and stating the additional fact that a portion of the expenditure provided for in it was actually in progress. The words of the Government of Bombay on this point, are:—

> 6. This Government, acting on the faith of this assurance, and after full deliberation with his Excellency the Commander in Chief, the Quartermaster General's Department, and the various superintending and executive officers, fixed on such buildings as were considered of an emergent character, and have directed the immediate commencement of the works.
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> * * * * * * *
>
> 26. So confident was this Government that they were acting in accordance with the wishes of his Excellency the Governor General in Council and of Her Majesty's Secretary of State for India, that they issued orders to all officers concerned to the following effect, in forwarding to them copies of the Supplementary Budget.
>
> 1st. All works provided for in the Supplementary Budget which are actually in progress, or have been specially sanctioned for immediate execution, should proceed.
>
> 2nd. All works for which favourable contracts can be obtained will be immediately sanctioned, on application being made to Government.
>
> 3rd. All military works under the sub-head "Accommodation for Troops," which are not already in progress, should be at once put in hand, and considered as emergent.
>
> 27. It will now be impossible to defer such works without positive loss, or without breach of faith with contractors and with workmen and others whose services have been engaged, and they must therefore proceed even if a portion of the ensuing year's assignment be anticipated.

At this point the greater part of the papers came into my hands, and the correspondence in the Appendix took place between Sir B. Frere and myself by telegraph.

It will be seen from the concluding telegram, that a reduction of about 9½ lakhs of rupees can, in Sir B. Frere's opinion, be made on the Supplementary Estimate, by omitting some of the least pressing works, whereby that Estimate would be reduced to 38½ lakhs; and

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that 10 or 11 lakhs may be expected from the sale of land and marine stores at Bombay within the current year.

It will be impossible, within the limits to which I must confine myself, to give a complete analysis of the works included in the Supplementary Estimate, but I may state some leading heads.

About 11½ lakhs is for military works, of which 2½ lakhs is for the new gunpowder and gun-carriage factories, which have been already separately sanctioned; another 2½ lakhs are for the Bombay Harbour defences, in addition to an equal sum previously sanctioned in the ordinary Budget Estimate; and 6½ lakhs are for minor works for the accommodation of the troops, consisting of 44 items, of which the largest expenditure within the year on any one work is 60,000 rupees, and the highest estimate for completing any one work is 1,25,000 rupees.

The only work included in this portion of the Estimate, which seems to require the special attention of the Government of India, is the sum of 2½ lakhs for laying the foundations of the Middle Ground Battery in Bombay Harbour. There is a mass of sunken rock immediately in front of the most vital part of the city and anchorage of Bombay, and the Government of Bombay attaches the utmost importance to raising it above water at the earliest possible period, so as to place guns upon it. There are no papers before me to show the total aggregate cost of completing this battery, but the entire estimated cost of the whole of the fortifications is 47 lakhs. According to the best judgment I can form, I agree with the Government of Bombay that it is extremely desirable to construct a powerful battery in the position indicated with as little delay as may be.

The next general head of the Supplementary Budget is Civil Buildings, consisting of 17 items, the largest of which is 48,000 rupees for additions to the Mint. The amount required within the year is 1,67,920 rupees, and the estimated expenditure to complete all the works is 4,30,423 rupees.

The next general head is Works of Improvement, 37,04,353 rupees.

The first item of these is three lakhs for harbour works at Beitkool and Sedasheogur, provisionally sanctioned in the Budget Orders for 1863-4, in the following words:—

"His Excellency the Governor General is most desirous of doing everything to assist the Government of Bombay in carrying out these works, and will be prepared to assign needful funds when it is known what amount is required. Meanwhile, any expenditure that takes place must rest on the responsibility of that Government, and may be provided from the reserve fund; to allot any specific sum now appears objectionable."

It is now stated by the Bombay Government that "definite projects for the works needed, which consist chiefly of a lighthouse, an iron pier, an iron bridge, and a considerable length of stone wharfage, will shortly be submitted. In the meantime, as both the Home and Local Governments are pledged to the speedy establishment of this cotton port, the works must proceed."

The next item is 5½ lakhs for the Apollo and Moody Bays Reclamations at Bombay. This I have since proposed should be separately sanctioned.

Next come 16, Irrigation Works, for which the aggregate demand is 8,46,645 rupees; of these, estimates have been submitted for 9, *i.e.*,—

	Total Estimated Cost.	Already Expended.	Required for 1863-64.
	Rs.	*Rs.*	*Rs.*
Works on the Girna River, in Candeish - - -	5,74,796	- -	63,334
The Krishna Irrigation project - - - -	5,09,988	- -	1,00,000
Mitrow Canal - - - - - - - -	4,22,937	2,57,033	20,000
Canal from Sukkur to Shadadpoor - - - -	7,29,820	- -	1,25,000
Cuts in Bed of the Narra - - - - -	1,91,153	13,273	1,20,000
Four minor projects - - - - - -	1,25,792	44,739	68,311
		Rs.	4,96,645

The Girna and Krishna Works have been recently sanctioned.

The Mitrow Canal was sanctioned by the Secretary of State in 1860, and it will be seen that a large outlay has already taken place upon it. The canal from Sukker to Shadadpoor was sanctioned in December 1861, but no funds have ever been provided for it.

The cuts in the bed of the Narra, and the four minor projects, are brought forward on the authority of the Government of Bombay.

No plans or estimates have yet been furnished for the seven remaining works, but the demand within the year is as follows:—

	Rs.
Yerla Irrigation project - - - - - - -	1,00,000
Tank near Sholapoor - - - - - - - -	1,50,000
Five other projects for which the aggregate demand is -	1,00,000

Then

Then follow 50 works under the head of "Communications," with an aggregate demand within the year of 19,73,355 rupees.

Of these, the following seven works have been already sanctioned, and provision has been made for them to a certain extent in the Budget Estimate.

The additional grants asked for are as follows:—

	Estimate.	Expended.	Sanctioned in Original Budget.	Additional Demand.	Total to be Spent within the Year.
Roads—	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Vingorla to Belgaum, by Parpoollee.	5,60,110	2,49,239	1,50,000	1,00,000	2,50,000
Sattara to Seerwul - - -	1,63,282	1,11,741	30,000	21,541	51,541
Seerwul to Poona - - -	2,99,806	1,19,982	50,000	1,30,000	1,80,000
Ahmedabad and Gogo - -	6,02,825	3,34,000	50,000	2,00,000	2,50,000
Bridges—					
On the Belgaum and Warna Road.	1,66,031	10,026	60,000	50,000	1,10,000
On the Sattara and Seerwul Road.	75,416	48,695	20,000	6,721	26,721
On the Bunkapoor and Hurryhur Road.	1,21,804	- -	30,000	30,000	60,000
TOTAL - - -	- -	- -	3,90,000	5,38,262	9,28,262

The next item is 4,13,677 rupees for the Agra and Bombay Road.

Of this, 2,08,913 rupees is for the portion of the road from Agra to Indore, and from that to Nargaum, the nearest point on the Great Indian Peninsula Railway, which is as urgent as any such work can be.

The remaining sum of 2,04,764 rupees is for that portion of the Old Trunk Line which is between Mhow and Malligaum.

Provision has, besides, been made in the Budget Estimate of the year for the two preceding items to the extent of 2½ lakhs.

The remainder of the road works, amounting to 9,66,488 rupees, are shown in the following Table:—

Items in Budget.	District or Classification.	Aggregate of Estimates.	Expended.	Demand.	Remarks.
	A.	*Rs.*	*Rs.*	*Rs.*	
85-7, 105-6, 113-4	North Canara and Dharwar, in connection with the port of Sedasheogurh.	1,49,830	41,892 1,00,967	88,331 50,000	No Estimates for road from Aukola to Butkool, for which 50,000 rupees is asked.
	B.				
	Sattara:—				
90, 91, 118, 119	*a.* Sattara to Warna River	3,37,015	2,54,860	82,155	
2, 93, 107, 117, 120	*b.* Koambarli (Mahar) and Wurrunda (Chiploon) Ghauts.	8,42,887	6,28,146	1,20,756	
	C.				
94, 121, 122	Barsee Tramway - -	5,99,689	50,901	1,58,385	The proposal for the tramway is under consideration here. The Government of Bombay has in the meantime sanctioned the road as a common railway feeder.
	Ditto Bridge - - -	- -	- -	50,000	No estimate yet furnished for the bridge over the Seena-road.

Items in Budget.	District or Classification.	Aggregate of Estimates.	Expended.	Demand.	Remarks.
	D.	*Rs.*	*Rs.*	*Rs.*	
95	Road between Poonah and Kirkee Railway Station.	39,097	- -	39,097	
	E.				
	Railway Feeders:				
109	*a.* Dhoolia to Chaleesgaum	- -	- -	80,000	Estimate promised.
110	*b.* Malligaum to Munmar	1,47,601	56,857	87,762	
108	*c.* Dhurrumtur to Koorjut	1,19,920	20,000	70,000	
	F.				
123	Finishing Bridges on the Road from Poona to Sholapoor.	80,673	7,000	65,000	This road is parallel to the railwa
	G.				
124	Bridge over Goar River on Poona and Ahmednugger Road.	1,04,650	- -	50,000	
	H.				
112	Road from Ahmedabad to Neemuch.	- -	- -	25,000	No estimate as yet.
	Total - - -	- -	- -	9,66,488	

No provision was made in the Budget Estimate for any of the works included in the preceding Table.

The Barsee Tramway and Bridge, at an estimated cost of 6 lakhs of rupees form the subject of separate communications from the Government of Bombay.

It will be seen that no estimate has been furnished of the total cost of three of the projects, including a long line of road from Ahmedabad to Neemuch.

Following these road projects there is a project for improving the navigation of the Indus near Bukkur, at a total estimated cost of 2,05,984 rupees, of which 44,320 rupees has been expended, and 40,000 rupees is asked for within the year. This project was sanctioned by the Government of India, but no provision was made for it in the Budget Estimate of the current year.

The last item under the head of "Communications" is 24,928 rupees for travellers' bungalows, which no doubt are necessary for opening the country to European enterprise.

Then there is an item of 3,000 rupees for constructing a telegraph office at Mhow, and of 31,353 for telegraph offices on the Mekran coast.

The next item is for 1,70,859 for machinery and stores required from England, the explanation of which is as follows:—

> Item No. 137 is for machinery and stores required from England for employment in the construction of public works; 70,859 rupees of the total amount was entered under letter (A.) for the purchase of a list of articles required by the late Chief Engineer at the Presidency (General W. Scott), and one lakh is necessary to establish a depôt of plant in the Southern Division of this Presidency to provide machinery, &c., for the prosecution of various works in progress, or to be undertaken.
>
> This depôt is to be tried as an experimental plan, it having been found that individual officers are in the habit of foregoing the use of mechanical appliances, owing to the difficulty they find in supplying themselves with, and adjusting the value of, expensive articles, the cost of which no one work is able to bear.
>
> It is intended that the depôt it is proposed to establish shall meet these cases. Expensive plant will be issued from it to officers requiring such aid, and received back when no longer wanted at a reduced value to cover depreciation. It will thus be seen that the first cost of the depôt will soon be recovered, and it cannot be doubted that the use of mechanical appliances, such as powerful pumps, lines of tramroad, &c., will very much lessen the cost of works, and that the depôt will speedily in this way effect savings far in excess of the cost of its establishment. The sum now asked for may, therefore, be regarded merely as an advance.

This

This item is probably included in the reduction of 9½ lakhs, which has been made by the Bombay Government. It is not a fit subject to be proposed for the first time in a Supplementary Estimate.

Then there is an item of 10,225 rupees for mathematical instruments required, in addition to the 20,000 rupees sanctioned according to the Budget Orders.

The next item is 271,398 for repairs, the explanation of which is that 20 per cent. was arbitrarily reduced from the sum entered in the original Budget Estimate for current repairs, and the remonstrances which have since been made by some of the local officers have been so strong and so well supported, that it has been found necessary to replace the amount.

The last item is 1,50,000 for Establishments, which is truly stated to be a moderate allowance for the additional agency required for the works included in the Supplementary Estimate.

This subject resolves itself into two questions; first, as to the regularity of the course adopted by the Bombay Government; and secondly, as to the course which it is proper for the Supreme Government to take.

The Government of India and the Secretary of State expressed their readiness to authorise any further expenditure on public works, beyond the Budget appropriations for the year, which might be shown to be practicable and beneficial; and the Government of Bombay responded by reviewing, in a full and detailed manner, all the works in progress or projected in any part of the Presidency, and recommending the further expenditure suggested by this review. So far the Government of Bombay appears to me to have taken precisely the course which its duty required. It may be objected that the amount asked for was excessive, but it must be remembered that there were great and urgent works of reclamation and fortification in progress at Bombay, and that the demand for roads to convey cotton and other produce to the coast, and for roads and irrigation works to mitigate the excessive prices of food, was at its maximum in that Presidency; and, at any rate, it was for the Government of India to judge how much it was able to give.

But the Government of Bombay took the further step of ordering the immediate execution of a large portion of the works without waiting for the sanction of the Government of India. Nothing short of an urgent exigency of the public service, involving consequences of serious loss or disaster if immediate action be not taken, can justify the exercise of such a discretion; and the existence of such an exigency is not even alleged. Such a practice is entirely subversive of financial control. Every Government in India might, with equal propriety, exercise a similar discretion, and the State would then become insolvent, and all sorts of projects would be commenced according to the views of the different Governments, without a possibility of revision.

The course to be adopted by the Government of India remains to be considered.

The first and most necessary thing to be done is absolutely to prohibit any more discretionary action of the nature of that above described.

As regards the works included in the Supplementary Estimate, some of them have been since specially sanctioned; while others had been previously sanctioned and provided for to a certain extent in the Budget Estimate, so that what has now been done has been merely to hasten the progress of an authorised work, which is in itself an end to be desired. There are other works which had been sanctioned by the Government of India, but no provision had been authorised for them in the Budget Estimate for the current year. About 23 lakhs of the total Supplementary Estimate of 56½ lakhs come under one or other of these three heads.

The circumstances of the expenditure upon the fortifications are exceptional, as explained at page 674 of this Minute.

As regards the remainder of the works, the nature of them, and the fact that in most cases their merits have been carefully sifted by the persons most competent to judge, raise a presumption that they are sound and beneficial projects; but of some no plans or estimates have yet been prepared, and on others the Government of Bombay has not received the report of its professional officers.

There is this additional embarrassment, that the Government of Bombay has ordered the commencement of some of the works included in the Supplementary Estimate, without saying which.

It has been already stated that the Supplementary Estimate for 56,19,903 rupees was reduced by local funds and reappropriations to 47,95,518 rupees, and it will be seen from Sir B. Frere's telegram, dated the 26th ultimo, that this may be further reduced, by omitting some of the least pressing works, to a net sum of 38½ lakhs of rupees.

The amount of 10 or 11 lakhs expected to be received from the sale of land and marine stores ought, properly speaking, to have no place in the calculation, because it ought to be realised at any rate, and to be credited to revenue; but, on a rough calculation of ways and means, it may be said that the net amount required for the works included in the Supplementary Estimates is 28 lakhs. Financially, therefore, the matter is manageable. As the expenditure on a large scale on public works rarely keeps pace with the estimates, I do not believe that the sum asked for by the Bombay Government will be spent within the year.

Notwithstanding the irregularity that has been committed, I cannot recommend that any general order should be given for stopping the progress of the works.

The Bombay Government should, I think, be directed not to commence any more of the works included in the Supplementary Estimate which have not been specially sanctioned, and to submit, without delay, a revised Supplementary Estimate of the works in progress,

Appendix, No. 14.

showing in reference to each, first, the total estimated cost; second, the sum expended previously to the present financial year; and third, the sum expected to be expended during the present year, distinguishing what may have been already sanctioned for some of the works in the original Budget Estimate.

(signed) *C. E. Trevelyan.*

Calcutta, 11 January 1864.

APPENDIX.

From the Honourable Sir *C. E. Trevelyan*, K.C.B., Member of the Council of the Governor General of India, to the Honourable Sir *H. B. E. Frere*, K.C.B., Governor of Bombay; dated 19th November 1863.

EVEN now a copy of Colonel Strachey's reply, of the 25th of September, has not been sent. I have telegraphed to him for it. Do not commence more works till you hear from us, and help me in my ways and means to the extent of your power by the sale of ships, and stores, and land at Bombay. There shall be no delay that can be avoided.

From the same to the same, dated 20th November 1863.

YOU see the bearing of what is going on upon the Punjab frontier, and of the general scarcity of coin throughout India, upon the means of providing for public works. Be so good as to send me an estimate, first, of the sum really required within the financial year to meet the most necessary and important of the services included in your Supplementary Estimate; and, second, of the sum which may be realised within the year from the sale of ships, and stores, and land at Bombay.

From Sir *Bartle Frere* to Sir *C. E. Trevelyan*; dated 25th November 1863.

YOUR telegram of the 20th just received, and shall be acted on with all despatch. I have no doubt of being able to meet your wishes.

From the same to the same, dated 26th December 1863.

REPLY to your telegram of the 20th ultimo. It is found that a reduction of about 9½ lakhs of rupees can be made on the Supplementary Imperial Budget of the Public Works Department, forwarded to the Government of India by that Department, by omitting some of the least pressing works. To meet the outlay on the most necessary and important works provided for in the Supplemental Budget, a grant, say of 38½ lakhs, is required in addition to all previous assignments. There are no ships for sale. About six lakhs may be expected from sale of stores, and between four and five lakhs from sale of land at Bombay within the current year.

BOMBAY SUBORDINATE CIVIL ESTABLISHMENTS.

MINUTE by the Honourable Sir *C. E. Trevelyan*, K.C.B., Member of the Council of the Governor General, 1 February 1864.

WE lately had before us the distressed state of the Madras Native Army, owing to the great increase in the price of the necessaries of life, and I remarked, in a Minute dated the 17th ultimo,* that this could not be dealt with as an exceptional case, for prices and wages were even higher in the Bombay Presidency than they were at Madras, and that if we merely increased the pay of the existing establishments, in proportion to the increase in the expense of living, the Exchequer would soon be insolvent. The true principle, I added, was that increase of pay should be coincident with reduction of numbers, which, for reasons alluded to by me, might be connected with a great administrative improvement.

We now have upon us the subordinate civil establishments of the Bombay Presidency, not without an intelligible hint that the exigency may hereafter extend to the covenanted officers.

The Government of Bombay has already adopted two measures of relief on its own responsibility.

As long ago as the 26th of September 1862, that Government authorised batta being issued at the established rate to public servants drawing 8 rupees per mensem or less, when bajree was less than 13 seers for the rupee. This has since been sanctioned by the Government of India.

And

See page 659.

And on the 12th of December last, the following temporary increase of salaries below 200 rupees was authorised, with retrospective effect from the first of that month, in all districts where grain was below 10 seers of 80 tolahs to the rupee, of the staple common food of the district:—

"On salaries from 200 rupees to 111 rupees, an increase of 5 per cent.
"On salaries from 110 rupees to 51 rupees, an increase of 10 „
"On salaries from 50 rupees to 31 rupees, an increase of 15 „
"On salaries from 30 rupees to 17 rupees, an increase of 20 „
"On salaries from 17 rupees and below, an increase of 25 „

"but no one should get under the present rate of batta allowed by orders of Government "to those receiving salaries up to 8 rupees per mensem."

The cost of this is estimated at 32,854 rupees per mensem, or 394,248 rupees per annum; but this does not include the establishments in Sindh, or those connected with the Post Office or Electric Telegraph. The total additional charge, therefore, cannot be estimated at less than from five to six lakhs of rupees a year.

In August last* the Bombay Government, acting without the knowledge or sanction of the Government of India, ordered the immediate commencement of numerous public works included in a Supplementary Estimate for 56 lakhs of rupees; and now it has, in like manner, committed us to what must be considered a permanent annual charge to the amount mentioned in the preceding paragraph. The financial administration of India will be impossible, if each local government exercises the discretion of incurring such liabilities as this. Example is contagious, and advantages secured by one province cannot easily be withheld from the rest. By this assumption of power, the regulation of the finances has been virtually transferred to the Government of Bombay, and it only remains for the Supreme Government to provide funds to meet any expenditure which the local government may think proper to incur. If the Government of India is to be responsible for the finances of the whole of India, its control over the income and expenditure must be of a real and substantive character; and it is one of the greatest merits of the budget system that, by means of it, this control may be maintained without interfering with the necessary freedom of action of the local governments.

But, however irregular this proceeding of the Bombay Government may have been, there can be no doubt as to the necessity of the relief afforded. This is proved merely by the fact that the increases of salary allowed by the scale are dependent upon the common staple food of the respective districts being dearer than 10 seers for the rupee, and it is fully confirmed by the tables of prices contained in the correspondence, and by the whole tenor of the information before us, whether derived from this or from other sources.

This temporary increase of salaries is intended by the Bombay Government only as a preliminary step to a larger and more permanent charge.

The concession of the scale was accompanied by the following announcement:—

"The Revenue Commissioners and all subordinate officers should, however, bear in mind "that so large an increase of salaries as is involved in the present rise of prices cannot be "given without a reduction of numbers, or some means of adding to the income of Govern- "ment; and they should, therefore, take into consideration how both or either of these ends "can be best attained, so as to be prepared, when the question comes before them in a more "general form, with proposals under both of these heads."

The proposal actually made by the Government of Bombay, is contained in the following passage of Sir B. Frere's Minute, dated the 11th of November last:—

"I would ask leave of the Government of India to revise all permanent Civil establish- "ments, when the rate of pay is less than 200 rupees per mensem, and to give immediate "effect to the revision, under the following limitations:—

"That without special sanction from the Government of India, the total annual "expense of each establishment or department shall not exceed the standard of "1857–58, plus any sums which may be at the disposal of Government from the "following sources:—

"1. Commutation for the services heretofore exacted from hereditary district "officers under the settlement now in progress.

"2. Deductions in police charges, which may be effected by throwing on cities "and large towns a part or the whole of their local police charge.

"I have proposed the limit of 200 rupees because it is the class who receive salaries under "that amount who suffer most, and to whom, therefore, it is most desirable to extend relief "without further reference.

"But I would not wish it to be supposed that Government is less alive to the necessity of "raising salaries above that limit, or that any class would be excluded from consideration of "their equitable claims to a proportionate increase. The case of covenanted officers, especially "at the Presidency, and of all drawing salaries above 200 rupees per mensem, will, however, "require to be put on a somewhat different footing from that of the lower and menial class "of Government servants, including the police, and we can hardly ask for the same discre- "tion in dealing with the higher salaries without previous report or reference, which it would "be only reasonable to ask for in the case of the lower classes of Government servants."

The

* *See* Minute of 11 January 1864, at page 673.

Appendix, No. 14.

The necessity for a permanent increase in the salaries of the lower class of public servants in the Bombay Presidency appears to have been established.

The main causes of the increase of prices are the great extent to which agricultural industry has been diverted from the production of food to that of exportable produce; the great demands made by the railways and other public works upon the already insufficient stock of labour in the country; and the stimulus which has been given to the consumption of food by the abundant means possessed by the body of the people, owing to these and other causes. The present excessive prices will, no doubt, be mitigated by the equalizing effect of railways; by the extension of cultivation; and by increased importations by sea; but the career upon which India has entered, forbids the idea of anything like a return to the former state of things. All other classes, except the subordinate public servants, have been elevated, and a corresponding improvement must be made in their condition if we would avoid great evils to come.

But the particular proposal of the Government of Bombay is inadmissible. The Government of India cannot divest itself of the responsibility of exercising its own judgment in reference to the revised establishments to be maintained. The standard of 1857–8 is the highest that could have been taken; and the sums expected to be received in commutation for the services of hereditary district officers, and the reductions in police charges by their transfer to municipal funds, are large and indeterminate elements, within the limits of which any numbers or rates of pay might be included.

The revision ought to be carefully conducted by the ablest officers who can be selected for the purpose by the Bombay Government, with immediate reference to two principles.

1st. To ascertain, by a careful scrutiny, how far the work itself is capable of being simplified, and curtailed by omitting unnecessary processes, consolidating official forms, and generally by expediting and abbreviating the transaction of business; and,

2nd. To ascertain what is the smallest number of persons by whom the work can be properly done after it has been so revised; what rates of pay are necessary to secure the services of competent persons; and what arrangements should be made in order that the public may have the benefit of a selection of the best candidates for employment.

Owing to the unlimited command of a cheap description of agency and to other causes, there has been great indifference heretofore in regard to these essential conditions of good administration. The great change which has taken place of late years in our public offices at home, has been quite as much due to the simplification and reduction of the work as to the improvement of the men; but in India the public offices are still encumbered with duplicate accounts, unnecessary statements, and circumlocutory forms of proceeding of various kinds; and ill-paid clerks, with a low standard of qualification, and rising by a fixed gradation, with the smallest possible stimulus from competition and promotion by merit, are engaged *ad libitum* to get through this waste work. At Bombay, duplicate establishments are maintained to keep the accounts both in English and Mahratta; but surely the knowledge of English has sufficiently spread in that Presidency to allow of their being kept in English only. When the work has been rendered worthy of educated persons, and the rates of pay and conditions of promotion have been so adjusted as to offer a fair professional career, we shall get a superior class of public servants, and the business will be better done than it is at present, by a much smaller number than are now employed.

As soon as any considerable portion of the subordinate establishments has been investigated and reported upon, the Bombay Government should communicate with the Supreme Government, in order that this important undertaking may proceed with a proper mutual understanding.

There is an urgent necessity for dealing at once with the subordinate civil establishments, because the cost of living is the principal element in fixing their remuneration; but as regards the higher situations held by covenanted servants and others, many different circumstances have to be considered, and it would not be advisable to enter at present upon this part of the subject, unless a consolidation of offices or other arrangements for the improvements of the public service should be proposed.

But I should ill perform my duty if I did not direct attention to a more extended view.

Owing to various causes, of which the great rise in wages and prices is only one, heavy demands for increased expenditure are coming upon us from various quarters. This year five millions sterling were appropriated for Public Works, irrespective of railways, and it is of the highest consequence that this rate of expenditure should be maintained. Besides this, there are demands for improvement in almost every branch of administration, involving in the aggregate liabilities of a serious kind. We have just sanctioned a sanitary commission for each of the three Presidencies, which, in establishments only, will cost two lakhs of rupees a year, and when they set to work to make their reforms, it is impossible to say what the outlay will be. The pay of the Madras Native Army and of the Bombay Civil establishments has to be at once increased, and this will have to be extended in some form or other to the remaining establishments in the southern and western Presidencies, and also at no distant period to the northern Lieutenant Governments. A heavy expenditure is also immediately impending for barracks and other accommodation for the European troops. In addition to all this, we have to keep a reserve to meet the expiration of the income tax on the 1st of August of next year. This is the most urgent demand of all, for our possession of the public confidence, and, consequently, the success of our future administration, depend upon our keeping faith with the people of India on this point, more than upon anything else.

The prospect is serious, and if the transition is not regulated by a firm and wise hand, on a general

a general view of all the exigencies of the case, we may yet drift into a state of financial disorganisation. If we are to meet the new exigencies of the present day, as they ought to be met, we must not be deterred by slight reasons from taking down the machinery which has served the purposes of the past. If we have the old and the new charges upon us together, we shall simply become insolvent.

I will illustrate my meaning by what has taken place at Bombay. Besides 66½ lakhs of rupees, previously appropriated for public works in that Presidency, during the current year, 16 lakhs have been sanctioned for the purchase of land for railway termini, and 38½ lakhs on a Supplementary Estimate for roads, irrigation, fortifications, barracks, &c.; and now we have a permanent additional charge of five or six lakhs of rupees for the Civil establishments, with a promise of more to come.

On the other hand, I had been told to calculate upon large savings from the abolition of the Indian Navy, but these were arrested by the re-appropriation of one portion of the ships as transports, and of another as gunboats, and by the consequent necessity of retaining the dockyard establishment. The reasons for hiring freight when it is wanted, instead of maintaining Government vessels, are well known; and as regards the gunboats, we can all see the advantage of having the two powerful ironclad floating batteries promised by the Admiralty; but the vessels which have been adopted from the Indian Navy, being imperfectly, or not at all, provided with steam, and carrying guns of inferior calibre, could not stand against American steamers armed with Dahlgreen guns, and, in the event of war, Bombay must still be guarded by ships of the Royal Navy. Again, the Guzerat Irregular Horse, which are neither police nor military, and are not wanted for either purpose, are still kept up at an annual expense of nearly two lakhs of rupees. The circumstances are fully explained in the extract from Colonel Bruce's Report of the Bombay Police, in the Appendix.

It is impossible that the finances can be conducted on such conditions as these. They are only examples of a class of cases, of which several have been already indicated by me to the Council in other parts of India. We shall not be able to bear the burdens which are coming, if we do not relieve ourselves of the unnecessary weight which is still pressing upon us. These remaining peccant parts of our financial system will, I trust, be considered with a determination to deal with them according to their real merits.

I also earnestly represent that our action in this matter should not only be decisive, but that it should be taken without unnecessary delay. In finance, time is quite as important as money. In fact, it *is* money. There can be no postponement of the new expenditures of various kinds, which are required for the public service. Reductions take a longer time to mature, and if, in addition to this necessary interval, other needless delay is interposed, our resources are exhausted by having simultaneously to bear the charge for the old and new establishments.

There are still two measures in reserve which are at once pregnant with great social and political benefits, and offer an unlimited scope for the truest economy. The first of these is alluded to in Sir B. Frere's Minute. I mean the transfer to cities and large towns of the cost of the police specially employed for them, combined with increased powers of self-taxation and self-government.

The other is the transfer to local funds administered by district officers or municipal bodies, of the charge of repairing the roads, and of other purely local works.

It is simply impossible, as stated by Mr. Laing, that all the local works which are required for this great continent, according to the continually rising standard of the public requirements, can be executed and maintained out of the Imperial revenue. Local agency and local interests, which are as multifarious as they are inexhaustible, must be increasingly drawn upon, and the Imperial expenditure must be gradually confined to the objects which are of common interest to the whole of India. The action of the local Governments is tending in a greater or less degree in this direction, but there is an urgent necessity for more speedy and systematic arrangements. It will be my duty to call more particular attention hereafter to this important part of the subject.*

Calcutta, 1 February 1864. *C. E. Trevelyan.*

APPENDIX.

EXTRACT from the REPORT of Lieut. Colonel *H. Bruce*, C.B., Inspector General of Police in India, on the Police Establishments of the Bombay Presidency; dated 12th January 1863.

45. I WILL now proceed to notice the Guzerat Irregular Horse at present stationed at Ahmedabad. It will be remembered that this cavalry regiment was originally near 900 strong; that the first intention was to incorporate it into the army, but orders from England threw it upon the police expenses. It was then proposed by Mr. Mansfield, the Commissioner, and now Chief Commissioner in Sinde, to reduce the corps to about 550 sabres; to disband all the rest of the police horse in Guzerat, and to employ this body upon the police duties of the districts of Ahmedabad, Kaira, Broach, and Surat.

46. The

* *See* the Resolution of the Government of India, dated 31st August 1864.

Appendix, No. 14.

46. The proposition was, however, negatived by his Excellency the Right Honourable Sir G. Clerk for reasons given at pages 207 and 208, Appendix H., of his Minute dated 11th October 1861.

47. But, with all deference, I would submit that these reasons appear to me to bear more a military and political character than a police one, and I entirely dissent from the maintenance of a body of 350 horse altogether at Ahmedabad, regularly officered as an irregular cavalry regiment, and both officers and men being in addition to, and apart from, the officers and men of the police force, horse and foot, of Ahmedabad and the surrounding districts.

48. Such a measure is decidedly contrary to the spirit of the orders of the Secretary of State, noted at foot of page 207 of the Minute above quoted.

49. I would further submit that there is not another district in all India that has, in addition to the European officers of police, and a body of 150 mounted police for district work, a corps of 360 cavalry, fully officered with—

1 Commandant;
1 Second in Command;
1 Adjutant;
1 Assistant Surgeon (besides the station civil surgeon), for purely police purposes.

I would therefore say that the exact number of men requisite for the duties detailed by Sir G. Clerk might be supplied by the police to the different departments upon payment, and that we cease to continue the maintenance of a cavalry regiment of 360 sabres, which is police only upon paper, because the Resident of Baroda requires a personal escort of 25 sabres, or the Resident of Pahlunpoor 12 sabres.

50. I am the more convinced in opinion that the Guzerat Irregular Horse is really viewed more as a military body than as police, from having lately seen that it took its place in the line at a review lately held before his Excellency the Commander in Chief, and manœuvred with the rest of the brigade. I do not think we can afford to maintain, under the name of police, a body of men with so little police work to do that they are able to form up as a regiment, and take part with the army in a military display. I, therefore, beg to recommend that steps be at once taken to reduce the Guzerat Irregular Horse, which would create a saving to the State 1,65,606 rupees per annum.

51. When this corps is reduced or abolished, there will still remain the following mounted police in the three districts:—

Ahmedabad	150	Sabres.
Kaira	120	„
Broach	100	„

Numbers ample, I conceive, for all the mounted police requirements of those districts.

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PAPERS handed in by Mr. *Harrison*. Appendix, No. 15.

BENGAL.

Government of India.—Financial Department.

Enclosure to Despatch, No. 267 of 1872.

From *H. L. Dampier*, Esq., Secretary to the Government of Bengal, Revenue Department, to the Secretary to the Government of India, Financial Department (No. 2359); dated Calcutta, the 3rd June 1872.

I AM directed by his Honour the Lieutenant-Governor of Bengal to submit the statements and report called for in the Resolution of the Financial Department, No. 4510, dated 23rd October 1871, regarding certain of the imperial, and all the local, taxes levied in these provinces.

2. The figured statements are divided into three parts, namely:—

Part I. Imperial taxes.
Part II. Local taxes other than municipal.
Part III. Municipal taxes.

Land Revenue.

3. As much of the information required by paragraph 4 of the Resolution regarding land revenue is given in Part I. of the annexed tabular statements as is available. The revenue demands for 1857–58, 1870–71, and for 1871–72, are compared province by province in the first statement under this part. It would be hopeless to attempt to give the proportion of the gross produce of the land which is taken as land revenue in any part of these provinces, statistics being wholly wanting, and the efforts to obtain them being as yet in the earliest stage of progress. In most parts of Bengal rent and revenue have long been taken in money rather than in the shape of a proportion of the produce; it is believed that this has been so from times anterior to British rule. Farther, as in most other parts of India, wherever rent was or is taken in kind at all, it is so taken on grain only, or on what may be called normal crops; the more valuable crops paying special money rates. It may, perhaps, be said that in Bengal when rent is taken in kind the proportion paid by the lowest class of cultivator is generally one-half of his rice crops; but even if in any part of the country this could be assumed to be the general rule, and if it could also be assumed that the revenue payable to the State is equal to half or one-fourth of the rent paid by the cultivator, still it could not be said that the revenue is equal to one-fourth or one-eighth of the gross produce, because that would leave out of sight all the more valuable crops, such as sugar, jute, mulberry trees for silk, and so on. Probably the revenue in Bengal is but a small fraction of the gross produce; it may be a sixteenth or twentieth part, or even less. It will be long before any estimate approaching to tolerable correctness on this point can be given.

4. As regards the proportion of the revenue to the rent, it is also impossible at present to give any trustworthy information, none bearing on this point having been rendered in Bengal during the last half century or more. Not only are the assets of estates not known, but there are so many gradations of sub-tenures that scarcely any return gives the real assets of the land. Each item of assets of an estate on the Collector's books may be, and commonly is, the quit-rent of a sub-tenure, which again is composed of inferior sub-tenures, and so on through several gradations. Coming to the cultivators, we find them composed of numerous classes, enjoying various degrees of privilege; from the highest, which may occupy almost at a quit-rent, down to the lowest, which pays a full rack-rent. The valuation preparatory to the road cess now in progress in some districts will, it is hoped, give the assets down as far as the payments of the lowest classes who enjoy any privileges, and the better cultivators, and eventually we may hope to have this information for the whole country.

 5. In

Appendix, No. 15.

5. In a recent communication the Collector of Burdwan, the district which is assessed the highest of all, mentions that the returns as yet received for the road cess show that the collections of landowners in that district are equal to about four times the Government revenue in permanently settled estates, which pay above 100 rupees of revenue per annum, and to about eight times the Government demand on smaller estates.

6. Meantime it can only be said that the permanent settlement was made in the last century on the principle of taking for the State ten-elevenths of the net assets. A generation later the rule was to take four-fifths. Later again, and down to the time when the present inquiry commences (1858), two-thirds of the rental was the rule. Orissa and some scattered tracts throughout Bengal and the dependent provinces were settled on that principle. For some years past one-half the rental has been the rule, but no great province under this Government has been settled on those terms; only outlying tracts and estates. Orissa was settled on the two-thirds principle about 35 years ago, and the settlement having been renewed at the former revenue after the famine, while cultivation has extended, and prices and rents have risen, the revenue of that province is now, no doubt, less than half the rental.

7. In Bengal and Behar the revenue has been guessed to be about one-fourth of the rent; but this is a very vague conjecture, and the disproportion is probably in most districts greater. Great changes have taken place since the settlement. In some parts of the country, and in some estates, the rental is ten, twenty, fifty, or a hundred times the revenue. In some districts, such as Dinagepore and Burdwan, which were much developed and heavily assessed at the time of the permanent settlement, the proportion is much smaller than the last-mentioned figures; in some few estates the profit is not very large.

8. In Assam the settlement is ryotwaree; certain rates are fixed and taken from the cultivators individually, and no proportion of revenue to rent is laid down. The Lieutenant-Governor's impression is that the greater part of the true rent is there taken as revenue; and since the rates are high in proportion to the state of the country, the cultivators frequently abandon their old cultivation and take up new fields. Some land, however, is more valuable, paying only the standard rates when the rack-rent would probably be larger.

9. As regards the rate of revenue per acre on the land, no comparison of the periods can be given, owing to the absence of statistics. Most of the districts have been surveyed at different times, but in only a few is the cultivated roughly distinguished from the uncultivated area. An attempt may be made to give the rate at which the revenue fell on the cultivated area in these districts at the time of survey. Of course, the revenue remaining fixed, while cultivation increases the revenue rate continually decreases. An approximate estimate of the cultivated area has been obtained in some other districts. A statement of revenue rates on cultivated area, furnished for the most part by the Board of Revenue, is appended, marked Section 2 of Part I.; but the Lieutenant-Governor is not very confident of its exact accuracy, the statistics furnished in Bengal not being yet very trustworthy. This statement is, however, the best to be had at present, and probably roughly represents something near the truth. The result, it will be seen, is to give the average revenue rate on each acre of cultivation at about 10 annas or 15 pence at the time when the districts were surveyed. The Government is actively engaged in the attempt to increase its statistical knowledge.

* No. 1347, dated 27th March 1872. (*See* page 696.)

10. In connection with this subject, a letter* which has lately been addressed to the Government of India in the Agricultural Department, setting forth generally the causes of the increase of land revenue in these provinces since 1856–57, will perhaps be considered of interest; it is appended as Annexure A. to this report.

11. It will be seen from the general statement that the land revenue of 1871 72, according to the latest data, was expected to exceed that of 1870–71 by 1,29,415 rupees, or 12,941 *l.* Of this 5,464 *l.* are the result of the re-assessment and settlement of new territory taken from Bhootan after the last campaign, and now attached to the Cooch Behar division; the remainder of the increase is scattered throughout the province, but is principally to be found in the districts of Midnapore, Darjeeling, Shahabad, Moorshedabad, and in the Dacca Division. It is obtained by the settlement of estates, of which the temporary settlement has expired, by the assessment of alluvial formation, and by the identification of lands the property of Government, of which possession had been clandestinely held by private individuals.

In addition to the land revenue shown in these returns, certain sums have been realised by the sale of Government estates and credited as land revenue, by which the land revenue collections have been raised to nearly four millions sterling. No estates are being sold at present, the question being under consideration.

Forest Revenue.

12. Section No. 3 of Part I., shows the forest revenue.

13. The amounts levied in 1857-58, and 1870–71, are set down at 996 rupees, and 1,03,249 rupees respectively, and the sum estimated for 1871-72 is 1,65,000 rupees.

14. Licenses to cut and bring out timber from Government forests are granted only in Chittagong and Sikkim Divisions.

In

In Chittagong the rates levied vary from 1½ annas to 3 annas per cubic foot, or *Rs.* 4. 11. to *Rs.* 9. 6. per ton, for the superior woods, according to quality, inferior woods being paid for by the log at 12 annas, or the post at 3 annas; bamboos at 10, 5, and 2 rupees per thousand, according to description; and canes at 1 rupee per thousand. Before wood can be cut and taken out at these rates, the cutter is required to pay 8 annas per head for each coolie taken up to the forests, and 5 rupees for a distinctive marking hammer.

In Sikkim, for sâl wood obtained from the forests, a rate from 12 rupees to 15 rupees per tree is levied, and for the same wood at salè depôts a rate of from *Rs.* 1. 4. to *Rs.* 1. 8. per cubic foot. For firewood and bamboos the rates are 1 rupee per mensem for each ticket for cutting the former, and 1 rupee per hundred for the latter. Grazing dues are levied at 8 annas for each bullock and 4 annas for each cow per mensem.

The subject of forests has only lately received serious attention in the Lower Provinces, and new arrangements are being gradually matured. The extensive forests of Assam are being explored, and conservancy arrangements are contemplated. The various forest trees have been classified, and the rates that have been prescribed for felling them are 6 rupees for each tree of the first class and 3 rupees for each in the second class. A special rate of 8 rupees per tree is levied in the case of sâl, while trees of the third class are exempted altogether. No tree can be felled, the girth of which, at a height of 5 feet from the ground, does not measure, for first class timber, 5 feet; for second class, 50 inches; and for third class, 4 feet. In the case of first class timber, the height of the trees must not be less than 15 cubits or 22 feet 6 inches. By these restrictions it is hoped to confine felling to mature trees only.

It cannot be said that the administration of the department is yet at all satisfactory.

Excise Revenue.

14. The statement of excise revenue is numbered Section 4 of Part I.

For the sake of comparison the duty paid on imported wines and spirits and other imported liquors has been included on this statement, although it technically belongs to the customs. It is stated separately in the first head of revenue, so can be separated if desired.

The figures for 1856-57 are given in this statement in lieu of those for 1857–58, in which year the mutiny disturbed the conditions of this branch of revenue. From the statement it will be seen that the revenue has more than doubled itself during the period under review. But a very large proportion of this increase is due to the introduction of the opium monopoly into Assam, where the cultivation of the drug had previously been free, and where the consumption is great among Indo-Chinese races.

Farming system.

For many years before 1840 the excise revenue, either by entire districts or by known divisions of districts or pergunnahs, or for separate articles of excise, was farmed out under Clause 2, Section 19, Regulation X. of 1813, which provided that "an advertisement shall be issued, signifying that proposals will be received for a certain time for the farm of the duties leviable on the manufacture and sale of spirituous liquors, and the highest offers, provided they be accompanied with good and substantial security, shall be accepted." Section 8, Regulation VII. of 1824, extended a similar power of farming to the sale of tarí, putchwye, and drugs.

Direct management by the District Collector was the exception while the farming system lasted.

15. The annual excise revenue derived from all articles, declined from 19 lakhs in 1829–30 to less than 15 lakhs in 1837–38, and this falling off was ascribed to the defective and inefficient system of raising it which had prevailed. To remedy this, the Government in 1840, as a partial experiment, entrusted the superintendence of this branch of public revenue in the districts round Calcutta to a separate officer, designated Commissioner of Abkaree; and in 1844, a second Abkaree Commissioner was appointed; the two officers dividing between them the greater part of Bengal proper.

I reviewing the management of the owo special Commissionerships in 1849–50 and 185ⁿ–51, the Government and the Board of Revenue came to the conclusion that this branch of the public resources (which then am unted to 30,85,660 rupees) was susceptible of very little further development. The special agency was therefore abolished, and the excise management replaced under the Commissioners of Divisions and Collectors of Districts. From the time of the Abkaree Commissioners, however, the system of farming out the monopoly of the sale of excisable articles in large tracts of country was condemned, and the arrangements were made direct by the Government officer with each shopkeeper. They were made either by farming out each shop to the best offerer, which was the system then most general; or on the fixed duty system, which was then almost confined to rum manufactured on European method.

Fixed duty and daily tax system.

On the fixed duty system, a fixed rate is charged at the distillery for each gallon of spirits, as on the same system as in England, and it is similar in regard to other articles.

The system applied to country spirits before 1859–60, may be looked upon as an intermediate stage between the system of selling large monopolies by auction, and that of charging a fixed duty on the quantity consumed. Under this system a rough estimate used to be made of the capacity of a local still, and of the requirements of the locality which it was intended to serve, and with reference thereto a fixed minimum price was put upon the still and shop attached to it, in the shape of a rate per day or per month, on payment of which the still and shop were licensed for the manufacture and sale of country spirits; the payment of the tax was irrespective of the quantity actually sold. Although under this system the privilege was not avowedly put up to auction, the rate at which the

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excise officer fixed the tax was no doubt checked, and to some degree regulated by practical experience of the sums which those engaged in the trade were prepared to offer. If he put the rate too high, no one would accept it; if he found that other respectable men were willing to give higher rates, he would conclude that he might raise his terms; but instead of putting the monopoly up to auction, the Collector was thus enabled to regulate his license according to his discretion. Gradually, however, the exercise of this discretion appears to have died out; and it is found that now, in the outlying districts, in which (as explained in the next paragraph) the fixed duty system cannot be worked, the revenue is levied on the principle of a monthly tax, the rate payable monthly by each shop being settled at the beginning of the year by auction, or something nearly approaching to it, and the license for the year being given to the person who offers to pay the highest amount of monthly tax, provided that he be in other respects unobjectionable.

16. In 1856–57, the revenue from imported spirits, wines, and liquors, from country rum, and from spirits manufactured in a few Government distilleries, as well as from ganja and opium, was levied on the fixed duty system, but that from country spirits manufactured elsewhere than at the Government distilleries, that is by far the greater portion of the consumption, and from all other articles, was levied on the daily tax system.

Country spirits.

17. The principle of the fixed duty on the quantity actually consumed being so much more sound than that of the daily or monthly tax, the extension of the former system was pushed on as much as possible by the Governments of Sir John Grant and Sir Cecil Beadon. The manufacture and sale of country spirits was brought under this system in all districts, except the most backward and sparsely populated, in which it was found impossible to exercise the close supervision which is essential to the working of the fixed duty system. Indeed, it has been found that the Government went farther in this direction than was safe; and it has now been necessary to revert in some outlying districts to the daily tax system, under which every licensed shopkeeper becomes in his own interests a detective officer. Throughout the rest of Bengal, country spirits are made either in licensed private distilleries, or in what are designated central or public distilleries, which are inclosures belonging to Government within which private distillers are allowed to set up their own stills. The duty is levied at rates fixed with reference to the circumstances of each district. The maximum rate of duty fixed on the gallon of London proof strength is 3 rupees, this being the rate in the most advanced districts; the minimum is 1 rupee. The duty on the spirit is levied on the standard scale in force in the particular district, in proportion to its actual strength as compared with London proof. Besides this a license fee is levied for permission to sell country spirits by retail. Where the stills are set up and worked in a Government distillery, the distiller also pays a trifling fee per gallon for the use of the premises.

The fixed duty system was very unpopular with the distillers. The introduction of it led at first to some decrease of revenue and to much apprehension; the revenue has, however, more than recovered itself, having amounted in 1870-71 to 18,80,111 rupees (including 91,974 rupees of distillery fees), and in 1871–72 to 19,65,448 rupees (including 1,11,387 rupees of distillery fees) against 16,29,662 rupees in 1856–57.

The Government is now trying in some places the experiment of fixing the number of shops required in any locality to afford reasonable facilities for obtaining liquor, and also the minimum rate of license fee to be paid by each, and then putting each up to auction separately. This is only the mode of licensing shops for retail sale of spirits which have previously paid the still-head duty.

Ganja.

18. Ganja is a preparation from the hemp plant of a highly exciting character. A fixed duty is levied from ganja on a system which is much facilitated by the circumstance that the plant which produces the best drug is cultivated in a manner successful for this purpose only in the Rajshahye District, and in part of the adjoining district of Bograh. The cultivation is free from taxation, but the growing crop is kept under supervision of the excise officer. The rules require the quantities cut and stored for sale to be registered. The cultivator can sell only to a licensed purchaser. The wholesale purchaser having received his license from the excise officer of his own district, countersigned by the Rajshahye officer, exports the drug under excise supervision, and stores it in his own district still under excise supervision. It is not until he passes it out of his store to the different retail dealers that the excise officer levies the duty at the fixed rate. Up to 1853 the duty on ganja was levied either (1) by selling by auction the privilege by sale, or (2) by charging a fixed duty for each shop under the system described as the daily or monthly tax system.

From that year a fixed duty of 1 rupee per seer (of about 2 lbs.) was levied, and the retailer was bound to pay the amount of tax on a certain minimum quantity per month, whether he succeeded in disposing of it or not. That was the system prevailing in 1856–57.

In 1859–60 the duty was raised to 2 rupees a seer, but levied only on the actual quantity passed out by the wholesale dealer to the retail shopkeepers.

In 1869 the system was introduced of charging duty at three different rates, according to the manner in which the plant was prepared and packed, so as to equalise the incidence of the tax on the exciseable portion of the plant. The rates fixed were 4, 3, and 2 rupees per seer. These rates were in force till the beginning of the current year, from which time the rate on that which paid 2 rupees has been raised to 2–8 rupees per seer.

The effect of the measures taken with regard to ganja has been to raise a very much higher revenue while checking the consumption of the drug. In 1856–57, above 17,000 maunds (of 40 seers each) were exported from the producing districts, and 4,66,965 rupees of

of duty were paid on the drug; in 1859-60, the exportation had risen to 21,240 maunds, and the revenue to 6,44,963 rupees. In the following year (the duty having been raised from one to two rupees) the exportation fell to 13,000 maunds, but a still higher revenue, 6,77,000 rupees, was raised. During the last five years the consumption has averaged about 11,000 maunds, and the revenue bout 10,00,000 rupees (100,000 *l.*).

Lately the tendency appears to be to a rise in the quantity sold, but this is being watched, it being the policy of the Government to raise the duty, from time to time, to as high a rate as is feasible without giving rise to an illicit trade.

Opium.

19. Opium has largely contributed to the increase of revenue since 1856-57. The figures shown in the statement refer only to excise opium consumed within the limits of these provinces. The quantity estimated to be required for the consumption of the year is supplied by the opium agent to the excise officers of districts, from whose store the retail vendors purchase it direct.

No fee is charged for the licenses to sell; but the vendors are bound to leave their books open to the inspection of the excise officer, and to furnish any information he may require. This is with a view to detecting and checking the sale of illicit opium by vendors under colour of their licenses, which of course authorise them to sell such opium as they obtain from the excise officers, on which they have paid the duty.

The licensed vendors themselves fix the price at which they supply the drug to the consumer; competition between them keeps the selling price down to its proper level. No more than five tolah weight (about two-thirds of an ounce) may be sold to one person at a time.

The price at which opium is to be supplied by the Government,—in other words, the amount of duty to be levied in addition to the actual cost price,—has been a subject of constant discussion. In 1851-52 it was sold at different rates, varying from 10 to 16 rupees, the price being lowest in those districts which offered the greatest facilities for obtaining the drug illicitly. The rates in different districts were raised from time to time, and now the selling price is fixed at 22 rupees in all the districts of Bengal Proper. In the eight producing districts of Behar, and in the adjoining district of Puneah, it is sold at prices varying from 20 to 16 rupees. Out of these prices it is calculated that 7-4 rupees per seer, have lately represented the actual cost to Government of the manufacture and transport of the drug, the rest being duty.

20. The bulk of the increase of revenue is, however, owing to the prohibition of the cultivation of the indigenous poppy in Assam. Happily the ordinary Indian population do not show a disposition to use opium largely, that taste being confined for the most part to the Indo-Chinese races. In Assam, the consumption of opium was universal among men, women, and children, and up to 1860 they were unrestricted to growing their own drug. In that year its cultivation was prohibited by law; and the Assamese, like the Bengalees, restricted to the consumption of duty-paid opium supplied from the Government factory through the excise officer of the district. The selling price has been gradually raised from the year 1860 to 22 rupees, at which it now stands. In 1856-57, and the following years, while the poppy was cultivated, the annual consumption of duty-paid opium stood at about 280 maunds, yielding about 50,000 rupees; after 1860 it sprung up rapidly, till it reached 1,900 maunds in 1865-66, yielding 9,90,000 rupees. An increase in the selling price from 14 to 20 rupees per seer, and again to 22 rupees in 1866-67, has arrested the growth of consumption, which has gradually declined to 1,572 maunds, yielding a gross revenue of 13,82,929 rupees, and a net revenue of 9,27,191 rupees. As there is no reason to believe that illicit opium finds its way into consumption in Assam in large quantities, this decrease is a true subject of congratulation. The habit of consuming opium is losing its hold on the people; the good effects are already to be seen, and it is hoped that in the next generation they will be still more marked, as children are no longer allowed what has become an expensive indulgence, and so they will grow to maturity at least without suffering from its deleterious effects, and without having contracted the inveterate habit.

Tarí, Patchwye, and minor articles.

21. The minor articles of excise are tarí or toddy, the juice of the toddy palm; putchwye, a beer, made from fermented rice; charas, bhang, and majum, which are various preparations from the hemp plant; madad and chundoo, preparations of opium. On these the revenue has, since the abolition of the general farming system, been levied by licensing shops on the daily and monthly tax system. In the cases of madad and chundoo, the license-holders are bound to obtain the opium for their preparations directly from the store of the excise officer of the district, and not from licensed opium vendors. For the sale of fresh tarí (as distinguished from fermented), which is not stored, and which is obtained by simply tapping the trees, licenses are given at the nominal rate of one rupee per mensem, during the season when the sap of the palm is rising.

Assessed taxes.

22. The statement, Section 5 of Part I., shows the number of assessees and the revenue derived from the assessed taxes from 1860-61. The character and rate of tax in each year is shown in the column of remarks. There is a striking disparity between the number of assessees in 1864-65 and in 1869-70, although in both of the years the character of the tax was the same, and the limit to the incomes falling within its scope was identical (a minimum of 500 rupees a year).

There is reason to believe that the assessments of 1869-70 were made with unusual severity, and this is evinced by the reduction in number in the assessments of the following year. This cause is, however, insufficient to account for the excessive difference between the

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numbers of 1864-65 and 1869-70. The question is still under investigation. There can be little doubt that many who were liable to assessment escaped it in 1864-65, for it will be observed that in 1868-69 under the certificate tax on professions and trades (of which the taxable minimum was the same), the number of assessees was within 300 of the number in 1864-65, although persons deriving their income from the land or from investments on the funds, who were liable to the tax of 1864-65, were exempt from the certificate tax. The same two classes were also exempt from the license tax of 1867-68.

Tribute or contributions from States.

23. The annexed statement, Section 6 of Part I., gives the sum now collected as tribute or contributions from the so-called tributary States under the Government of Bengal; the amounts have remained unchanged since 1857-58. Most of these are not really Native States, being British territory which the chiefs govern under special laws and with certain limitations, but as they are dealt with on the footing of quasi-States, and are not included in the ordinary civil returns, they are shown in this separate return.

Taxes and rates for local purposes.

24. Part II. of the figured statements consists of taxes and rates imposed for local purposes, on which information is required in paragraph 11 *et seq.* of the Resolution. Toll collections have also been included as desired. The different classes of these rates and taxes are brought together in the accompanying statement. The following is an account of each tax and of the purposes to which it has been devoted.

Two regular cesses only are levied on land revenue, viz., the "one per cent. road fund" in certain limited areas and the "zemindari dawk fund" all over the country.

One per cent. road cess.

As regards the first of these funds, in the district of Shahabad, it has been the practice from the time of the permanent settlement to levy a cess of one per cent. on landholders for the maintenance of roads and for other local purposes. Since 1862, under orders of Government of India, the cess has been extended to all States not previously permanently settled, which come under settlement. On such estates a rate of one per cent. has been imposed in addition to the land revenue assessment. But in these provinces the area so assessed is comparatively small. The additional demand is leviable by the same process as arrears of revenue on the estate. The proceeds of the rate are devoted to the construction of roads and improvement of communications. The total sum levied during 1870-71 amounted to 37,569 rupees, and about the same amount is estimated for 1871-72.

Zemindari dawk cess.

25. As regards the zemindari dawk fund, under Regulation XX. of 1817, zemindars were required, in the fulfilment of an old obligation, to keep up district postal lines between the police stations and magistrates' courts, and they appointed and paid the runners employed in the transport of letters. With the actual appointment of runners, or the payment of the establishment, the authorities had no concern. Great and repeated complaints, however, were made to Government at various times by the magistrates as to the inefficiency of these dawks, and it was alleged that the runners did not receive their pay regularly, the law not empowering the authorities to compel zemindars to pay regularly.

In order, therefore, to provide for the better execution of this service, performance of which was incumbent on the zemindars, Act VIII. of 1862 was passed. The object of this Act was to enable the magistrate of each district to organise the service on an efficient footing, to give him control over the establishments, and to empower him to raise the funds necessary for the maintenance of these establishments from all zemindars, farmers, and other persons paying revenue direct to Government in respect of lands situated within the district, instead of leaving those persons to provide for the service themselves. The magistrate is required to fix and apportion rateably, on or before the last day of December, subject to the approval and revision of the Commissioner, the total sum necessary for the next ensuing year for the efficient service of the dawk in his district. The Act does not in any way interfere with the Imperial postal regulations. The amount levied under this head in 1870-71 was 2,35,773 rupees, and in 1871-72 the estimate was 2,47,219 rupees.

Embankment cess.

26. In two or three districts a sort of cess is levied on certain landholders to meet the expenses of the embankments which they are bound to maintain, the amount expended by public officers for their benefit being rateably distributed, but these accounts have not been submitted to the Government, and details are not yet available. The whole subject of these embankment obligations is in a very confused state, and the Bengal Legislature is now dealing with it.

27. The remarks in the first part of this letter, under the head of land revenue, will show that it is not possible in these provinces to estimate, with any approach to accuracy, the per-centages which the cesses on the land bear to the gross produce and net assets of estates, as required in paragraph 14 of the Financial Resolution, but it may be assumed that the proportion is almost infinitesimally small.

Moturpha tax.

28. The moturpha tax is a tax levied only in certain permanently-settled estates in Pergunnah Chowsa of the Shahabad district, which were received by transfer from the Ghazeepore district in 1819. It has since been realised as it was when the pergunnah belonged to Ghazeepore. The authority under which this tax was first levied in Ghazeepore cannot be traced. The annual collection is *Rs.* 178. 4. 2. only.

This tax is levied on tradesmen and other professional men, artificers, &c. It was in fact one of the most ancient and universal taxes in India. It has been successively abolished in each province, and was supposed to have been finally abolished for all India, when the income tax was introduced, by the law introducing the latter tax. The moturpha in these few villages of Shahabad is thus a very curious relic of an old system, and a proof how difficult

cult it is to enforce any general system when we have little knowledge of local details. It seems probable that the moturpha had been abolished in Shahabad before the transfer of these villages from Ghazeepore, while it was abolished in Ghazeepore after the transfer; consequently, it never was abolished in these villages, and no one connected with the Government knew of its existence till the Lieutenant Governor, in sifting the accounts through the Account Department, discovered this strange item, and found that the old moturpha was being regularly levied in these villages as a local tax.

Tolls.

29. The tolls which are levied on roads, ferries, canals, and rivers, for the purpose of constructing and keeping up communications are separately shown. The road tolls are devoted to the maintenance of roads; the ferry tolls, first to the maintenance of the ferries, and any surplus to the maintenance of the roads and providing accommodation for travellers. The tolls on certain canals and rivers are primarily applied to the heavy expenses connected with the maintenance of the canals and the keeping open the rivers; any surplus goes to the general maintenance of the means of communication.

The proceeds of all these funds have hitherto been credited to an amalgamated road fund, being transferred to that head at the end of each year; the Government distributed the available funds by annual allotments according to the requirements of each district, as shown in the estimates submitted by the Commissioners of Divisions; but from the commencement of the new financial year most of these funds have been made strictly local to the districts where they are raised, and are managed by the local committees.

Municipal taxes.

30. Part III. of the figured statement shows the municipal taxes.* The bazaar funds are levied in three towns only, Maldah, Durrung, and Nowgong. They are applied to keeping up the bazaars. They will now be amalgamated with the town funds.

* Town funds.
Bazaar funds.
Cantonment funds.
Chowkeedari funds.

No rates on consumption or octroi duties are raised in these provinces. In Calcutta rates are raised on houses, on carriages and horses, and on trades and professions.

31. Certain towns are assessed under Act IV. of 1864, Bengal Council. The principal receipts are derived from rates on houses, buildings, and lands, under Section 26 *et seq.* of the Act. There are also in some towns rates on carts, carriages and horses. The rate is levied at different per-centages of the rental in different municipalities; the maximum fixed by Section 26 being 7½ per centum on the annual value, except in one town of Dacca, where 10 per cent. is allowed, but has not been imposed.

The tax is devoted to the purposes of police and conservancy within the municipality.

32. The town funds under Act VI. of 1868 consist of assessments levied "according to the circumstances and the property protected" of the persons liable to the same under Section 44 of the Act. The limit of the tax is thus defined in that section: "The total sum to be raised by such tax in any year shall not exceed the sum which would be produced by an average rate of *Rs.* 2. 4. per annum for each holding; and the amount assessed in respect to any one holding shall not be more than 7 rupees per mensem.

This tax is also devoted to the police and conservancy purposes of the towns which are under the Act. The Act was intended for, and has been extended to, those rural towns which are not sufficiently advanced to benefit by the Municipal Act IV. of 1864 above referred to.

33. The chowkeedari or watchman's funds are raised under Section 10, Act. XX. of 1856, generally by an assessment on the circumstances and property to be protected of persons liable to the assessment, and the amount is limited as follows by Section 2, Act XXII. of 1871:

"If the tax be an assessment according to the circumstances, and the property to be protected of the persons liable to the same, the aggregate sum shall not exceed the average of 2 annas per mensem (1½ rupees per annum) for each house, and the amount assessed in respect of any one house shall not be more than the pay of a chowkeedar of the lowest grade. If the tax be a rate on houses and grounds, it shall not exceed 5 per centum of the annual value thereof."

The proceeds are applied to payment of the police.

34. Act VI. of 1870, Bengal Council, has for its object the reform of the village police of the Lower Provinces, which was considered to be in a disorganised state. Under its provisions the village police were to be brought under one uniform system of a force remunerated by money payments, and to be maintained distinct from the regular police. For the more efficient management and supervision of this force the Act provides for the appointment in each village, or union of villages, of a committee or punchayet, to whom is delegated, under the general control of the magistrate of the district, the duty of appointing and maintaining the village watch, of supervising this work, and of securing the regular payment of their monthly wages. The lands hitherto appropriated to the maintenance of watchmen were to be made over to the landholders on payment, in perpetuity, of half the present annual value. The Act, however, has only been introduced experimentally in a few places, and returns have not yet been received. It is not intended further to extend it, as it is proposed to incorporate it in a new Municipal Act, from which the appropriation of the service lands to the landholders has been omitted.

[redacted] fund is raised under Sections 14 and 15 of Act XXII. of 1864, [redacted] Act XX. of 1865, referred to in the preceding paragraph,

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graph, to any military cantonment. The funds raised are expended for police and for conservancy purposes, and for the general improvement of cantonments.

36. A Bill is now before the Legislative Council of his Honour the Lieutenant Governor, which has for its object the consolidation of all the municipal laws mentioned above, and the increase of the powers entrusted to municipal bodies, who will under it have the option of selecting out of several alternative forms of taxation. It will also somewhat widen the objects to which local bodies may apply these funds, including primary education.

District Road Cess Act.

37. It will be observed from the foregoing statement that no new taxes or rates have been levied in these provinces in 1871–72. But the Act, called the District Road Cess Act, passed in 1871–72, enables district bodies to impose a cess on immoveable property for the purpose of making and maintaining roads and canals and other means of communication. Under it the maximum rates which may be levied are as follows:—

On lands, mines, quarries, &c., one-half of an anna in the rupee of the annual rent or profits.

On dwelling-houses estimated to be of the actual value of—

	Yearly Cess.
	Rs. a. p.
Not less than 100 rupees, but less than 500 rupees -	– 1 –
Not less than 500 rupees, but less than 1,000 rupees -	– 3 –
Not less than 1,000 rupees, but less than 2,000 rupees -	– 4 8
Not less than 2,000 rupees and upwards - - -	3 for every 1,000 rupees, or part thereof, of estimated present value.

Shops and buildings used for purposes of trade, whose estimated present value is more than 25 rupees and less than 100 rupees, will pay a yearly tax of one rupee.

The local representatives, after estimating the requirements of each year, will strike rates not exceeding those above given.

A valuation being preliminary to rating under this law, no cesses can be levied for some time; but the Act has been introduced into several districts and the valuations commenced, and it is expected that some districts may be ready for assessment before the end of the present year.

This will be a new rate for local purposes on the rural populations, while the more general extension of municipal self-government and rating may add somewhat to the total of rates levied from the urban populations.

38. Following the precedent of other countries and the practice of former times, by which the landholders were bound to keep the roads and ferries passable and to mend the ways, it was thought just and expedient that local improvements of the nature of roads and communications should be borne by land and other immoveable property. That property chiefly benefits by such improvements. And as regards the rural districts, it was considered that a rate on immoveable property fulfilled the instructions of the Secretary of State, that such local taxation should be equally imposed on all property "accessible to the rate." It was deemed that personal property was not in country districts accessible to such a rate.

On the other hand, in towns, where the objects of local taxation are of a more general character, and personal means are more accessible, the taxation will be of a more personal character and more designed to touch all kinds of property and income, moveable and immoveable alike.

Part I., Section 1.

Statement of Land Revenue.

Province. 1.	Area in Square Miles. 2.	Demand for 1857–58. 3.	Demand for 1870–71. 4.	Demand for 1871–72. 5.	Remarks. 6.
		Rs.	*Rs.*	*Rs.*	
Bengal - - -	85,846	2,33,19,431	2,36,64,483	2,37,21,321	
Behar - - -	36,931	1,04,15,438	1,07,26,706	1,07,30,170	
Sonthal Pergunnahs -	5,488	1,81,356	2,15,772	2,16,206	
Orissa - - -	7,725	17,37,478	17,36,672	1,17,513 16,20,289	Permanently settled. Temporarily settled.
Chota Nagpore - -	27,849	2,13,344	3,40,865	3,51,464	
Cooch Behar - -	11,963	1,17,814	4,04,820	4,66,202	
Assam - - -	35,529	7,86,949	20,93,374	20,88,941	
Total - -	[illegible]		3,91,82,692	3,93,12,106	

PART I., SECTION 2.

Appendix, No. 15.

STATEMENT showing approximately the Rate of LAND REVENUE per Acre of Cultivation in certain Districts of the Provinces of Behar and Bengal.

Name of District.	Approximate Rate per Acre of Cultivation.	Source from which Information is derived.
	Rs. a. p.	
Tirhoot	– 7 11	Board of Revenue and Collector.
Sarun	– 13 1	Ditto - - ditto.
Champarun	– 4 9	Ditto - - ditto.
Shahabad	– 14 6	Ditto - - ditto.
Gyah	– 7 8	Survey of 1842.
Hazareebaugh	– – 4	Ditto of 1860.
Monghyr	– 9 7	Board of Revenue and Collector.
Rajshahye	1 – 2	Ditto - - ditto.
Rungpore	– 7 3	Ditto - - ditto.
Maldah	– 7 7	Survey of 1848.
Moorshedabad	– 15 5	Ditto of 1853.
Burdwan	1 10 –	Collector.
Bancoorah	– 10 2	Board of Revenue and Collector.
Nuddea	– 13 6	Ditto - - ditto.
Jessore	– 9 2	Survey of 1856.
Dacca	– 5 10	Board of Revenue and Collector.
Fureedpore	– 6 1	Survey of 1859.
Backergunge	– 14 2	Ditto of 1861.
Sylhet	– 3 10	Board of Revenue and Collector.
Mymensing	– 5 11	Ditto - - ditto.
Tipperah	– 12 6	Survey of 1862.
Bulloah or Noakhally	– 10 6	Ditto of 1864.
General Average - - *Rs.*	– 10 –*	

* This gives the general average of the cultivated districts of Bengal and Behar to be about 10 annas, say 15 *d.* per cultivated acre. But some of these returns are from old surveys, and the present rate on an increased area of cultivation would be less.

H. L. Dampier,
Secretary to the Government of Bengal.

PART I., SECTION 3.

STATEMENT OF FOREST REVENUE.

Details of Receipts.	Actuals for 1857–58.	Actuals for 1870–71.	Estimated Amounts in 1871–72.
	Rs.	*Rs.*	*Rs.*
Sale of timber brought to depôt		39,129	58,000
Ditto - - removed by purchasers		4,057	2,000
Duty on foreign timber	—	—	—
Timber tax or permit fees, &c.	366	58,524	1,05,000
Grazing dues		985	—
Sale of fruits		127	—
Ditto confiscated timber		33	—
Fines and forfeitures		394	—
Miscellaneous	630	—	—
TOTAL - - - *Rs.*	996	1,03,249	1,65,000

H. L. Dampier,
Secretary to the Government of Bengal.

PART I., SECTION 4.

STATEMENT OF EXCISE REVENUE IN BENGAL.

ARTICLE.	1856-57.					1870-71.	
	RATE OF		PRODUCE FROM			RATE OF	
	Duty.	License Fee per Annum.	Duty.	License Fee.	Total.	Duty.	License Fee per Annum.
1.	2.	3.	4.	5.	6.	7.	8.
			Rs.	*Rs.*	*Rs.*		
1. Imported liquors, including both rum and other spirits, wines and malt liquors.	Malt liquor, 5 per cent. on the value, if imported on British ships: 10 per cent. if on foreign ships. Wines, *Re.* 1 per gallon. Spirits, *Rs.* 1 and 1½ per gallon.	Wholesale, *Rs.* 16 Retail, *Rs.* 48.	3,44,516	27,737	3,72,253	Ale, porter, and similar fermented liquors, 1 anna per gallon. Sparkling wines and liquors, *Rs.* 1–8 per gallon. All other sorts of wine, *Re.* 1 per gallon. Spirits, *Rs.* 3 per gallon London proof.	Wholesale, *Rs.* 16 Hotel retail, *Rs.* 200 to 100. Steamer retail, *Rs.* 16 General retail, *Rs.* 204 to 48.
2. Rum, country, *i. e.*, spirits manufactured in India in the English method.	*Re.* 1 per gallon, L. P.	Wholesale, *Rs.* 16 Retail, *Rs.* 204 to 48.	Separate figures not available.	Separate figures not available.	1,96,618	*Rs.* 3 per gallon, L. P.	Wholesale, *Rs.* 16 Retail, *Rs.* 240 to 48
3. Fermented Liquors:							
Country spirits	*Re.* 1 per gallon	Particulars of rates not available.	Exact amount not known.	Exact amount not known.	16,29,662	*Rs.* 3 to 1 per gallon, L.P.	Sudder distillery system, *Rs.* 72 to 12. Monthly tax system, *Rs.* 1,620 to 24.
Fermented tari or toddy.	Being collected on the monthly tax system. No duty.	ditto	Nil	3,27,488	4,23,420	Nil	*Rs.* 1,415 to 2
Putchwye or rice-beer.	ditto	ditto	Nil	95,932			„ 600 to 2
4. Unfermented liquor, *i. e.*, fresh tari or toddy.	Nil	*Re.* 1	Included against Heading 3, because not shown separately.			Nil	*Re.* 1
5. Drugs, other than Opium and Ganja:							
Charas (*e*)	Nil	Daily tax rates not available.	Nil	70,339	70,339	Nil	*Rs.* 270 to 3
Shidhi, sabzi, or bhang (*e*)							„ 1,260 to 5
Majum (*e*)							„ 471 to 1
Madad (*f*)							„ 960 to 48
Chundoo (*f*)							„ 624 to 48
6. Ganja or hemp	*Re.* 1 per seer	Nil	4,57,251	Nil	4,57,251	*Rs.* 4 to 2 per seer	*Rs.* 192 to 48
7. Duty on spirits used for arts, &c.	Nil	Nil	Nil	Nil	Nil	10 per cent. *ad valorem.*	Nil
8. Opium	*Rs.* 10 to 16 per seer (*d*).	Nil	8,88,264	Nil	8,88,264	*Rs.* 22 to 16 per seer (*d*).	Nil
9. Miscellaneous					(*a*) 18,626		
				TOTAL *Rs.*	40,51,433		

(*a*) Details cannot be ascertained from the records.
(*b*) Fines and confiscations.
(*c*) Each license covers the sale on one article only and at one shop.
(*d*) These are the gross rates at which the manufactured opium was sold by the excise officers, including the duty as well as the actual
(*e*) Preparations of different parts of the ganja or hemp plant.
(*f*) Preparations of opium.

PART I., SECTION 4.

STATEMENT OF EXCISE REVENUE IN BENGAL.

1870–71.				ESTIMATE FOR 1871–72.						REMARKS.
PRODUCE FROM				RATE OF		PRODUCE FROM				
Duty.	License Fee.	Distillery Fees.	Total.	Duty.	License Fee per Annum. (*c.*)	Duty.	License. Fee.	Distillery Fees.	Total.	
9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	
Rs.	*Rs.*	*Rs.*	*Rs.*			*Rs.*	*Rs.*	*Rs.*	*Rs.*	
10,10,972	66,341	- Nil -	10,77,313	Same as in 1870–71	Same as in 1870–71	10,33,313	68,806	- Nil -	11,02,119	These imported spirits, liquors, and wines are taken from the Customs returns. They are not ordinarily shown in the excise returns of this country.
3,56,212	97,283	- Nil -	4,53,495	*Rs.* 3 per gallon, L. P.	Wholesale, *Rs.* 16 Retail, *Rs.* 240 to 48.	3,21,997	98,541	- Nil -	4,20,538	
15,47,285	2,40,852	91,974	18,80,111	*Rs.* 3 to 1 per gallon, L. P.	Sudder distillery system, *Rs.* 72 to 12. Monthly tax system, *Rs.* 1,788 to 24.	15,83,869	2,70,192	1,11,387	19,65,448	
- Nil -	5,42,471	- Nil -	5,42,471	- Nil -	*Rs.* 1,395 to 1 -	- Nil -	5,71,365	- Nil -	5,71,365	
- Nil -	1,44,434	- Nil -	1,44,434	- Nil -	*Rs.* 840 to 12 -	- Nil -	1,49,118	- Nil -	1,49,118	
- Nil -	3,467	- Nil -	3,467	- Nil -	*Re.* 1 - - -	- Nil -	3,536	- Nil -	3,536	
- Nil -	96,864	- Nil -	96,864	- Nil -	*Rs.* 264 to 3 - „ 1,260 to 2 - „ 468 to 3 - „ 1,800 to 48 - „ 708 to 48 -	- Nil -	96,690	- Nil -	96,690	
8,90,236	2,16,582	- Nil -	11,06,818	*Rs.* 4 to 2 per seer	*Rs.* 192 to 48 -	8,95,303	2,20,259	- Nil -	11,16,067	
1,526	- Nil -	- Nil -	1,526	*Rs.* 10 per cent. *ad valorem.*	- Nil -	1,189	- Nil -	- Nil -	1,189	
30,39,955	- Nil -	- Nil -	30,39,955	*Rs.* 22 to 16 per seer (*d.*)	- Nil -	30,79,775	- Nil -	- Nil -	30,79,775	
- -	- -	- -	(*b*) 154	- - -	- - -	- -	- -	- -	(*b*) 125	
- -	- -	- -	83,46,608	- Nil -	- - -	- -	- -	- -	85,05,970	

cost of production and manufacture, the latter item being estimated at *Rs.* 5. 8. a seer in 1856–57, and *Rs.* 7. 4. a seer in 1870–71 and 1871–72.

H. L. Dampier,
Secretary to the Government of Bengal.

PART I., SECTION 5.

STATEMENT OF ASSESSED TAXES.

YEAR.	Number Assessed.	Amount Realised.	Minimum Income Taxable.	Character and Rate of Tax.
		Rs.	*Rs.*	
1860–61 - - - -	295,488	67,97,437	200	Income-tax at the rate of 4 per cent. per annum above 500 rupees, and 2 per cent. below.
1861–62 - - - -	297,041	61,56,504	200	Ditto - ditto - ditto.
1862–63 - - - -	82,408	51,01,243	500	Ditto at the rate of 4 per cent.
1863–64 - - - -	77,902	37,03,293	500	Ditto - - 3 ditto.
1864–65 - - - -	73,245	38,59,991	500	Ditto - - ditto.
1867–68 - - - -	195,906	16,33,073	200 and for persons in employ of Government, 1,000 rupees.	License tax on professions and trades, the rates being 4 rupees to 500 rupees.
1868–69 - - - -	72,951	14,66,389	500 and for servants or clerks, whether of Government or of a company, or individual, 1,000 rupees.	Certificate tax on professions and trades, the rates being 8 rupees to 6,400 rupees.
1869–70 - - - -	193,656	42,83,958	500	Income-tax at $1\frac{1}{2}$ per cent.
1870–71 - - - -	132,249	70,43,305	500	Ditto at $3\frac{1}{8}$,,

H. L. Dampier,
Secretary to the Government of Bengal.

PART I., SECTION 6.

STATEMENT showing the Amount now Collected as Tribute or Contributions from the different Native States under this Government.

Number.	Name of State.	Amount now Collected.	Number and Date of Paper on the Authority of which that Amount is Collected.	REMARKS.
		Rs. a. p.		
1	Cooch Behar - - -	67,700 15 –	Treaty of 5th April 1773.—*Vide* Volume 1, page 151, of Aitchison's Treaties, Engagements, and Sunnuds, relating to India and neighbouring countries.	
			Chota Nagpore Tributary Mehals.	
		Rs. a. p.		
2	Sirgooja -	1,891 11 –	2,666 11 – Under a settlement, nominally, quinquennial, made in February 1825, but which remains in force up to date.	Jushpore and Udeypore were originally feudal dependencies of Sirgooja; the tributes received from all the three were, therefore, formerly shown in one item against Sirgooja. Jushpore still pays its tribute through Sirgooja. In April 1826, the feudal chief of Udeypore dying without issue, the estate was for some years made over to his half-brother, Dhiraj Singh. This man conducted the affairs of the State in the most unsatisfactory manner, and being eventually implicated in a murder case, was imprisoned for seven years. The estate was then managed by Government for several years; but in 1860 it was bestowed on Rajah Bindessuree Persad Singh, Deo Bahadoor, C. S. I., under orders of the Supreme Government, quoted in column 4, "as a reward for his very loyal and energetic exertions" during the Mutinies. From this time Udeypore became a distinct tributary estate, the Rajah paying his tribute *direct* to Government, and Sirgooja receiving credit for the same.
3	Jushpore -	775 – –		
4	Udeypore -	533 5 –	533 5 –	
		3,200 – –		
5	Gangpore - - - -		500 – – Under a settlement, nominally, for five and four years, made in 1828 and 1820 respectively.	For the early history of Udeypore, *see* Bengal Government Proceedings (Political) of 17th May 1860, Nos. 6–7, 12, 15–16.
6	Bonai - - - -		200 – –	
7	Korea - - - -		400 – – Under a settlement, nominally, for 10 years, made in January 1848.—*Vide* General Proceedings, 19th May 1847, Nos. 51–53; General Proceedings, 7th July, Nos. 53–56.	
8	Chang Bhukur - - -		386 3 –	
9	Atgurh - - - -		2,800 – –	
10	Atmullick - - - -		480 – –	
11	Boad - - - -		800 – –	
12	Burrumba - - -		1,397 15 5	
13	Dhenkanal - - -		5,099 – 9	
14	Duspulla (Joremoo) - -		661 7 11	Cuttack Tributary Mehals.
15	Hindole - - - -		551 3 11	
16	Keonjhur - - -		1,976 11 11	*Vide* Volume 1, pages 184–98, of Aitchison's Treaties, Engagements, and Sunnuds, relating to India and neighbouring countries.
17	Khundpara - - -		4,211 8 8	
18	Mohurbhunj - - -		1,067 11 9	
19	Neilgiri - - - -		3,900 7 8	
20	Nursingpore - - -		1,455 8 3	
21	Nyagurh - - - -		5,525 4 1	
22	Rungpore - - - -		1,400 13 2	
23	Talchere - - - -		1,039 10 5	
24	Tigereea - - - -		882 – –	
	TOTAL - - *Rs.*		1,05,636 9 11	

H. L. Dampier,
Secretary to the Government of Bengal.

PART II.

STATEMENT OF LOCAL RATES AND TAXES existing in 1870–71 other than Municipal.

FUNDS.	Actuals of 1870–71.	Estimated Amounts in 1871–72.	Authority under which Levied.
SECTION I.			
Cesses on Land Revenue:	*Rs.*	*Rs.*	
One per cent. Road Fund - - - - -	37,569	37,500	In certain recently settled estates only, under agreements entered into at time of settlement.
Zemindari Dawk Fund - - - - - -	2,35,773	2,47,219	Act VIII. of 1862, Bengal Council.
A TOTAL - - -	2,73,342	2,84,719	
SECTION II.			
Other Cesses:			
Mohturpha or Tax on Tradesmen - - -	178	178	Ancient custom.
B TOTAL - - -	178	178	
SECTION III.			
Tolls on Roads, Ferries, Canals, and Rivers:			
District Road Toll Fund - - - - -	89,259	85,701	Act VIII. of 1851.
Ferry Fund, local, *i.e.*, on local lines of road -	5,10,748	5,32,687	Regulation VI. of 1819.
Ferry Fund, imperial, *i.e.*, on imperial lines of road	53,195	6,880	Ditto ditto.
Canal Tolls - - - - - - - - -	3,74,376	4,59,252	Regulation XVII. of 1806, Act XV. of 1860, and Act V. of 1864, Bengal Council.
Nuddea River Tolls - - - - - -	2,35,005	2,17,265	Regulation VIII. of 1824.
C TOTAL - - -	12,62,583	13,01,785	
GRAND TOTAL of A, B, and C. - - *Rs.*	15,36,103	15,86,682	

H. L. Dampier,
Secretary to the Government of Bengal.

PART III.

STATEMENT OF MUNICIPAL TAXES AND INCOME.

Municipal Tax.	Amount.	Authority under which Imposed.
	Rs.	
Calcutta - - - - - - - - - - -	27,31,273	Act VI. of 1863, Bengal Council.
Town Funds under Act III. of 1864, Bengal Council, viz.:		
A.—Suburbs of Calcutta and Howrah - - -	4,68,472	Act III. of 1864, Bengal Council.
B.—Other towns - - - - - - - -	5,75,754	
Town Funds under Act VI. of 1868, Bengal Council -	4,22,594	Act VI. of 1868, Bengal Council.
Bazaar Funds - - - - - - - - -	2,400	Exceptional in three towns only; will be amalgamated with Town Funds.
Cantonment Funds - - - - - - - -	29,176	Act XXII. of 1864.
Chowkeedaree Funds - - - - - - - -	1,13,733	Act XX. of 1856, Bengal Council.
TOTAL - - *Rs.*	43,43,402	

H. L. Dampier,
Secretary to the Government of Bengal.

Appendix, No. 15.

(Annexure A. referred to in para. 10 of preceding Letter.)

From *H. L. Dampier*, Esq., Secretary to the Government of Bengal, Revenue Department, to the Officiating Secretary to the Government of India, Department of Agriculture, Revenue, and Commerce (No. 1347); dated Calcutta, 27th March 1872.

I AM directed to acknowledge the receipt of your letter, No. 2-169, dated the 10th ult., requesting the preparation and submission of a statement showing the districts under settlement in Bengal in each year from 1856-57 to 1870-71, with a memorandum of the fiscal results, and enclosing a tabular form for adoption, with such modifications as the revenue system of the province may render necessary.

2. Returns cannot be submitted in the exact form called for, because there are no settlements of districts in these provinces made and reported in the form prescribed.

The districts of Orissa would properly have been so treated, a 30 years' settlement having expired; but, in consequence of the famine, the term of settlement was extended for another term of 30 years at the former revenue by Act X. (B. C.) of 1867.

3. In Assam, again, the settlement is ryotwaree, and made from year to year in accordance with the quantity of land cultivated. What is called a new settlement took place there lately; but it was only a revision of the rates to be paid by each description of land, leaving the revenue for each year to be settled annually.

4. In the districts of Chota Nagpore the greater part of the land is permanently settled with great zemindars or rajahs at what is now a mere quit-rent; but there are some more remote tracts not permanently settled, where a new settlement has been concluded with a considerable increase of revenue.

5. The small outlying division of Cooch Behar is composed partly of the territory of the native rajah of that name, which is now in British charge, and partly of British districts. Of the latter the old district of Goalpara is held permanently by rajahs on small quit-rents, and a small part of Julpigoree is permanently settled. The remainder is composed of the lately-developed district of Darjeeling and of the Dooars, or submontane tracts taken from Bhootan and attached to the Goalpara and Julpigoree districts, causing a comparatively large increase of revenue.

6. In one of the districts of Behar (Shahabad) a considerable increase of revenue was obtained after the mutiny, consequent on the confiscation and re-settlement of the great estate of the notorious rebel Koer Sing.

There has also been considerable increase in Behar, in consequence of the settlement of the alluvial accretions, which either fall to Government or are settled with the adjacent landholders. Where permanently settled estates are swept away, the old revenue is lost; but where new-formed tracts are found, or land which has emerged from the river becomes solid and valuable, a revenue commensurate with modern values is obtained. Hence there is a gradual increase of revenue from this source.

7. The province of Bengal Proper is, as is well known, permanently settled, and there can be no great increase of revenue. But in most districts there are, or have been, in the hands of Government, considerable estates which have lapsed, have been purchased in at sales, have been recovered from the Soonderbuns or other unsettled tracts, or have in one way or other come into the hands of Government. On these estates, after they have been managed and nursed for a series of years, an increase of revenue is obtained, which gradually adds to the rent-roll.

The Government have here also the same right to revenue from alluvial accretions which has been obtained in Behar, although the rights of Government do not appear to have been so systematically enforced.

8. Again, there are some outlaying districts of Bengal to which considerable additions have been made. The district of Cachar is almost a new creation, and considerable tracts not permanently settled have been brought under settlement in Sylhet and Chittagong. In these extreme eastern districts the system is very much ryotwaree. A portion of the Midnapore district is not permanently settled; consequently, periodical increases have been obtained, and a considerable increase is now expected from a new settlement.

9. A statement is now submitted showing the area and revenue of the several provinces of Bengal, and the revenue for each of the years 1856-57 to 1870-71 inclusive, with the total increase and revenue in the last year of the term, as compared with the first.

10. It will be observed that, from the various causes enumerated, there has been an increase in Bengal of about 35,000 *l.*, and upwards of 60,000 *l.* in Behar, of which last nearly half is in Shahabad alone, and is mostly due, as has been explained, to the confiscations

confiscations consequent on the mutiny. In Orissa the revenue has remained nearly stationary.

To Chota Nagpore and Cooch Behar a considerable increase has been added.

In Assam only has there been a very large increase. That country was for a long time rather a political dependency than a British possession; and when it came into the hands of Government, after long devastation by the Burmese and hill tribes, a scanty revenue was collected in a very rude and primitive fashion. A ryotwaree settlement was gradually made, under which the land revenue has much progressed, and latterly the province has been much opened out.

Steamers run in considerable numbers on the Berhampootra; the tea cultivation, though it has not materially added to the land revenue (the grants for it being nearly rent-free), has led to immigration and increased demand for food grains, and the prices of the staple products have altogether much increased.

It was consequently found possible, three years ago, to adopt revenue rates nearly double those which previously prevailed. This operation has been attended with the drawback that the area held under settlement has been very considerably diminished, much land having been thrown up in some districts; but, notwithstanding, the land revenue has been increased from 128,000 *l.* in 1867-68 to 208,000 *l.* in 1870–71, which is an unusually rapid increase.

11. In addition to the general statement now submitted, five separate statements are also forwarded, giving details of the districts in Orissa and Assam, and of the increase of revenue in the districts of Shahabad, Lohardugga, and Singbhoom, in which there have been considerable re-settlements during the period from 1856-57 to 1870-71.

The Bhootan Dooars being a new acquisition, of which the first settlement is still in hand, a separate statement is submitted regarding it, but the present revenue of the Dooars amounts to 1,80,797 rupees.

12. With regard to the revenue management of principal provinces, Bengal and Behar, I am to explain that up to last year it had been the practice for the Board of Revenue and the officers subordinate to them to settle in perpetuity all estates not previously so settled, which they considered fit for such settlement, and all alluvial accretions to old estates; but the present Lieutenant Governor has put a stop to this practice, pending further consideration.

Appendix, No. 15.

AJMERE.

From Colonel *J. C. Brooke*, Officiating Chief Commissioner, Ajmere and Mhairwarra, to the Secretary to the Government of India, Financial Department (No. 157); dated 8th March 1872.

IN reply to your office letter No. 1416, dated 22nd February 1872, I have the honour to forward copy of a letter (No. 439), dated 14th ultimo, from the Deputy Commissioner, Ajmere, enclosing statements of local rates and taxes referred to in paragraph 11 of Financial Resolution No. 4510, dated 23rd October 1871.

From Captain *H. M. Repton*, Deputy Commissioner, to the Commissioner, Ajmere (No. 439); dated 14th February 1872.

I HAVE the honour to acknowledge the receipt of your docket No. 176, dated 18th ultimo, and in reply to forward a comprehensive statement of all the Imperial and local cesses or rates levied in this district, which, I hope, will answer in full all the requirements of the Government Resolution, No. 4510 of 23rd October 1871.

2. The information formerly given was only for paragraph 13, as it is laid down in paragraph 8, that the rest of the information was to be supplied by the local accountant general in communication with the chief revenue authority, *vide* this office, No. 81, of 6th January 1872, in reply to yours of the 26th December 1871, No. 1536; and as for the information required in paragraph 12, and those subsequent to it, the Comptroller General had already communicated with the treasury officer, Ajmere, so that almost all the information was sent up, though through different channels. The only additions now made are as per paragraph 7, and recourse had to be made to the Neemuch Office records for 1858–59, and that the municipal items have now been given in more fuller details than before, so that, on comparing the present statement with each paragraph of the Resolution, I hope we will find that all the questions have been carefully replied to.

Endorsed by the Commissioner of Ajmere (No. 389); dated 16th February 1872.

COPY of the above, with the Statements in original, forwarded to Chief Commissioner in reply to his, No. 20, dated 13th January 1872.

N.B.—The information called for in paragraphs 4 and 14 of Resolution is not ascertainable, though information has been given which it is hoped will answer the purpose.

Transfer of the Government of the Indian Territories to the Crown, showing the Amount of the Produce of each Rate or Tax, prepared agreeably to Government of India, Financial Department Resolution, No. 4510, of 23rd October 1871.

ITEMS.	Proceeds of 1858-59.	Proceeds of 1870-71.	Estimate of 1871-72.	RATES, REMARKS, AND EXPLANATIONS, &c.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	
Land Revenue.				
Gross Produce	- - -	- - -	- - -	Not ascertainable.
Net assets on land taken as Imperial land revenue	3,90,137 11 10	3,39,025 10 8	4,10,800 - -	Rate per acre at which the assessment falls on the land varies from 2 *a.* 1 *p.* to 12 *a.* 1 *p.*
Excise.				
Spirits; viz.—Rum, imported	- - -	354 - -	- - -	No rates or fixed duty levied in this district; the liquor farm is let every year to the highest bidder, and fees are not realised from license holders, who are under the farmer, who pays for the excise of the whole district. Opium in this district is not separately farmed or treated as an Imperial monopoly, but is included in other drugs.
Ditto, country	- - -	- - -	- - -	
Fermented liquors	5,865 9 6	16,831 10 7	20,000 - -	
Unfermented liquors	- - -	- - -	- - -	
Drug other than opium and ganja			1,500 - -	
Opium	1,345 15 -	3,661 - -	2,700 - -	
Ganja			- - -	
TOTAL *Rs.*	7,211 8 6	20,846 10 7	24,200 - -	
Assessed Taxes.				
Income Tax.—Class I.	- - -	12,676 1 8		
Class II.	- - -	3,974 4 -		
Class III.	- - -	5,902 8 8		
Class IV.	- - -	5,012 14 6	16,000 - -	Not in force prior to 1st August 1860. Rate of assessment 1870-71, under Act XVI. of 1870, at 3½ rupees per cent.; and 1871-72, under Act XII. of 1871, at *Rs.* 1. 0. 8. per cent.
Class V.	- - -	8,761 3 -		
Class VI.	- - -	15,602 8 -		
Class VII.	- - -	- - -		
TOTAL *Rs.*	- - -	51,929 7 10	16,000 - -	
Tributes and Contributions.—Tributes.				
From Native States.—Jeypore	2,64,999 - -	3,66,666 10 8	4,00,000 - -	
Joudpore	98,000 - -	1,96,000 - -	1,08,000 - -	
Oodeypore	*1,08,706 5 -*	2,22,083 8 -	2,00,000 - -	
Doongerpore	*13,693 12 -*	41,081 4 -	27,400 - -	
Banswarah	*27,387 8 -*	39,129 2 -	29,130 - -	
Kotah	- - -	2,97,001 5 8	2,43,660 - -	
Boondee	65,000 - -	4,00,000 - -	40,000 - -	
Keshoraie Putun	*80,000 - -*	80,000 - -	80,000 - -	
Jhallawar	- - -	40,000 - -	80,000 - -	
From Petty States.—Seerohee	- - -	6,681 4 -	6,900 - -	
Shahpoorah	10,000 - -	10,000 - -	10,000 - -	This item is included under Land Revenue in Ajmere District.
Contributions.				
From Native States.—Joudpore	1,15,000 - -	1,15,000 - -	1,15,000 - -	
Oodeypore	36,542 1 1	30,000 - -	50,000 - -	
	1,27,639 11 7			
Cotah	- - -	1,00,000 - -	2,00,000 - -	
TOTAL *Rs.*	9,46,968 5 8	19,43,643 2 4	16,00,090 - -	

Note.—The entries given in *Italic* figures show items taken from Neemuch Treasury Accounts.

General Remarks.—No difference in rates and taxes levied before from those levied since the transfer of the Government of Indian territories to the Crown.

Ajmere Deputy Commissionership,
1 February 1872.

H. M. Repton, Captain,
Deputy Commissioner of Ajmere.

STATEMENT of LOCAL RATES and TAXES levied in *Ajmere* and *Mhairwarrah* for Local Purposes, distinguishing the Rates and Taxes levied before the Scheme of Provincial Services and those levied subsequently, showing the Produce and Estimated Produce of each Rate and Tax, prepared agreably to Government of India Resolution, Financial Department, No. 4510, dated 23rd October 1871.

YEARS.	Cesses on Land Revenue, and Rates and Taxes, for Local Purposes.	Rate or Tax per Cent.	Rate on Annual Value of Land.	Rate per Cent. on Rental.	Average Per-centage on Income.	Produce of each.	Authority.	Special Purposes for which the Tax is Levied, or Object for which it is applied.	REMARKS.
	ON LAND REVENUE.					*Rs. a. p.*			
1858-59	- - - -	- - - -	- -	- -	Not ascertainable.	8,152 9 -	Colonel Dixon — *Vide* settlement report, page 59, para. 41, of letter No. 42 of 28th February 1850, and Statement No. V., and page 59, para. 5, of letter No. 2 of 3rd January 1852, pages 99 and 100; paras. 1 and 3 of letter No. 305, dated 15th December 1852.	Maintenance and repair of district roads.	New settlement may be made as per Board of Revenue, North Western Provinces, Circular No. 3, dated 13th June 1866, at the rate of—
1870-71	1. Road Fund - -	1 per cent. on jumma in Khalsa villages and 2 rupees per 1,000 beeghas in Jagheer and Istumrar villages - -	- -	- -	- ditto -	7,755 11 8	Secretary to Government, North Western Provinces — Page 77, paras. 6 and 13 of letter No. 1255, dated 25th April 1850.		½ per cent.
1871-72	- - - -	- - - -	- -	- -	- ditto -	8,700 - -	Colonel Dixon — Page 141, paras. 37 and 41 of letter No. 278 of 17th September 1853, and Statement No. V. - - -		
1858-59 1870-71 1871-72	2. School Fund - -	Not yet introduced in this district.	- -	- -	- -	- - -	- - - - None - - - -	- - - - -	½ per cent. or net assets and—
1858-59 1870-71 1871-72	3. District Dâk Fund -	- - - ditto - -	- -	- -	- -	- - -	- - - - None - - - -	- - - - -	⅛ per cent.
1858-59 1870-71 1871-72	4. Village Chowkeedarree Fund, 1 rupee on houses	- - ditto - -	- -	Not exceeding 1 rupee per house - -	- -	- - - 23,721 11 1 19,104 - -	Act III. of 1869, sections 4 and 5 -	Maintenance of rural police.	3⅞ per cent.
1858-59	- - - -	3⅛ per cent. on jumma -	- -	- -	Not ascertainable.	It was not customary to show these receipts in public accounts this year -	*Vide* Khewut Books and Settlement -	Wages of village accountants - -	3 per cent. on collections of the Jummabundee.
1870-71	5. Putwaree Fund - - - -	- - - ditto - -	- -	- -	- ditto -	11,888 13 4	Colonel Dixon — Report, page 89, para. 10, of letter No. 153, dated 14th May 1852 -		
1871-72	- - - -	- - - ditto - -	- -	- -	- ditto -	11,377 - -			

1858-59 -	6. Tullao Fund - -	1 per cent. on original cost in Khulsa Villages only	- -	- -	- ditto -	12,229 11 3	Page 40, Ajmere Settlement Report -	Maintenance and repairs of reservoirs, &c. - - -	Treated as Public Works revenue for the present by order of the Government of India, Public Works Department, No. 725 A., of 27th August 1869, No. 313 I., dated 13th September 1869, and Officiating Controller, Public Works Accounts, Central India and Rajpootana, No. 454 R., dated 26th June 1869.
1870-71 -			- -	- -	- ditto -	11,781 14 3	Colonel Dixon, Paras. 21, 35, and 37, of letter No. 42 of 28th February 1850 - -		
1871-72 -			- -	- -	- ditto -	9,616 - -			
	On Towns.								
	On Articles Imported for Consumption in Four Towns, North Western Provinces.								
	1. Municipal Fund:								
1858-59	(a) Piece goods and metals - - - (b) Food and other necessaries - - (c) On other merchandises - - - (d) Cattle - - -	Not introduced in this year.	- -	- -	- -	- - -	- - - - None - - - - -		
1870-71	(a) Piece goods - - (b) Food and other necessaries - - (c) On other merchandises - - - (d) Cattle - - -	As per Appendices A. and B.	- -	- -	- -	41,256 9 11	Act VI. of 1868, and Government, North Western Provinces Notification, General Department, No. 1061 A., dated 13th September 1869, No. 3264 A., dated 31st December 1869, No. 4004 A., dated 13th September 1870, as subsequently amended under orders of the Chief Commissioner, No. 272, dated 18th September 1871.	Maintenance of municipal police and improvement and conservancy of towns, &c. &c. &c.	Items of municipal income exhibited separately in a second subsidiary return, together with the charges of this fund, in Appendices C., D., and E.
1871-72	(a) Piece goods and metals - - - (b) Food and other necessaries - - (c) On other merchandises - - - (d) Cattle - - -	As per Appendices A. and B.	- -	- -	- -	32,000 - -	- - - - ditto - - - - -		
1858-59	- - - - -	- - - -	- -	- -	- -	- - -	Act XX. of 1856 - - - -	Maintenance of police chowkeedars in towns bazars, &c. &c. (where there is a police station under an officer not below the grade of a jemadar), conservancy, and improvements.	Government buildings are not taxed; the collections appertain to taxes on private property.
1870-71	2. Municipal Chowkeedaree Fund, 1 rupee on houses	Not introduced in this year - - - -	- -	Not exceeding 5 per cent., according to circumstances of the owners.	- -	7,151 5 2			
1871-72	- - - - -	- - - -	- -		- -	8,718 - -			

Note.—Government do not contribute anything towards any of these funds. No new rate or tax introduced since the scheme of provincial services.

Ajmere Deputy Commissionership,
1 February 1872.

H. M. Repton, Captain,
Deputy Commissioner, Ajmere.

APPENDIX (A.)

STATEMENT OF MUNICIPAL CESSES, AJMERE, 1870–71 and 1871–72.

No.	ARTICLES.	1870-71. Rate.		1870-71. Actual Proceeds.	1871-72. Rate.		1871-72. Estimated Proceeds.
	I.—*Articles of Food and Drink for Men and Animals.*	Rs. a. p.		Rs. a. p.	Rs. a. p.		Rs. a. p.
1	Sugar	– 8 –	Per maund	9,125 12 2	– 4 –	Per maund	8,000 – –
2	Goor	– 4 –	ditto	5,425 3 4	– 2 –	ditto	4,000 – –
3	Ghee	– 8 –	ditto	3,493 2 7	– 8 –	ditto	3,000 – –
4	Cotton seeds, mustard, mathee, potatoes, yams and urvies.	– 2 –	ditto	132 5 5	– 2 –	ditto	120 – –
5	Cocoanut with shell (nareal)	– 2 –	ditto	69 9 8	– 2 –	ditto	60 – –
6	Cocoanut without shell (khapra)	– 4 –	ditto	32 13 8	– 4 –	ditto	30 – –
7	Mangoe chips, singhara, huldi	– 4 –	ditto	463 4 9	– 4 –	ditto	400 – –
8	Dates, chohara	– 8 –	ditto	77 8 9	– 8 –	ditto	60 – –
9	Raisins, khoobani, monukkah	– 8 –	ditto	176 – 4	– 8 –	ditto	160 – –
10	Almonds	1 – –	ditto	431 6 9	1 – –	ditto	350 – –
11	Oonab, alocbokhara	1 – –	ditto	12 5 10	1 – –	ditto	10 – –
12	Pistachio nuts	1 – –	ditto	58 13 2	1 – –	ditto	50 – –
13	Black pepper	– 12 –	ditto	91 – 11	– 12 –	ditto	80 – –
14	Country tea	2 8 –	ditto	3 15 11	2 8 –	ditto	10 – –
15	Salt, Sambhur and khary	– 2 –	ditto	475 11 3	– 2 –	ditto	450 – –
16	Pawn leaves	2 8 –	ditto	95 9 –	2 8 –	ditto	90 – –
17	Rice	– 2 –	ditto	914 15 9	– 2 –	ditto	850 – –
18	Mowah berries	– 4 –	ditto	217 – 4	– 4 –	ditto	200 – –
	II.—*Animals for slaughter.*						
19	Sheep and goats	– 1 –	Each	555 11 –	– 1 –	Each	550 – –
	III.—*Articles used for Fuel, Lighting, or Washing.*						
20	Cocoanut-oil	1 – –	Per maund	6 – 2	1 – –	Per maund	10 – –
21	Other oils	– 4 –	ditto	305 15 5	– 4 –	ditto	300 – –
22	Oilseeds	– 2 –	ditto	1,208 14 8	– 2 –	ditto	1,200 – –
23	Firewood	– 2 –	Per cart	352 4 –	– 2 –	Per cart	300 – –
24	Candles, wax	2 – –	Per maund	– 13 –	2 – –	Per maund	10 – –
25	Candles, composite	– 8 –	ditto	23 9 –	– 8 –	ditto	20 – –
26	Soap and sujjee	– 2 –	ditto	254 3 11	– 2 –	ditto	150 – –
27	Charcoal	– 1 –	ditto	502 12 3	– 1 –	ditto	450 – –
	IV.—*Articles used in the construction of Buildings.*						
28	Marble stone, and things made of	2 – –	Per maund	34 3 6	2 – –	Per maund	10 – –
29	Stone slabs, large and small	– 1 –	Per cart	257 9 –	– 1 –	Per cart	250 – –
30	Khuttoo stone and wood for building	– 4 –	ditto	110 12 –	– 4 –	ditto	100 – –
31	Sall, sheshum and other kinds of wood	– 1 –	Per c. ft.	12 6 1	– 1 –	Per c. ft.	10 – –
32	Twine, hemp, baun, moonj, and bamboos	– 2 –	Per maund	180 6 7	– 2 –	Per maund	150 – –
33	Lime for building	1 8 –	Per 100 maunds	366 15 6	1 8 –	Per 100 maunds	300 – –
34	Verdigris	2 – –	Per maund	3 11 9	2 – –	Per maund	10 – –
35	Garoo, sirrace, sindoor	– 3 –	ditto	10 – –	– 3 –	ditto	10 – –
	V.—*Drugs, Gums, Spices, and Perfumes.*						
36	All inferior spices	– 4 –	Per maund	878 11 1	– 4 –	Per maund	810 – –
37	Cloves, hing, large cardamums and betelnuts	1 – –	ditto	218 7 6	1 – –	ditto	200 – –
38	Small cardamums	3 – –	ditto	12 7 –	3 – –	ditto	10 – –
39	Salib-misree, peeplamool, cababcheeni, liquorice, chobecheenee.	2 – –	ditto	15 6 9	2 – –	ditto	10 – –
40	Perfumes	5 – –	Per cent.	167 6 10	5 – –	Per cent.	150 – –
41	Saffron	– 8 –	ditto	11 6 7	– 8 –	ditto	10 – –
42	Drugs and gums of sorts	1 – –	Per maund	394 9 6	1 – –	Per maund	360 – –
	VI.—*Tobacco.*						
43	1st Sort	1 – –	Per maund	612 7 6	1 – –	Per maund	300 – –
44	2nd „	– 8 –	ditto	442 7 1	– 8 –	ditto	250 – –
45	3rd „	– 4 –	ditto	20 4 9	– 4 –	ditto	150 – –
			TOTAL Rs.	28,256 9 11			24,000 – –

Ajmere,
1 February 1872.

H. M. Repton, Captain,
Deputy Commissioner, Ajmere.

APPENDIX (B.)

STATEMENT OF MUNICIPAL CESSES, BEAWUR, 1870-71 and 1871-72.

No.	ARTICLES.	1870-71. Rate.		1870-71. Actual Proceeds.	1871-72. Rate.		1871-72. Estimated Proceeds.
	I.—*Articles of Food or Drink for Men or Animals.*	*Rs. a. p.*		*Rs. a. p.*	*Rs. a. p.*		*Rs. a. p.*
1	Country rice	– 1 –	Per maund	349 3 6	– 1 –	Per maund	220 – –
2	Ghee	– 8 –	ditto	1,044 1 –	– 8 –	ditto	680 – –
3	White sugar and kund	– 6 –	ditto	3,430 13 6	– 6 –	ditto	2,100 – –
4	Brown sugar	– 4 –	ditto	526 6 3	– 4 –	ditto	320 – –
5	Goor (1st sort) and sheera	– 4 –	ditto	442 10 6	– 4 –	ditto	300 – –
6	Goor (2nd sort)	– 2 –	ditto	3,571 5 3	– 2 –	ditto	2,100 – –
7	Mowha berries	– 1 –	ditto	65 8 6	– 1 –	ditto	40 – –
8	Fruits	– – 6	Per rupee	197 13 6	– – 6	Per rupee	120 – –
9	Salt (bharie)	– 1 –	Per maund	26 5 –	– 1 –	Per maund	20 – –
10	Salt (Sambhur)	– 2 –	ditto	23 8 –	– 2 –	ditto	20 – –
11	Salt (puch bhudra)	– 2 –	ditto	144 8 6	– 2 –	ditto	100 – –
12	Cocoanuts and khapra	– 4 –	ditto	103 10 6	– 4 –	ditto	100 – –
	II.—*Animals for slaughter.*						
13	Sheep	– 1 –	Each	10 9 –	– 1 –	Each	10 – –
14	Goats	– 1 –	ditto	74 2 –	– 1 –	ditto	65 – –
	III.—*Articles used for Fuel for Lighting or for Washing.*						
15	Oil of sorts	– 2 –	Per maund	115 14 6	– 2 –	Per maund	80 – –
16	Ulsi, tilli, and other seeds	– 1 –	ditto	1,169 14 –	– 1 –	ditto	600 – –
17	Charcoal	– 1 –	Per bullock	36 4 6	– 1 –	Per bullock	23 – –
18	Fuel and kunda (excepting loads carried on the heads).	– 2 –	Per cart	175 – 6	– 2 –	Per cart	120 – –
	IV.—*Construction of Buildings.*						
19	Timber for building	– 1 –	Per c. ft.	– –	– 1 –	Per c. ft.	—
20	Lime of sorts	1 8 –	Per 100 maunds	311 11 6	1 8 –	Per 100 maunds	200 – –
21	Timber for building	– 4 –	Per cart	45 9 6	– 4 –	Per cart	30 – –
	V.—*Drugs, Gums, Spices, and Perfumes.*						
22	Betel leaves	2 8 –	Per maund	1 15 6	2 8 –	Per maund	2 – –
23	All spices	1 – –	Per cent.	392 9 6	1 – –	Per cent.	250 – –
24	Gum	– 4 –	Per maund	208 13 –	– 4 –	Per maund	100 – –
25	Drugs and perfumes	1 – –	Per cent.	31 14 6	1 – –	Per cent.	20 – –
	VI.—*Tobacco.*						
26	Tobacco (1st sort)	– 8 –	Per maund	514 13 6	– 8 –	Per maund	330 – –
27	Tobacco (2nd sort)	– 4 –	ditto	84 14 6	– 4 –	ditto	50 – –
			TOTAL *Rs.*	13,100 – –			8,000 – –

Ajmere,
1 February 1872.

H. M. Repton, Captain,
Deputy Commissioner, Ajmere.

APPENDIX (C.)

MUNICIPALITY OF AJMERE.—STATEMENT (A.)—RECEIPT and EXPENDITURE REPORT of MUNICIPAL FUND for the Year 1870-71.

RECEIPTS. 1.	Estimated Income. 2.	Actual Income. 3.	Per-centage on Actual Income. 4.
	Rs. a. p.	*Rs. a. p.*	
Balance at close of the year	—	1,687 1 5	
I.—Octroi: 1. Grain	24,000 — —	—	
2. Sugar		9,125 12 2	
3. Other articles of food		12,170 15 4	
4. Animals for slaughter		555 11 —	
5. Fuel, lighting, and washing		2,654 8 5	
6. Building materials		976 — 5	
7. Drugs, gums, spices		1,698 7 3	
8. Tobacco		1,075 3 4	
9. Cloth		—	
10. Metals		—	
Other articles		—	
TOTAL	24,000 — —	29,943 11 —	
II.—Tax on houses, buildings, or lands	—	—	
III.—Tax on professions or trade	—	—	
IV.—Tax on carriages, horses, &c.	—	—	
V.—Tolls on carts, carriages, &c.	—	—	
VI.—Special Taxes: 1. Conservancy	—	—	
2.	—	—	
3.	—	—	
4.	—	—	
VII.—Nuzool: 1. Lands	—	—	
2. Shops	—	—	
3. Surraes	—	—	
4.	—	—	
VIII.—Gardens	1,700 — 9	1,738 — 9	
IX.—Sale of manure	—	—	
X.—Extraordinary: 1. Sales	—	—	
2. Loans	—	—	
3. Refunds	—	—	
XI.—Fines	1,000 — —	760 10 8	
XII.—Miscellaneous	1,000 — —	720 7 11	
TOTAL *Rs.*	27,700 — —	33,162 14 4	19·72

EXPENDITURE. 1.	Estimated Expenditure. 2.	Actual Expenditure. 3.	Per-centage on Actual Expenditure. 4.
	Rs. a. p.	*Rs. a. p.*	
I.—Establishment: 1. Head Office	1,306 — —	936 — —	
2. Collection: I.	1,306 — —	936 — —	
II.	—	—	
III.	—	—	
IV.	—	—	
V.	—	—	
VI.	—	—	
VII.	—	—	
VIII.	—	—	
3. Police	6,458 — —	7,207 — 2	
4. Conservancy	4,434 — —	1,918 6 8	
5. Lighting	—	—	
6. Watering	—	—	
7. Public Works	—	—	
8. Registration	—	—	
9. Gardens	1,284 — —	1,391 — —	
10.	—	—	
11.	—	—	
12.	—	—	
II.—Original Works	—	—	
III.—Repairs	1,000 — —	6,640 2 —	
IV.—Charitable Grant: 1. Education	—	—	
2. Dispensary	—	—	
3. Vaccination	142 — —	102 — —	
4. Asylum	—	—	
5.	—	—	
6.	—	—	
V.—Gardens: 1. Nursery	—	—	
2. Public Gardens	516 — —	565 13 3	
3. Farm	—	—	
4.	—	—	
VI.—Extraordinary: 1. Purchase of land	—	—	
2. Compensation for houses, &c.	—	—	
3. Repayment of loans	—	—	
4.	—	—	
5.	—	—	
6.	—	—	
VII.—Miscellaneous	800 — —	595 3 1	
VIII.—Reserve	10,554 — —	12,871 5 2	
TOTAL *Rs.*	27,800 — —	33,162 14 4	18·34

Ajmere,
1 February 1871.

H. M. Repton, Captain,
Deputy Commissioner, Ajmere.

Appendix (D.)

Approximate Estimate of Receipts and Expenditure of the Municipal Fund of Ajmere for the Year 1871–72.

Receipts.	Rs.	a.	p.	Expenditure.	Rs.	a.	p.
Octroi collections	24,000	–	–	Municipal Police	6,200	–	–
Fines and other receipts	1,200	–	–	Municipal Establishment	1,800	–	–
Collections from gardens	1,900	–	–	Conservancy Establishment	1,700	–	–
				Charitable Dispensary	390	–	–
				Contingencies	500	–	–
				Original works	—		
				Repairs	3,200	–	–
				Other charges	600	–	–
				Garden expenses	1,900	–	–
				Rs.	16,290	–	–
				Estimated Balance on 31st March 1872	10,810	–	–
Total Rs.	27,100	–	–	Total Rs.	27,100	–	–

Note.—The probable balance on 31st March 1871 is calculated to be 8,447 rupees.

Ajmere,
1 February 1872.

H. M. Repton, Captain,
Deputy Commissioner, Ajmere.

Appendix (E.)

Statement of Actual and Estimated Receipts and Expenditure of the Beawur Municipality for the Years 1870–71 and 1871–72.

Receipts.	Actuals of 1870–71. Rs.	a.	p.	Estimates of 1871–72. Rs.	a.	p.	Expenditure.	Actuals of 1870–71. Rs.	a.	p	Expenditure of 1871–72. Rs.	a.	p.
Opening Balance	7,141	13	1	3,000	–	–	I.—Establishment collection	696	–	–	696	–	–
							(*b* I.) Establishment	420	–	–	420	–	–
I.—Local cess	13,100	–	–	8,000	–	–	(*b* II.) Other charges	607	–	5	450	–	–
II.—Interest on Goverment securities	—			—			II.—Public Works	3,215	4	10	4,350	–	–
III.—Contribution from Government	—			—			(*a*) Public Establishment	61	15	–	324	–	–
IV.—Contribution from private persons	—			—			III.—Police	2,834	–	1	2,700	–	–
V.—Collection from land, houses, &c.	85	10	–	100	–	–	IV.—Education	–	–		100	–	–
VI.—Garden	425	11	8	600	–	–	V.—Hospitals and Dispensaries	250	–	–	500	–	–
VII.—Paraos and Seraes	96	5	6	60	–	–	VI.—Conservancy and Lighting	1,001	13	7	1,000	–	–
VIII.—Fines	111	4	3	40	–	–	VII.—Garden	746	–	11	600	–	–
IX.—Transfers	—			—			VIII.—Parao Chowkeydars	104	–	6	60	–	–
X.—Miscellaneous	170	5	–	—			IX.—Special object	500	–	–	50	–	–
							X.—Transfers	—			—		
							XI.—Miscellaneous	—			—		
Total	13,989	4	5	8,800	–	–	Total	10,436	3	4	11,250	–	–
							Balance	10,694	14	2	550	–	–
Grand Total Rs.	21,131	1	6	11,800	–	–	Grand Total Rs.	21,131	1	6	11,800	–	–

Ajmere,
1 February 1872.

H. M. Repton, Captain,
Deputy Commissioner, Ajmere.

Appendix, No. 15.

PUNJAB.

Government of India.—Financial Department.

Enclosure to Despatch No. 267, of 1872.

From *L. H. Griffin*, Officiating Secretary to the Government of the Punjab, to *R. B. Chapman*, Esq., Secretary to the Government of India, Financial Department (No. 373); dated Lahore, the 4th April 1872.

No. 9674, dated 28 March 1871, from the Accountant General. No. 771, dated 1 Feb. 1872, from the Secretary to Financial Commissioner.

WITH reference to the Resolution of the Government of India in the Financial Department, No. 4510, dated 23rd October 1871, I am desired to forward a statement furnishing the required information regarding Imperial rates and taxes levied in the Punjab before and after the assumption by the Crown of the direct Government of India, together with copies of the explanatory letters noted in the margin.

2. The statement of local rates and taxes will follow.

From *R. Taylor*, Esq., Officiating Accountant General, Punjab, to *L. H. Griffin*, Esq., Officiating Secretary to the Government of the Punjab (No. 9674); dated Lahore, the 28th March 1872.

I HAVE the honour to acknowledge the receipt of your No. 298, dated 23rd instant, and to submit herewith the return of Imperial rates and taxes called for in the Resolution of the Financial Department of the Government of India, No. 4510, dated 23rd October last.

2. This return shows, in juxtaposition, the actuals of 1856-57 as reported by the Accountant General, North Western Provinces, by whom the accounts for that year were prepared, actuals of 1870-71, agreeing with the Revenue and Finance Accounts of this Office, and the latest Estimate (based on 11 months' actuals) for 1871-72, under the following heads:

1. Land Revenue.
2. Tributes.
3. Forests.
4. Excise.
5. Assessed Taxes.

3. As regards the rates at which the taxes are levied, I beg to invite attention to Letter No. 771, dated 1st February, from the Secretary to the Financial Commissioner, giving very full information on this point, with copy of which you appear to have been furnished.

No reply has been received from the Conservator of Forests to a requisition for similar information; possibly it is difficult to furnish it with any precision, and this is in a measure anticipated in paragraph 6 of the Financial Resolution under reference.

4. Forest revenue of 1870-71 has, however, at the request of this office, been given by the Conservator in the following detail:

I.—Revenue of forests belonging to British territory.
II.—Revenue from forests taken over from native states.
III.—Revenue from rukhs taken over from revenue authorities.
IV.—Receipts on account of timber specially purchased for supply to State Railways, &c.

This division seems best calculated to furnish the Parliamentary Committee of Inquiry with the information it has called for. Items II., III., and IV. had no existence in 1856-57, and Item I., therefore, shows to what extent the revenue then realised has since increased.

5. The figures shown against Item III. in 1856-57 may, perhaps, be questioned. They are made up of "grazing dues," and are by the Accountant General, North Western Provinces, classed under forests, but ought probably to be transferred to land revenue. The transfer of rukhs to the Forest Department is even now incomplete, and it would consequently appear to be incorrect to class grazing dues as forest revenue in 1856-57.

Should this view be taken by his Honor the Lieutenant Governor, the return might be altered in your office before being forwarded to the Financial Department.

6. It has not been found practicable to detail "excise" in the classification prescribed by the Financial Resolution: details given are those prescribed for the public accounts.

Some further information might be obtained from the revenue reports and statements of 1870-71; but these unfortunately do not agree with the accounts rendered by this office.

7. I find it impossible, without very great delay, to comply with paragraph 8 of the Resolution. The Financial Commissioner's letter, No. 771 (already quoted in paragraph 3), does not give the "amounts of produce of each tax," but the revenue reports do.

8. As regards 1856-57, no comparison is practicable, as the Delhi Division was under the North

North Western Provinces Government then, and it has been ascertained that the Board of Revenue issued no revenue report for that year. Appendix, No. 15.

For 1870–71 such a comparison is possible; and as it is likely that a comparison may be made by the Committee, it may be as well to notice the difference at once.

	Rs.
9. At page 2 of the revenue report, the Financial Commissioner gives the total collections on account of fixed demand as -	1,86,20,928
while the accounts of this office show - - - - -	1,84,25,091
Difference - - - *Rs.*	1,95,837

Possibly, however, the Financial Commissioner includes "service commutations" (not separately noticed in revenue report) in his figures; and, if so, 1,39,254 rupees of the difference disappears.

	Rs.	*Rs.*
At page 5, miscellaneous and fluctuating revenue is given as -		11,57,193
While the accounts show—	*Rs.*	
Fluctuating - - - - - - - -	4,71,263	
Miscellaneous - - - - - - -	6,55,309	
		11,26,572
Difference - - - *Rs.*		30,621

2,006 rupees of this may be accounted for by sale of waste lands separately shown in the accounts. Similar differences will be found under excise, &c.

10. The Financial Commissioner, in paragraph 13 of his letter, No. 771, already quoted, explains his inability to ascertain discrepancies by stating that no annual accounts are rendered to him by this office. None have been prescribed, nor, indeed, do any seem called for. The Financial Commissioner is, however, monthly furnished with a list of the credits recorded by this office, including corrective transfer entries, and thus possesses the whole material from which annual account could be made up. Occasionally the Financial Commissioner brings to notice discrepancies between the Deputy Commissioner's figures and mine; and these references always meet with prompt attention, the account of this office being amended when necessary. Presumably, when no discrepancy is pointed out, none exists, and it is not, therefore, clear why the annual figures of the Financial Commissioner do not agree with those of the finance and revenue accounts. It seems worthy of consideration whether any statements of revenue collections should be put forward in revenue or other reports, which are not verified in aggregate, if not in detail, with accounts rendered to Government by this office. This suggestion is made with a view to the amendment of practice for the future; it would be very troublesome, if practicable, to amend past returns.

11. The Financial Commissioner's remarks regarding the rates, &c., in force in 1858–59 apply, it has been ascertained, equally to 1856–57, the figures of which are included in the return now sent.

Docket from *W. M. Young*, Esq., Secretary to the Financial Commissioner, Punjab, to *L. H. Griffin*, Esq., Officiating Secretary to the Government of the Punjab (No. 300); dated the 22nd March 1872.

In reply to his reminder, No. 59, dated 6th current, states that the information called for in his No. 1051, dated 29th November last, regarding taxes levied in the Punjab, was supplied to the Accountant General with this office, No. 771, dated 1st ultimo, a copy of which is forwarded herewith.

From *W. M. Young*, Esq., Officiating Secretary to the Financial Commissioner, Punjab, to *R. Taylor*, Esq., Officiating Accountant General, Punjab (No. 771); dated the 1st February 1872.

In reply to your No. 5991, dated 20th November 1871, calling for explanation of rates, &c., required by paragraphs 4, 5, and 7, and of discrepancies referred to in the latter part of paragraph 8 of Financial Resolution, No. 4510, dated 23rd October 1871, I am desired to communicate the following remarks by the Financial Commissioner.

Para. 4.—Proportion of net assets of land taken as Imperial revenue to gross produce for the two periods previous and subsequent to 1858.

2. The assessment of land revenue in the Punjab was conducted in the manner described in directions to settlement officers, North Western Provinces, as far as was practicable, and thus it may be contended that the instructions of paragraph 52 of those directions, which limit the Government demand to two-thirds of the net produce to the proprietor, were the guide to the settlement officers. In practice, however, this rule was not followed. No

Appendix, No. 15.

strict calculation of the value of net produce was made, and the first assessments were based upon an estimate of what the village communities could pay, with reference to their previous assessments, their present condition, their resources, and the value of the share of the produce which was taken in kind under the Sikh government.

3. When the first settlements were made, agricultural interests were much depressed; and as many of the old Sikh soldiery belonged to the agricultural class, it was an object to frame the assessment in such a way that this class might obtain a fair livelihood from the soil on which they might support themselves contentedly.

4. The rates fixed at settlement in various districts were determined by general considerations rather than by fixed rules; and it would mislead to say that any fixed proportion of the net assets of the proprietors of the land were taken as the guide to assessment.

5. An estimate of the value of a share of the gross produce was made to assist the judgment of the settlement officer, but this was not closely followed.

In 1858-59 some districts were under settlement, some had been settled, and in others a summary settlement only had been made.

6. In letter No. 1687, dated 7th November 1860, the Punjab Government instructed the Financial Commissioner that in future assessments of land revenue were not to be made at a rate higher than "half assets," as defined in paragraph 36 of the Saharunpore instructions issued by the Government, North Western Provinces.

This rule has nominally governed assessments made since that time in the Punjab; but, owing to the land being for the most part cultivated by peasant proprietors, the difficulty of determining the amount of net assets is so great that the settlements cannot be said to have been made strictly upon this basis, though theoretically the principle of half assets has been taken to regulate the maximum.

7. The Punjab Land Revenue Act XXXII. of 1871 declares the Government to be entitled to a share of the produce of land to be fixed by itself, and this share has recently been fixed by the local government at one-sixth of the gross produce.

Average rate per acre of Government demand.

8. This cannot be given for the period previous to 1858, as no returns exist upon which it can be framed; nor is it ascertainable for the year 1870-71, as under orders of Government, No. 645 of 28th March 1870, the statement which would furnish the information has been omitted from the annual returns. For the years 1867-68 and 1868-69 the information is supplied in the following Table:

	1867–68.	1868–69.	1869–70.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*
Rate on cultivation	1 – 9	1 1 3	—
„ culturable area	– 10 4	– 10 2	—
„ total area	– 5 8	– 5 4	—

Para. 5.—Excise rate of duty and scale of license fees.

9. In 1858-59 excise on native spirits was realised by selling the monopoly of manufacture and vend to a farmer for a specified tract of country. The excise on the various preparations of hemp was realised by sale of the drug in a specified tract of country to a farmer, in the same way as the monopoly of native spirits. Opium was similarly treated, and the cultivation of poppy was unrestricted.

10. The Sudder district's system was introduced experimentally, in August 1862, in ten districts of the province.

A still head rate of duty per gallon was fixed at the following rates:

Rates of Duty on Country Spirits Manufactured in Sudder Distilleries.		License Fees for the Vend of Native Spirits.			
Spirits of Less Strength than 25 per Cent. below Proof.	Spirits of a Strength ranging from 25 per Cent. below Proof up to Proof.	If Granted in a Large City.	If in a Large Central Town and Site of Head Quarters of the District.	If in a considerable Town or Gashah.	If in a Village or inconsiderable Town.
1–8 rupees per gallon.	2 rupees per gallon	15 rupees per mensem, or 8 annas per diem, at the option of the vendor.	10 rupees per mensem, or 6 annas per diem.	5 rupees per mensem, or 3 annas per diem.	2 rupees per mensem, or ½ annas per diem.

In

In September 1865, these rates of still head duty were to *Rs.* 2. 2. 8. and 3 rupees for the Divisions of Rawul Pindi and Multan and the Hazara District, and these are still in force in those places. In the other divisions the rates of 1868 are still in force; no change has been made in the excise on hemp and its preparations.

11. In regard to poppy cultivation, an acreage rate was imposed in the year 1860 in the following divisions:

Ambala,	Amritsar, and
Jalandhar,	Lahor,

with the exception of the Simla and Kangra Districts, and this is still in force. In other divisions the cultivation of poppy is unrestricted. The amount of opium produced is small and is less than is ruquired for local consumption in the province. Most of the poppy cultivated is used for the infusion made from the capsules of the plant, and known by the name of *pôst.*

Para. 7.—Rates, &c. of assessed taxes.

12. The accompanying statement, marked A, shows all the particulars which can be furnished from this office regarding the rates at which these taxes have been levied from their first introduction.

Para. 8—Discrepancies in Finance and Revenue Accounts.

13. With regard to this point, I am to observe that as no annual statement of accounts is received in this office from you, it will be necessary for you to point out any discrepancies which may require explanation. The revenue returns are ascertainable from the annual revenue reports published after compilation in this office.

14. With regard to paragraph 2 of your letter, I am to forward a statement marked B, showing the information required.

ESTIMATED RECEIPTS for 1871-72, under the following Heads of Revenue.

Land Revenue, Fixed.	Land Revenue, Miscellaneous.	Tributes.	Excise.		Assessed Taxes.
			Sudder Distilleries.	Opium and Drugs.	
Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1,87,67,405	6,36,304	2,80,465	5,06,400	4,26,000	3,43,788

Lahore, 1 February 1872.

STATEMENT showing the Rates of ASSESSED TAXES in the PUNJAB, from 1860-61 to 1870-71.

Income Tax, 1860–61.	Income Tax, 1861–62.	Income Tax, 1862–63.	Income Tax, 1863–64.	Income Tax, 1864–65.	Income Tax, 1865–66.	License Act, 1867–68.	Certificate Tax, 1868–69.	Income Tax, 1869–70.	Income Tax, 1870–71.
Four per cent. on incomes above *Rs.* 500.	Four per cent. on incomes above *Rs.* 500.	Four per cent. on incomes above *Rs.* 500.	Three per cent. on incomes above *Rs.* 500.	Three per cent. on incomes above *Rs.* 500.	Three per cent. on incomes above *Rs.* 500.	*Rs.* On incomes of *Rs.* 25,900 and upwards - 500	*Rs.* On incomes of *Rs.* 4,00,000, and upwards - - - 6,400	One and a half per cent. on incomes above *Rs.* 500.	Three and one-eight per cent. on incomes above *Rs.* 500.
Two per cent. on incomes below *Rs.* 500.	Two per cent. on incomes below *Rs.* 500.	Incomes below *Rs.* 500 were assessed at 2 per cent. for three months only.				On incomes of *Rs.* 10,000 or less than *Rs.* 25,000 200	On incomes of *Rs.* 2,00,000, but less than *Rs.* 4,00,000 3,200		
						On incomes of *Rs.* 5,000, or less than *Rs.* 10,000 100	On incomes of *Rs.* 1,00,000, but less than *Rs.* 2,00,000 1,600		
						On incomes of *Rs.* 1,000, or less than *Rs.* 5,000 - 20	On incomes of *Rs.* 50,000, but less than *Rs.* 1,00,000 800		
						On incomes of *Rs.* 500, or less than *Rs.* 1,000 10	On incomes of *Rs.* 25,000, but less than Rs. 50,000 400		
						On incomes of *Rs.* 200, or less than *Rs.* 500 - 4	On incomes of *Rs.* 10,000, but less than *Rs.* 25,000 160		
							On incomes of *Rs.* 5,000, but less than *Rs.* 10,000 80		
							On incomes of *Rs.* 2,500, but less than *Rs.* 5,000 - 40		
							On incomes of *Rs.* 1,000, but less than *Rs.* 2,500 - 16		
							On incomes of *Rs.* 500, but less than *Rs.* 1,000 - - 8		

Lahore,
1 February 1872.

From *R. H. Hollingberry*, Esq., Assistant Secretary to the Government of India, Financial Department, to *L. Griffin*, Esq., Officiating Secretary to the Government of the Punjab (No. 3496); dated the 14th May 1872. Appendix, No. 15.

I AM directed to request that the return of local rates and taxes promised in paragraph 2 of your letter No. 373, dated 4th April 1872, may be forwarded as soon as practicable.

NORTH WESTERN PROVINCES.

Government of India.—Financial Department.

(No. 6, of 1873.)

Government of India.—Financial Department.—Accounts.

To His Grace the Duke of *Argyll*, K. T., Her Majesty's Secretary of State for India.

My Lord Duke, Fort William, 3 January 1873.

IN continuation of our Despatch in this Department, No. 267, dated 29th July 1872, we have the honour to forward a copy of the undermentioned returns,* of Imperial and local rates and taxes which have been called† for by the Select Committee of the House of Commons on Indian Finance.

* For North Western Provinces.
For Oudh.
For Bhopal, Coorg, and Indore.
For British Burmah.

† In Financial Despatch from Secretary of State, No. 240, dated 3rd August 1871.

We have, &c.

(signed) *Northbrook.*
R. Temple.
B. H. Ellis.
H. W. Norman.
A. Hobhouse.
E. C. Bayley.

Enclosure to Despatch No. 6, of 1873.

From *C. A. Elliott*, Esq., Secretary to the Government of the North Western Provinces, to the Secretary to the Government of India, Financial Department (No. 2782A.); dated 8th August 1872.

REFERRING to Resolution No. 4510, dated the 23rd October last, I am directed to forward, for submission to the Right Honourable the Governor General in Council, the accompanying copy of the papers, noted in the margin, containing the information required by the Parliamentary Committee of Inquiry regarding the rates and taxes, both imperial and local, now levied in these provinces, so far as it can be ascertained.

Forest Department Return, dated the 7th March 1872.
Memorandum, dated the 4th July, by the Board of Revenue, North Western Provinces, with Returns.

2. An explanatory memorandum by the Board of Revenue, North Western Provinces, is also enclosed.

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Forest Department, North Western Provinces.

Statement showing the Rates at which Timber and other Minor Forest Produce was sold during the Years 1858–59 and 1871–72.

No.	Articles.	Rate. Per	Rate. Years. 1858–59.	Rate. Years. 1871–72.	Amount realised between 1st April 1871 and 31st December 1871.	Remarks.
			Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	
1	Jamun (timber)	Maund	– 4 –	– 12 –	—	
2	Lime	2-Bullock cart	– 8 –	1 – –		
3	„	4 „ „	1 – –	2 – –		
4	„	Camel load	– 4 –	– 8 –		
5	„	Buffalo load	– 3 –	– 3 –	1 – –	
6	„	Bullock or donkey load	– 2 –	– 2 –		
7	„	100 maunds	6 4 –	8 – –		
8	Charcoal	Bullock or donkey load	– 2 –	– 8 –		
9	„	Buffalo load	– 3 –	– 8 –		
10	„	Camel load	– 4 –	1 4 –		
11	„	2-Bullock cart	– 8 –	3 – –	52 6 –	
12	„	4 „ „	1 – –	6 – –		
13	„	Banghy load	– 1 –	– 4 –		
14	„	Head load	– – 6	– 2 –		The amounts realised for 1858–59 cannot be ascertained from the accounts of that year, neither can the amount of budget estimate for current year 1871–72 be given, because an aggregate amount for all the articles comprised under the head "Minor Forest Produce" is usually allowed.
15	Mooni	Maund	– – 6	– 2 –	—	
16	Bansee	1,000	– 8 –	1 4 –	308 – 6	
17	Gum, Hue	Maund	– 4 –	– 6 –	—	
18	„ Kurroo	„	– 4 –	– 8 –	– 12 –	
19	„ Balchur	„	– 4 –	– 8 –	—	
20	„ Aonla	„	– 4 –	– 4 –	1 12 –	
21	Tors	Score	1 2 –	2 4 –	264 8 –	The rates herein given pertain to the Dehra Doon Forest Division, as that is the only one possessing data in rates, &c., for 1858–59.
22	Bamboos	2,000	6 4 –	19 12 8	4,879 11 –	
23	Stones	Bullock or donkey load	– 1 –	– 2 –	—	
24	„	Buffalo load	– 1 6	– 3 –	—	
25	„	2-Bullock cart	– 4 –	– 12 –	—	
26	„	4 „ „	– 8 –	1 8 –	—	
27	Bees' wax	Maund	4 – –	8 – –	3 – 6	
28	Honey	„	1 – –	3 – –	99 9 6	
29	Fuel	Bullock or donkey load	– – 6	– 1 –		
30	„	Buffalo load	– 1 –	– 2 –		
31	„	Camel load	– 1 –	– 4 –		
32	„	2-Bullock cart	– 2 –	– 8 –	2,989 6 4	
33	„	4 „ „	– 4 –	1 – –		
34	„	Head load	Free	– – 6		
35	Grass (Poolas)	Bullock or donkey load	– – 6	– 1 –		
36	„ „	Buffalo load	– – 9	– 1 6		
37	„ „	2-Bullock cart	– 4 –	– 6 –	2,405 12 –	
38	„ „	4 „ „	– 8 –	– 12 –		

Office of Conservator of Forests, North Western Provinces, 7 March 1872.

M. Grant, Assistant Conservator in Charge.

MEMORANDUM.

THE Government of India, in their Resolution No. 4510, dated 23rd October 1871, asked each of the local Governments for a return, for the use of the Parliamentary Committee of Inquiry, of all rates and taxes, both Imperial and local, now levied in India, distinguishing, in the case of Imperial taxes, those levied before from those levied since the transfer of the Government to the Crown; and, in the case of local taxes, those levied before from those levied since the introduction of the scheme of Provincial Services. The accompanying statements prepared in the Board's Office, in communication with the Accountant General, give the required information for North Western Provinces, so far as it can be given by the Board.

2. *Land Revenue.*—Statement I. shows the collections under this head for 1858–59 for all districts; Statement II. shows the collections for 1870–71; Statement III. shows the estimates for 1871–72. Statement I., it will be observed, is in less detail than the last two statements, the numerous headings now in use having been introduced in the interval between 1859 and 1870. The total income under the head of Land Revenue for the whole province, shown by these statements for each of the three years, is as follows:—

	Rs.
1858–59	3,72,30,341
1870–71	4,13,55,175
1871–72	4,13,65,000

The increase since 1858–59 is due to the revision of settlement, which has been and is still in progress.

3. Statement IV., shows in detail the incidence of the demand of the year upon each acre of the total assessable and cultivated area for 1851–52, and Statement V. gives the same information for 1870–71. The incidence for 1858–59 cannot be shown, because the necessary detail of cultivated and culturable area does not exist for that year. It will also be observed that Statement IV. is not quite complete, the information as to some districts being wanting; but it is as complete as it can now be made. Statement V. shows that the rate of incidence of the revenue demand per acre of cultivation in 1870–71 was *Rs.* 1. 10. 9. The rate for 1851–52, shown by Statement IV., is *Rs.* 1. 12., but this is somewhat above the mark. The districts for which information is wanting in that statement are those in which the revenue demand falls at a specially low rate; and if they had been included, the rate for the whole province would have been somewhat lower. If these districts be omitted from Statement V., the comparison will stand thus:—

	Rs. *a.* *p.*
Rate in 1851–52	1 12 –
„ „ 1870–71	1 11 4

This gives the ratio of the fall in the rate of incidence. This fall is the resultant of several conflicting forces. On the one hand there has been great extension of cultivation, and in the districts where revision of settlement has not yet been completed, the revenue demand, which has remained undisturbed, now falls on the cultivated area at a lighter rate than formerly. On the other hand, where revision of settlement has taken place, the revenue has generally been largely enhanced. But in these districts the revenue has not necessarily been enhanced in exactly the same proportion as cultivation has extended. At the last 30 years' settlement made under Regulation IX. of 1833, the Government took as revenue two-thirds of the net assets of an estate. At the present revision of settlement the demand has been limited to one-half. If, therefore, the rates of rent paid to the landowners by the cultivators of the soil had remained unchanged, the revenue demand, except so far as it might be raised by extension of cultivation, must have fallen to the extent of one-fourth. But the rates of rent have not remained unchanged. The spread of irrigation, the improvement of communications, the late rise in the prices of produce, have combined to enhance them. Thus, in spite of the lowering of the rate of assessment, the revenue demand has been increased in many districts in a larger proportion than the increase of cultivation, and it may be anticipated that when the revision of settlement is completed throughout the province, the rate of incidence of the revenue on the then cultivated area will not be lower than it was in 1851–52.

4. As regards the proportion which the land revenue bore in 1859, and now bears, to the gross produce of the land, it is not possible to give any very accurate information. Attempts have been made from time to time to obtain trustworthy returns of the gross produce of the province, but with little success. Such returns have to be based upon estimates of the average out-turn of the various crops per acre, and the out-turn of any crop varies so much from season to season, and from field to field, that the difficulties in the way of striking a trustworthy average for the whole province for a term of years are practically almost

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insuperable. Again, even if the gross produce in kind were ascertained, there would still remain the difficulty, owing to the frequent fluctuations in prices of produce, of estimating its average value in money, while without such an estimate, it is impossible to make an accurate comparison of the kind required. Without, however, venturing on calculations for which no trustworthy data exist, a rough approximation to the proportion between gross produce and land revenue may be obtained in the following manner. The average rent taken by the landowner of these provinces from the cultivator of the soil is believed to be equivalent to a share of the gross produce lying somewhere between one-third and one-fourth. At the last 30 years' settlement the Government took two-thirds of this, that is, something between two-ninths and one sixth, or 22 per cent. and 17 per cent. of the gross produce. But, between that settlement and the year 1859, the pressure of the demand, both on the gross produce and the net assets, was considerably lightened by the extension of cultivation and by the enhancement of rents above alluded to. At the present revision of settlement the Government takes half of the net assets, and the proportion of this demand to gross produce on the above calculation lies between one-sixth and one-eighth, or between 17 per cent. and 12 per cent.

5. *Excise Revenue.*—No detailed information exists as to the revenue under this head for 1859–60. In the Accountant General's Office the records show the excise receipts as follows:—

	Rs.
License and distillery fees and duty from the sale of liquors and drugs - - - - - - - -	20,49,766
Sale of opium - - - - - - - - -	2,39,300
TOTAL - - *Rs.*	22,89,066

Further detail than this cannot be given. Statement VI., supplied by the Commissioner of Excise, shows the receipts for 1870–71 arranged, as far as practicable, in the form prescribed by the Resolution, and in the column of remarks the reasons for deviation from the prescribed form are given, as well as further particulars.

Statement VII. shows the detailed estimates for 1871–72.

6. *Assessed Taxes.*—Statement VIII. gives a detail of the assessments, under the Income Tax Act XXXII. of 1860, for the year 1860-61. Statement IX. shows the assessments for 1870–71, under Act XVI. of 1870. Statement X. shows the estimated assessments for 1871–72, under Act XII. of 1871. The column of remarks in these statements shows the rate of the tax and the classification of incomes adopted in each year. This being an Imperial tax, it is unnecessary here to enter into any statement of its objects and reasons.

7. *Local Rates and Cesses.*—Statement XI. shows the actual collections under this head for the years 1869–70 and 1870–71. Statement XII. shows the estimates for 1871–72, distinguishing the cesses in temporarily and permanently settled districts, and showing in separate divisions the old cesses; and the new Statement XIII. gives the estimates for 1872 73.

It may be useful to state here briefly the history of these cesses since 1857, when the period of 30 years' settlements in the temporarily settled districts first began to expire. Previous to that time the cesses for which the landowners of the North West were liable, both in the temporarily and permanently settled districts (omitting the allowance to the patwari or village accountant which will be referred to hereafter), were as follows:—

(1.) Rates, amounting ordinarily to 2¼ per cent.* on the revenue in aid of the Road Fund, the School Fund, and the District Post. These rates were levied by executive orders only, not by any legal enactment.

* Viz., 1 per cent. road fund.
1 per cent. school fund.
¼ per cent. district dâk.

(2.) The provision of patches of land free of rent for the maintenance of the village chowkeedars or rural police.

When the revision of settlement began in those districts in which the term of the 30 years' settlement first expired, it was determined that the chowkeedars should in future be remunerated in money and not by land. At first it was proposed to regulate their number and pay by the number of houses in each village, the owners of each village paying for their own chowkeedars. But this system was found to press unequally on the landowners, and to be inelastic and unable to accommodate itself to the varying conditions of the country. It was accordingly proposed in 1865 to introduce a new system, viz., that of imposing—

(1.) A uniform municipal cess at the rate of 2¾ per cent. on the land revenue of all estates without exception, and

(2.) A house tax recoverable from the occupants, the income so obtained to be formed

formed into a district fund for the pay of the rural police, with a small surplus for district improvements.

Act II. of 1865 was passed to legalise this arrangement, but in 1866 it was discovered that the municipal cess of $2\frac{3}{4}$ per cent. on the revenue was inadequate for its purpose, and the rate was accordingly raised, under the orders of the local government, to $7\frac{3}{4}$ per cent. This cess, added to the old rates of $2\frac{1}{4}$ per cent. for roads, schools, and posts, mentioned above, raised the total amount of the cesses to 10 per cent. on the land revenue, and at that amount, and under those orders, they were assessed in every temporarily settled district which came under revision up to the year 1870.

8. In the permanently settled districts, in the period referred to above, it was found that the mode of provision for the village police by the grant of *jagírs* (patches of rent-free land) was very varying and inadequate, and the question arose as to the advisability of resuming the *jagírs*. These lands, either from original insufficiency or from subsequent encroachment or change, were found to be in many cases altogether insufficient to meet the object for which they were intended. The landowners had in many cases themselves resumed the lands originally assigned, granting in lieu of them payments in cash or portions of inferior land. Under these circumstances, it was thought advisable that a uniform system should be introduced, and the Government resolved that the *jagírs* should be commuted to money payments. With this view instructions were laid down in a Government Order of 5th June 1868, the value of the *jagír* itself, as opposed to a per-centage on the revenue, being declared to be the proper standard of commutation. The proceeds, however, of the commutation alone were found to be wholly insufficient for the purposes contemplated. The difficulty was to find a source from which to make up the deficiency. The house tax, legally leviable under Act II. of 1865, was extremely unpopular, and was never enforced, and little action was taken under the Government orders for commutation.

9. This, then, was the position of affairs in the beginning of 1870. In temporarily settled districts, where the term of settlement had not expired, or where, though it had expired, revision of settlement had not commenced, the old cesses and the old arrangements for the maintenance of the rural police were still in force. In temporarily settled districts, where revision of settlement was in progress, cesses amounting to 10 per cent. on the land revenue were being assessed, and, for the sake of easy collection, were consolidated with the revenue. In permanently settled districts the old cesses were still in force, and commutation of *jágírs* hung fire.

10. In 1870 the scheme of provincial services was taken up by the Government of India, and it became necessary for the local government to review the whole system of local taxation, and to devise some means of meeting the deficit of 46,000*l.*, which was expected to result from the introduction of that scheme. The question as to the means by which to meet this deficit was discussed by the Local Taxation Committee convened under the orders of his Honor the Lieutenant Governor. The committee, endeavouring to follow out the principle that the incidence of the taxation to be devised should fall as equally as possible upon the trading and the landed interests of the provinces, suggested the imposition of a license tax upon all trades and professions, and an acreage tax on all cultivated land. The results of their deliberations were, in a somewhat modified form, embodied in two Bills; the License Bill, to legalise the imposition of a duty on certain trades and dealings in these provinces, and the Local Rates Bill (Act XVII. of 1871), to provide for the levy on land of rates to be applied to local purposes. Subsequently, however, it was found that, owing to circumstances which need not be detailed here, the budget could be adjusted without having recourse to the license tax. The Bill was therefore withdrawn on the 1st April 1871, on which day the Local Rates Bill became law. Thus the whole burden of providing for the deficit fell upon the land.

11. The Local Rates Act provides separately for rates in temporarily settled and in permanently settled districts. In temporarily settled districts it provides that, after the expiry of the 30 years' settlement, every estate is liable to the payment of a rate not exceeding 5 per cent. on its annual value, "annual value" being defined to mean—

(1.) In cases in which the settlement is liable to periodical revision, double the amount of revenue for the time being assessed upon the estate.

(2.) In cases in which such settlement is not liable to revision, or in which the land revenue has been wholly or partially released, compounded for, redeemed or assigned, double the amount which, if the settlement were liable to revision, would be assessable as land revenue on the estate.

The Act also provides that in estates in which, before its passing, provisional engagements had been taken for the payment of the land revenue and cesses in one consolidated sum, and in which it may appear to the Lieutenant Governor inexpedient to cancel the engagements so taken, one-eleventh part of such sum shall be deducted on account of such cesses, and shall be treated in all respects as if it were a portion of a rate levied under the Act. Thus, by these provisions, in all estates which, up to that time, had come under revision of settlement, and in which cesses at the rate of 10 per cent. on the revenue had been assessed under the executive orders of 1866, the action of the settlement officers was affirmed by legal enactment, and the liability of all other estates, as their term of settlement fell in, to be assessed at the same rate was declared.

Appendix, No. 15.

"The Committee then proceeded to consider the question of the extension of the municipal and other cesses to districts in which the period of settlement, as determined in Regulation VIII., 1846, has elapsed, but in which regular revision of settlement has not commenced, when it was resolved unanimously,—That on and after the dates on which the settlement of the respective districts lapse, a summary revision, being an addition of the 10 per cent. to the existing demand in lieu of present cesses and remuneration of village watchmen, can legally be introduced, such per-centage being attached under the same heads as the per-centage of 10 per cent. similarly enforced under circular order, Sudder Board of Revenue, dated 13th June 1866, exceptional cases being disposed of on their merits."

12. Up to 1870, the practice had been, in the case of districts whose term of settlement had expired, but in which regular revision had not commenced, or, if commenced, had not been brought to a close, to defer the introduction of the 10 per cent. cess until such time as the elaborate inquiries connected with re-settlement could be completed, the landowners in the meanwhile continuing to pay cesses at the old rates. This delay necessarily caused a loss to the Government, and in the interval which elapsed between the submission of the report by the Local Taxation Committee and the final passing of the Local Rates Bill, measures were taken to give effect to the 6th Regulation of the Committee, marginally quoted. That is to say, it was resolved to effect a summary settlement of cesses calculated at the rate of 10 per cent. on the existing demands in such districts as those described above. At this time the temporarily settled districts of the North-Western Provinces fell into the following groups:—

I. Districts in which the term of settlement under Act VIII. of 1846 had not expired:—Mathúra (1871), Etáwah (1871), Moradabad (1872), Agra (1872), Hamirpur (1872), Parganah Kashipur (1872), Banda (1874).

II. Districts in which the term of settlement under Act VIII. of 1846 had expired, but in which regular revision had not commenced:—Cawnpore, Fatehpur.

III. Districts in which the term of settlement under Act VIII. of 1846 had expired, and in which a revision of settlement was in progress:—Aligurh, Bijnur, Bareilly, Shahjahanpur, Farukhabad, Etah, Mynpuri, Allahabad, Azimgurh, Kumaon, Pergunnah Jounsar Bawar.

IV. Districts in which revision of settlement had been carried out, and in which cesses aggregating 10 per cent. on the revenue demand were already in force:—Garhwal, Saharanpur, Bulandshahr, Meerut, Muzaffarnagar, Gorukhpur, Basti, Jhansie, Jaloun*, Lallatpur,* Budaon. Arrangements were at once made to assess the 10 per cent. cess on all estates in the districts composing Group II., and on such estates in the districts of Group III. as had not yet come under revision of settlement. So much for the provisions of the Local Rates Act as regards temporarily settled districts.

* These two districts were exceptionally circumstanced, the 10 per cent. cess having only been partially imposed at settlement.

13. In permanently settled districts, the Act provides an acreage rate not exceeding two annas for each acre under cultivation. The Taxation Committee, when considering the form which the taxation to be levied on land of these districts should take, had found three plans open to them. These were in the imposition of—

(1.) A per-centage or cess on the land revenue.
(2.) A rate on the profits from land.
(3.) An acreage rate.

The reasons which led to the adoption of the acreage rate in preference to the other alternatives were thus stated by his Honor the Lieutenant Governor at a meeting of the Council at Allahabad in April 1871:—"First, A per-centage on the land revenue would have been in no way distinguishable from an increase of revenue; and from such we are barred by the terms of the permanent settlement; besides, the revenue itself had long ceased to be an index of actual profits. The second plan, or a rate on profits, would have necessitated a difficult and complicated investigation into net income, and have opened a wide door to corruption and harassing interference. For all this the acreage cess is free; the amount is certain; there can be no extortion. Undoubtedly it will not fall equally, since the value of land varies; but we shall carefully watch its effects; where it presses heavily, it will be our part to ameliorate the pressure; and hereafter, if necessary, we may perhaps be able to profit by the experience of Bengal, should a corresponding tax be there imposed."

14. Under the provisions of the Act, the acreage rate is paid by the landowner, independently of, and in addition to, the land revenue assessed upon the estate; and he may recover from every tenant an amount equal to one-half of the rate assessed upon the land held by such tenant; where the tenant intercepts the larger portion of the profits, more than a moiety of, even up to, the whole rate may be recovered from him. The cesses previously in force in the permanently settled districts on account of schools and district posts are merged in and superseded by this new rate; but the road cess remains undisturbed. Finally, in July 1870, detailed instructions were issued for the guidance of district officers in the work of commutation of *jagírs*. The work was pushed vigorously forward, and is now approaching completion.

15. The above paragraphs give with sufficient detail the history of the introduction of the local cesses now existing.

16. *Patwari Fund.*—The only other cess upon land revenue is the Patwari Fund. In the temporarily settled districts, up to the time of the revision of settlement, and in the permanently

permanently settled districts, up to the present time, the patwaris and village accountants have been remuerated in money or in grain, by fees or by a lump sum, according to the ancient practice of the village. In those districts which have come under revision of settlement, a new system has been introduced by which the landowners are required to pay a sum amounting to 5 or 6 per cent. of the land revenue into a tahsil or district fund, from which the patwaris' salaries are paid by the revenue officials of the district.

17. The above are all the rates and taxes the control of which comes within the province of the Board of Revenue. The only remaining local rates and taxes in the North Western Provinces are the *Mnnicipal Rates and Taxes* levied under Act VI. of 1868, "An Act to enable better Provision for the appointment of Municipal Committees in the North Western Provinces and for other purposes," and *Taxes in Towns*, under Act XX. of 1856, "An Act to make better Provision for the appointment and maintenance of Police Chowkeedars in Cities, Towns, &c." The set of statements marked XIV., with its accompanying note, received from the Accountant General, North Western Provinces, gives information as to municipal rates and taxes for 1870-71 and 1871-72. Statement XV. supplies information as to taxes in towns under Act XX. of 1856.

Board of Revenue, North Western Povinces,
Allahabad 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT I.

STATEMENT showing Collections of LAND REVENUE, NORTH WESTERN PROVINCES, for 1858-59.

DISTRICTS.	COLLECTIONS.			
	Land Revenue.	Record Room Receipts.	Miscellaneous Sayer Revenue.	TOTAL.
	Rs.	*Rs.*	*Rs.*	*Rs.*
Dehra Doon	41,061	1	27,079	68,141
Saharunpore	10,70,837	34	3,740	10,74,611
Moozuffernuggur	11,08,359	17	- -	11,08,376
Meerut	16,94,723	25	- -	16,94,748
Boolundshahur	10,65,918	10	- -	10,65,928
Allygurh	18,21,104	- -	- -	18,21,104
TOTAL *Rs.*	68,02,002	87	30,819	68,32,908
Kumaon	1,30,463	- -	1,712	1,32,175
Gurhwal	67,749	- -	5,535	73,284
Terai	—	—	—	—
TOTAL *Rs.*	1,98,212	- -	7,247	2,05,459
Bijnour	11,78,084	157	14,001	11,92,242
Moradabad	12,98,797	- -	1,211	13,00,008
Budaon	9,16,523	27	- -	9,16,550
Bareilly	16,98,588	75	3,670	17,02,333
Shahjehanpore	9,77,790	35	309	9,78,134
TOTAL *Rs.*	60,69,782	294	19,191	60,89,267

Appendix, No. 15.

STATEMENT I.—STATEMENT showing Collections of Land Revenue, &c.—*continued.*

DISTRICTS.	COLLECTIONS.			
	Land Revenue.	Record Room Receipts.	Miscellaneous Sayer Revenue.	TOTAL.
	Rs.	*Rs.*	*Rs.*	*Rs.*
Muttra	16,61,578	34	- -	16,61,612
Agra	16,03,072	- -	- -	16,03,072
Furruckabad	9,90,342	162	- -	9,90,504
Mynpoory	10,58,598	149	- -	10,58,747
Etawah	11,70,940	73	78	11,71,091
Etah	7,10,289	- -	- -	7,10,289
TOTAL *Rs.*	71,94,819	418	78	71,95,315
Jaloun (including Kuchwahagurh)	6,11,523	- -	6	6,11,529
Jhansie	6,33,233	1	3,466	6,36,700
Lullutpore (formerly Chundeyree)	58,942	- -	18	58,960
TOTAL *Rs.*	13,03,698	1	3,490	13,07,189
Cawnpore	20,97,072	- -	- -	20,97,072
Futtehpore	14,20,986	62	- -	14,21,048
Banda	12,52,424	8	- -	12,52,432
Allahabad	20,21,485	10	- -	20,21,495
Humeerpore	8,73,629	136	- -	8,73,765
Jounpore	11,95,782	248	- -	11,96,030
TOTAL *Rs.*	88,61,378	464	- -	88,61,842
Goruckpore	20,22,188	14	6,191	20,28,393
Bustee	—	—	—	—
Azimgurh	14,55,573	163	- -	14,55,736
Mirzapore	8,37,017	- -	18,145	8,55,162
Benares	9,01,010	30	- -	9,01,040
Ghazeepore	14,97,877	153	- -	14,98,030
TOTAL *Rs.*	67,13,665	360	24,336	67,38,361
GRAND TOTAL *Rs.*	3,71,43,556	1,624	85,161	3,72,30,341

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

W. Carpenter,
Officiating Secretary.

STATEMENT II.

STATEMENT showing LAND REVENUE COLLECTIONS, NORTH WESTERN PROVINCES, for 1870-71.

DISTRICTS.	Fixed Collections, including Balance of Revenue.	Surplus.	Kham Collection.	Sale of Government Estates.	Record Room Receipts.	Stone Quarry Receipts.	Miscellaneous.
	Rs.	*Rs*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Dehra Doon	53,631	-	-	-	-	-	5,029
Saharunpore	11,68,191	958	17	-	143	-	1,621
Moozuffernuggur	10,47,949	80,130	1,923	-	849	-	4,364
Meerut	17,58,875	3,47,794	5,970	-	1,125	-	1,696
Boolundshahur	12,59,894	60,102	3,311	1,17,000	1,978	-	714
Allygurh	18,39,094	956	-	-	948	-	1,424
Kumaon	3,32,748	9,678	29,866	-	-	-	7,041
Bijnour	11,92,655	66,822	2,774	3,706	398	-	5,448
Moradabad	12,56,111	6,427	20	-	1,115	-	4,664
Budaon	9,38,811	1,01,050	-	-	239	-	3,696
Bareilly	17,26,750	1,41,689	98,710	-	786	-	5,159
Shahjehanpore	10,03,479	1,363	-	-	550	-	1,107
Muttra	16,78,453	2,534	402	-	25	-	1,814
Agra	16,32,911	2,507	551	-	1,008	-	1,853
Furruckabad	11,22,484	1,375	1,747	-	217	-	1,337
Etah	7,27,054	25,272	32,443	-	117	-	1,036
Mynpoory	11,32,315	-	-	-	3	-	922
Etawah	12,09,166	752	-	-	689	-	175
Cawnpore	21,37,543	1,857	-	-	667	-	190
Futtehpore	14,17,104	619	-	-	136	-	800
Banda	13,04,731	100	-	-	240	78	1,890
Allahabad	20,85,463	4,912	-	-	187	-	2,916
Guruckpore	11,55,857	5,03,647	38	-	211	-	2,618
Azimgurh	14,79,909	6,519	-	-	1,123	-	2,160
Jounpore	12,02,514	-	499	-	-	-	379
Mirzapore	5,99,876	107	5,246	-	409	35,745	182
Benares	10,88,662	18	69	-	319	-	852
Ghazeepore	14,85,106	124	3	-	980	-	1,362
Jaloun	9,81,754	1,009	61	-	5	-	435
Jhansie	5,46,530	8,466	-	-	105	-	442
Humeerpore	11,20,929	184	-	200	361	-	792
Ajmere	3,43,103	41,638	-	-	2,158	-	6,097
Chundeyree, Lullutpore	1,45,412	1,643	68	-	4	-	877
Bustee	10,16,745	2,96,317	516	-	6	-	17,641
TOTAL *Rs.*	3,91,91,809	17,16,569	1,84,234	1,20,906	17,101	35,823	88,733

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT III.

1871–72.

ESTIMATES I.—LAND REVENUE, including Surplus and Miscellaneous Revenue.

DIVISIONS.	DISTRICTS.	Fixed Collections.	Surplus Collections.	Kham Collections.	Revenue Record-room.	Miscellaneous Receipts.	TOTAL.
		Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Agra	Agra	16,26,000	–	1,500	1,600	800	16,29,000
	Etah	8,24,200	–	–	205	1,800	8,26,205
	Etawah	12,05,000	725	–	960	–	12,06,685
	Furruckabad	12,50,800	1,500	–	400	300	12,53,000
	Muttra	16,69,470	2,400	–	150	1,630	16,73,650
	Mynpoory	11,55,200	–	–	220	–	11,55,420
Allahabad	Allahabad	21,38,200	8,000	–	300	4,100	21,50,600
	Banda	13,04,800	220	–	500	* 490	13,06,010
	Cawnpore	21,38,900	2,300	–	550	200	21,41,950
	Futtehpore	14,21,000	1,000	–	400	750	14,23,150
	Humeerpore	10,86,900	100	200	425	100	10,87,725
	Jounpore	12,64,940	–	–	130	225	12,65,295
Benares	Azimgurh	14,91,025	800	–	1,000	1,000	14,93,825
	Benares	8,97,800	–	–	190	200	8,98,190
	Ghazeepore	14,94,950	520	–	1,010	980	14,97,460
	Mirzapore	8,43,440	–	5,000	480	*35,250	8,84,170
	Goruckpore	16,61,600	–	–	200	†3,400	16,65,200
	Bustee	13,19,500	–	–	25	‡16,000	13,35,525
Meerut	Allygurh	18,43,000	1,500	–	1,000	1,050	18,46,550
	Boolundshahur	12,71,750	–	§51,200	1,800	3,200	13,27,950
	Dehra Doon	57,560	5	–	110	†3,000	60,675
	Meerut	22,13,510	10,000	–	1,350	440	22,25,300
	Moozuffernuggur	10,36,000	84,000	2,000	1,000	775	11,23,775
	Saharunpore	11,90,000	–	–	500	1,400	11,91,900
Rohilkhund	Bareilly	18,66,600	–	26,000	1,000	2,100	18,95,700
	Bijnour	12,81,000	–	2,000	400	1,300	12,84,700
	Budaon	9,19,800	1,00,000	–	400	800	10,21,000
	Moradabad	12,24,300	3,000	–	900	1,800	12,30,000
	Shahjehanpore	11,11,000	2,000	–	800	1,700	11,15,500
Jhansie	Jaloun	9,45,000	4,000	–	10	1,500	9,50,510
	Jhansie	5,28,500	5,000	–	325	25	5,33,850
	Lullutpore	1,60,775	1,000	–	50	5	1,61,830
Ajmere	Ajmere	—	–	–	–	–	—
Kumaon	Kumaon	4,07,100	20,000	68,950	–	*†5,750	5,01,800
	Sale proceeds of waste lands	–	–	–	–	–	(See at foot)
	Stone quarries and mines	–	–	–	–	–	ditto.
	Added by Local Government	–	–	–	–	–	ditto.
	Add irrigation receipts	–	–	–	–	–	ditto.
	TOTAL *Rs.*	4,08,49,620	2,48,070	1,56,850	18,390	92,070	4,13,65,000

* Stone Quarries and Mines—Banda ; 490 rupees, Mirzapoor, 35,000 rupees ; Kumaon 14,000 rupees.
† Sale of waste lands, 3,000 rupees in Dehra Doon and 900 rupees in Gorruckpore, Kumaon, 2,000 rupees.
‡ Of this 14,000 in Bustee and 800 rupees in Goruckpore are Malikana.
§ Of this 50,000 rupees is for sale of Kham Mehals.

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT IV.

STATEMENT of LAND REVENUE and its Incidence for 1851–52.

DIVISIONS.	DISTRICTS.	Number of Mouzahs or Townships.	Area in Square British Statute Miles of 640 Acres each.	Area in Acres.	Malgoozaree or Assessed Land.		Minhaee or Unassessed Land.		Demand on Account of Land Revenue for 1851–52 in Rupees.	Rate per Acre on Total Area.	Rate per Acre on Total Malgoozaree.	Rate per Acre on Total Cultivation.
					Cultivated.	Culturable.	Lakhiraj.	Barren.				
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
					Acres.	*Acres.*	*Acres.*	*Acres.*		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
eerut -	Dehra Doon (year 1845).	Not known.	325·3	208,212	34,234	53,990	93	119,895	20,505	– 1 6	– 3 9	– 9 7
	Saharunpore -	1,904	2162·3	1,383,898	774,253	211,449	54,597	343,599	10,64,513	– 12 4	1 1 3	1 6 –
	Moozuffernuggur	1,138	1646·3	1,053,641	670,468	153,173	76,287	153,713	11,07,538	1 – 10	1 5 6	1 10 10
	Meerut - -	1,638	2200·1	1,408,063	907,758	236,021	82,028	182,256	16,93,046	1 3 3	1 7 8	1 13 10
	Boolundshahur -	1,576	1823·6	1,167,094	715,587	143,260	88,036	220,211	10,56,835	– 14 6	1 3 8	1 7 8
	Allygurh - -	1,997	2153·4	1,378,204	961,076	77,725	41,070	298,333	19,85,136	1 7 1	1 14 7	2 1 1
	Total - -	8,253	10311·0	6,599,112	4,063,376	875,618	342,111	1,318,007	69,27,573	1 – 9	1 6 5	1 11 3
umaon -	Kumaon - -											
	Gurhwal - -	- -	–	– –	– –	Not given in the Statement of 1852–53.						
	Terai - -											
hilkhund -	Bijnour - -	3,030	1900·0	1,216,005	590,622	175,553	42,626	407,204	11,97,695	– 13 9	1 9 –	2 3 2
	Moradabad -	3,484	2698·6	1,727,216	839,919	308,851	256,086	322,360	13,40,312	– 12 5	1 2 8	1 9 6
	Budaon - -	2,232	2401·9	1,537,191	928,299	286,055	69,734	253,103	10,97,329	– 11 5	– 14 6	1 2 11
	Bareilly - -	3,563	3119·1	1,996,224	1,056,961	394,810	83,630	460,823	17,69,610	– 14 2	1 3 6	1 10 9
	Shahjehanpore -	2,785	2308·4	1,477,359	716,201	453,032	33,067	275,059	10,60,318	– 11 9	– 14 6	1 7 8
	Total - -	15,094	12428·2	7,953,995	4,132,002	1,618,301	485,143	1,718,549	64,65,264	– 13 –	1 1 11	1 9 –
gra - -	Muttra - -	1,019	1613·4	1,032,542	733,362	87,224	97,649	114,307	16,57,283	1 9 9	2 – 4	2 4 2
	Agra - -	1,143	1864·9	1,193,537	747,536	118,104	84,460	243,437	16,22,980	1 5 9	1 14 –	2 2 9
	Furruckabad -	2,107	2122·9	1,358,685	749,023	178,345	69,985	361,332	13,33,011	– 15 8	1 7 –	1 12 6
	Mynpoory -	1,344	2020·2	1,292,946	687,098	114,526	8,510	482,812	12,67,079	– 15 8	1 9 3	1 13 6
	Etawah - -	1,495	1677·0	1,073,276	557,804	59,927	29,143	426,402	12,72,086	1 3 –	2 – 11	2 4 6
	Etah - -	- -	–	– –	– –	Not given in the Statement prepared in 1852–53.						
	Total - -	7,018	9298·4	5,950,986	3,474,823	558,126	289,747	1,628,290	71,52,439	1 3 3	1 12 4	2 – 11
ansie -	Jaloun - -											
	Jhansie - -	- -	–	– –	– –	Not given in the Statement of 1852–53.						
	Lullutpore -											
lahabad -	Cawnpore - -	2,257	2348·0	1,502,699	800,438	149,232	61,992	491,037	21,44,075	1 6 10	2 4 1	2 10 10
	Futtehpore -	1,617	1583·1	1,013,171	509,703	131,895	9,417	362,066	14,26,205	1 6 6	2 3 7	2 12 9
	Banda - -	1,257	3009·6	1,926,112	846,831	561,281	82,934	435,066	15,91,377	– 13 3	1 2 1	1 14 1
	Allahabad -	4,003	2788·7	1,784,780	971,558	247,255	28,240	537,727	21,41,221	1 3 2	1 12 1	2 3 3
	Humeerpore -	997	2241·6	1,434,651	770,254	316,504	14,531	333,362	12,77,864	– 14 3	1 2 10	1 10 7
	Jounpore - -	3,431	1552·2	993,383	573,616	58,121	23,497	338,149	12,54,095	1 4 2	1 15 9	2 3 –
	Total - -	13,562	13523·2	8,654,796	4,472,490	1,464,288	220,611	2,497,407	98,34,837	1 2 1	1 10 6	2 3 2
nares -	Goruckpore -	15,714	7340·2	4,697,706	2,232,901	1,268,024	160,732	1,036,049	21,33,931	– 7 3	– 9 9	– 15 3
	Bustee - -											
	Azimgurh -	6,270	2516·4	1,610,498	798,707	213,729	41,027	557,035	14,89,619	– 14 10	1 7 6	1 13 10
	Mirzapore -	5,280	5152·3	3,297,472	768,296	293,394	1,421,412	814,370	8,39,732	– 4 1	– 12 6	1 1 6
	Benares - -	2,296	995·5	637,107	420,069	35,791	29,571	151,676	9,03,358	1 6 8	1 15 9	2 2 5
	Ghazeepore -	5,088	2181·0	1,395,808	924,884	151,168	41,532	278,224	15,00,426	1 1 2	1 6 4	1 9 11
	Total - -	34,648	18185·4	11,638,591	5,144,857	1,962,106	1,694,274	2,837,354	68,67,066	– 9 5	– 15 5	1 5 4
	GRAND TOTAL -	78,575	63746·2	40,797,480	21,287,548	6,478,439	3,031,886	9,999,607	3,72,47,179	– 14 7	1 5 5	1 12 –

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT V.

STATEMENT of LAND REVENUE and its Incidence for 1870-71.

DIVISIONS.	DISTRICTS.	Number of Mouzahs or Townships.	Area in Square British Statute Miles of 640 Acres each.	Area in Acres.	Malgoozaree or Assessed Land.		Minhaee or Unassessed Land.		Demand on Account of Land Revenue for 1870-71 in Rupees.	Rate per Acre on Total Area.	Rate per Acre on Total Malgoozaree.	Rate per Acre on Total Cultivation.
					Cultivated.	Culturable.	Lakhiraj.	Barren.				
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.
					Acres.	*Acres.*	*Acres.*	*Acres.*		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
Merut	Dehra Doon	423	1004·75	643,042	62,807	110,523	8,566	461,146	56,103	– 1 4	– 5 2	– 14 3
	Saharunpore	1,926	2227·00	1,425,280	776,719	307,588	219,520	121,433	11,68,680	– 13 1	1 1 3	1 8 –
	Moozuffernuggur	1,034	1646·98	1,054,065	544,668	318,625	52,728	138,044	11,40,797	1 1 3	1 5 1	2 1 6
	Meerut	1,693	2368·00	1,515,520	950,481	349,259	8,682	207,098	21,67,315	1 6 10	1 10 8	2 4 5
	Boolundshahur	1,596	1910·30	1,222,596	832,588	205,860	45,620	138,536	13,76,827	1 2 –	1 5 2	1 10 5
	Allygurh	1,799	1858·63	1,189,527	899,119	86,486	26,996	176,926	18,54,478	1 8 11	1 14 1	2 1 –
	Total	8,471	11015·66	7,050,030	4,066,374	1,378,341	362,112	1,243,203	77,64,200	1 1 7	1 6 9	1 14 6
Kumaon	Kumaon	3,487	6000·00	3,840,000	252,800	377,600	12,800	3,196,800	1,50,463	– – 7	– 3 9	– 9 6
	Gurhwal	4,456	5500·00	3,520,000	116,691	24,393	8,271	3,370,645	95,584	– – 5	– 10 10	– 13 1
	Terai	500	734·03	469,760	107,328	106,432	2,560	253,440	1,55,786	– 5 3	– 11 7	1 7 2
	Total	8,443	12234·03	7,829,760	476,819	508,425	23,631	6,820,885	4,01,833	– – 9	– 6 6	– 13 5
Rohilkhund	Bijnour	2,989	1886·88	1,207,606	487,909	323,129	112,254	284,314	11,27,462	– 14 10	1 6 2	2 4 11
	Moradabad	2,848	2279·12	1,458,637	746,767	288,697	236,965	186,208	12,22,534	– 13 3	1 2 10	1 10 –
	Budaon	1,856	1960·25	1,254,563	831,787	250,944	16,983	154,849	10,28,548	– 12 11	– 15 2	1 3 8
	Bareilly	3,595	2925·00	1,872,000	1,120,149	433,217	51,902	266,732	19,44,898	1 – 5	1 4 –	1 11 8
	Shahjehanpore	2,356	1690·17	1,081,707	689,633	196,155	27,463	168,456	10,81,706	– 15 10	1 3 6	1 8 11
	Total	13,644	10741·42	6,874,513	3,876,245	1,492,142	445,567	1,060,559	64,05,148	– 14 10	1 3 1	1 10 5
Agra	Muttra	1,027	1610·95	1,031,006	759,347	67,220	76,387	128,052	16,61,554	1 9 9	2 – 1	2 2 10
	Agra	1,144	1883·57	1,205,485	802,383	90,369	59,183	253,550	16,28,736	1 5 7	1 13 2	2 – 5
	Furruckabad	1,644	1704·03	1,090,581	656,038	160,421	11,168	262,954	11,85,119	1 1 4	1 7 2	1 12 10
	Mynpoory	1,412	1666·00	1,066,240	575,807	100,918	5,216	384,299	11,52,297	1 1 3	1 11 3	2 – –
	Etawah	1,558	1631·44	1,044,123	541,849	74,413	23,317	404,544	11,99,486	1 2 4	1 15 1	2 3 5
	Etah	1,319	1401·00	896,640	559,681	159,953	17,920	159,086	8,24,118	– 14 8	1 2 4	1 7 6
	Total	8,104	9896·99	6,334,075	3,895,105	653,294	193,191	1,592,485	76,51,310	1 3 3	1 10 10	1 15 5

0.38. Jhansie	Jaloun	959	1552·28	993,459	586,467	106,348	84,263	216,381	9,67,386	– 15 6	1 6 4	1 10 4
	Jhansie	699	1610·21	1,030,590	460,896	195,251	81,920	292,523	4,69,915	– 7 3	– 11 6	1 – 3
	Lullütpore	750	1945·41	1,246,344	198,099	541,971	194,586	311,688	1,48,768	– 1 11	– 3 2	– 12 –
	Total	2,408	5109·90	3,270,393	1,245,462	843,570	360,769	820,592	15,86,069	– 7 6	– 12 1	1 4 4
Allahabad	Cawnpore	2,272	2353·84	1,506,460	781,300	183,065	19,875	522,220	21,38,388	1 6 8	2 3 5	2 11 9
	Futtepore	1,617	1582·71	1,012,937	539,046	115,031	10,397	348,463	14,22,050	1 6 5	2 2 9	2 10 2
	Bánda	1,265	3030·00	1,939,200	1,075,780	356,540	69,760	437,120	13,40,817	– 11 –	– 14 11	1 3 11
	Allahabad	3,994	2726·16	1,744,746	951,294	209,997	90,132	493,323	21,44,815	1 3 8	1 13 6	2 4 –
	Humeerpore	918	2288·50	1,464,641	763,783	340,010	19,936	340,912	10,84,057	– 11 10	– 15 8	1 6 8
	Jounpore	3,431	1555·68	995,635	586,024	296,064	22,004	91,543	12,50,799	1 4 1	1 6 8	2 2 1
	Total	13,497	13536·89	8,663,619	4,697,227	1,500,707	232,104	2,233,581	93,80,926	1 1 3	1 8 2	1 15 11
5 A 2 Benares	Goruckpore	15,748	4590·27	2,937,772	1,780,958	637,022	61,440	458,352	16,64,761	– 9 –	– 11 –	– 14 11
	Bustee		2719·88	1,740,723	1,006,209	425,448	63,360	245,706	10,20,646	– 9 4	– 11 4	1 – 2
	Azimgurh	6,276	2546·53	1,629,782	899,598	206,127	33,482	490,575	15,17,149	– 14 10	1 5 11	1 10 11
	Mirzapore	5,376	5200·23	3,328,148	876,575	292,954	116,927	2,041,692	8,45,127	– 4 –	– 11 6	– 15 5
	Benares	2,307	995·62	637,199	454,857	19,074	27,999	135,269	8,94,325	1 6 5	1 14 2	1 15 5
	Ghazeepore	5,114	2226·56	1,425,000	1,070,000	90,000	– –	265,000	15,11,392	1 – 11	1 4 10	1 6 7
	Total	34,821	18279·09	11,698,624	6,088,197	1,670,625	303,208	3,636,594	74,53,400	– 10 2	– 15 4	1 – 11
Ajmere	Ajmere	316	2672·14	1,710,174	198,412	667,722	422,020	422,020	3,80,751	– 3 6	– 7 –	1 14 8
	Total	316	2672·14	1,710,174	198,412	667,722	422,020	422,020	3,80,751	– 3 6	– 7 –	1 14 8
	GRAND TOTAL	89,704	83486·12	53,431,188	24,543,841	8,714,826	2,342,602	17,829,019	4,10,23,637	– 11 10	1 3 9	1 10 9

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT VI.

RECEIPTS of EXCISE REVENUE for 1870-71.

DIVISION.	DISTRICTS.	Country Rum. A. & B.	FERMENTED LIQUORS.				
			Taree. C.	Country Spirit (Produced by Distillation after Fermentation). D. & E.			
				Still Head Duty.	Distillery Fees.	License Fees for Vend.	TOTAL.
		Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
Meerut	Dehra Doon	- - -	- - -	21,625 8 -	14 - -	5,903 6 3	27,542 14 3
	Saharunpore	- - -	72 10 11	17,889 - -	5 - -	4,190 2 8	22,084 2 8
	Moozuffernuggur	- - -	- - -	11,571 12 -	35 8 -	6,359 13 1	17,967 1 1
	Meerut	- - -	1,460 - -	8,074 8 -	20 - -	5,872 1 -	13,966 9 -
	Boolundshahur	- - -	- - -	7,050 - -	15 - -	3,126 - -	10,191 - -
	Allygurh	- - -	44 15 4	10,026 - -	32 - -	5,238 3 -	15,296 3 -
Kumaon	Kumaon	- - -	- - -	- - -	- - -	11,769 - -	11,769 - -
	Gurhwal	- - -	- - -	- - -	- - -	1,933 - -	1,933 - -
	Terai Pergunnahs	- - -	- - -	4,345 8 -	24 - -	908 - -	5,277 8 -
Rohilkhund	Bijnour	- - -	- - -	9,465 4 -	74 - -	2,230 5 4	11,769 9 4
	Moradabad	- - -	250 15 -	18,759 - -	48 8 -	5,201 4 -	24,008 12 -
	Budaon	- - -	70 - -	8,388 - -	16 - -	2,787 1 3	11,191 1 3
	Bareilly	- - -	356 4 1	22,459 8 -	29 - -	10,638 11 8	33,127 3 8
	Shahjehanpore	54,362 - -	29 - -	14,408 14 -	17 - -	6,371 15 3	20,797 13 3
Agra	Muttra	- - -	59 3 -	7,241 13 6	28 - -	3,736 2 8	11,006 - 2
	Agra	- - -	327 4 -	2,747 15 -	21 - -	1,532 12 -	4,301 11 -
	Furruckabad	- - -	9,702 3 9	12,627 - -	37 - -	4,330 - 1	16,994 - 1
	Mynpooree	- - -	2,935 - -	11,423 4 -	20 - -	2,944 10 4	14,387 14 4
	Etawah	- - -	644 8 -	8,984 13 -	37 - -	2,568 15 -	11,590 12 -
	Etah	- - -	991 14 -	4,441 8 -	20 - -	3,180 4 -	7,641 12 -
Jhansie	Jaloun	- - -	22 2 -	- - -	- - -	11,320 2 8	11,320 2 8
	Jhansie	- - -	12 - -	- - -	- - -	6,693 - -	6,693 - -
	Lullutpore	- - -	- - -	- - -	- - -	3,207 - -	3,207 - -
Allahabad	Cawnpore	- - -	1,857 - -	9,535 8 -	22 - -	6,958 8 -	16,516 - -
	Futtehpore	- - -	50 - -	9,114 - -	49 - -	3,709 11 11	12,872 11 11
	Banda	- - -	- - -	3,679 8 -	37 8 -	2,231 8 -	5,948 8 -
	Allahabad	- - -	730 - -	7,880 - -	72 - -	7,469 3 10	15,421 3 10
	Humeerpore	- - -	- - -	2,296 8 -	14 - -	1,582 - -	3,892 8 -
	Jounpore	- - -	1,212 8 -	34,420 8 -	51 - -	7,830 14 -	42,302 6 -
Benares	Goruckpore	- - -	14,715 - -	73,482 - -	25 - -	9,949 4 -	83,456 4 -
	Bustee	- - -	5,193 - -	18,637 8 -	19 - -	1,898 - -	20,554 8 -
	Azimgurh	- - -	8,341 5 5	14,700 - -	45 - -	5,397 15 6	20,142 15 6
	Mirzapore	- - -	1,400 - -	46,741 8 -	26 - -	13,644 12 6	60,412 4 6
	Benares	- - -	3,800 - -	1,07,710 8 -	32 - -	14,807 8 -	1,22,550 - -
	Ghazeepore	- - -	17,435 - -	53,245 8 -	29 - -	11,095 12 -	64,370 4 -
Ajmere	Ajmere	- - -	- - -	- - -	- - -	9,887 10 4	9,887 10 4
Cantonment	Roorkee	- - -	- - -	5,409 - -	6 - -	945 10 4	6,360 10 4
	Chuckratta	- - -	- - -	- - -	- - -	4,276 6 6	4,276 6 6
	Meerut	- - -	- - -	20,776 8 -	13 - -	17,665 - -	38,454 8 -
	Bareilly	- - -	- - -	19,362 - -	20 - -	3,324 - -	22,706 - -
	Shahjehanpore	- - -	- - -	13,066 8 -	10 - -	2,003 4 -	15,079 12 -
	Agra	- - -	- - -	18,314 - -	- - -	3,611 8 -	12,925 8 -
	Futtehgurh	- - -	- - -	15,859 8 -	- - -	3,629 13 -	19,489 5 -
	Jhansie	- - -	- - -	- - -	- - -	2,000 - -	2,000 - -
	Cawnpore	- - -	- - -	30,177 8 -	- - -	1,920 - -	32,097 8 -
	Allahabad	- - -	- - -	26,607 8 -	- - -	1,152 - -	27,759 8 -
	Benares	- - -	- - -	17,457 - -	- - -	1,642 - -	19,099 - -
	Nusseerabad	- - -	- - -	- - -	- - -	6,404 9 -	6,404 9 -
	TOTAL - *Rs.*	54,362 - -	71,711 13 6	7,50,001 11 6	963 8 -	2,57,078 13 2	10,08,044 - 8

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

STATEMENT VI.

RECEIPTS of EXCISE REVENUE for 1870-71.

Drugs, including Madad and Ganjah. F.			Opium. G.			Miscellaneous Receipts. H.			TOTAL.		
Rs.	*a.*	*p.*	*Rs.*	*a.*	*p.*	*Rs.*	*a.*	*p.*	*Rs.*	*a.*	*p.*
5,501	–	–	8,640	–	–	1,328	2	4	43,012	–	7
5,595	–	–	27,200	–	–	689	–	6	55,640	14	1
2,223	–	–	21,984	–	–	35	8	3	42,209	9	4
9,202	11	–	53,552	–	–	498	8	3	78,679	12	3
3,353	7	–	25,920	–	–	22	3	7	39,486	10	7
7,871	13	–	36,272	–	–	148	2	9	59,633	2	1
4,206	8	–	1,920	–	–	640	–	–	18,535	8	–
615	–	–	-	-	-	-	-	-	2,548	–	–
1,444	–	–	-	-	-	-	-	-	6,721	8	–
2,450	–	–	15,248	–	–	56	1	–	29,523	10	4
10,174	6	–	25,280	–	–	674	11	1	60,388	12	1
6,828	8	–	3,840	–	–	-	-	-	21,929	9	3
19,247	4	6	19,392	–	–	48	4	5	72,171	–	8
11,109	5	6	6,080	–	–	32	15	11	92,411	2	8
9,738	–	–	47,920	–	–	165	3	6	68,888	6	8
12,210	10	–	41,552	–	–	291	8	6	58,683	1	6
17,912	15	9	6,561	10	–	1	–	3	51,171	13	10
7,836	–	–	4,176	–	–	376	6	6	29,711	4	10
9,767	7	10	2,784	–	–	1,883	11	–	26,670	6	10
6,440	4	6	6,912	–	–	51	2	–	22,037	–	6
4,647	1	2	10,568	–	–	97	7	6	26,654	13	4
1,879	8	–	7,680	–	–	141	6	–	16,405	14	–
553	8	–	1,760	–	–	-	-	-	5,520	8	–
27,221	–	–	40,960	–	–	33	7	10	86,587	7	10
5,768	2	6	6,688	–	–	99	7	1	25,478	5	6
8,304	11	10	13,706	8	–	79	3	10	28,038	15	8
22,483	2	–	40,320	–	–	128	10	8	79,083	–	6
4,357	3	–	12,160	–	–	187	4	4	20,596	15	4
10,550	–	–	2,784	–	–	90	–	–	56,938	14	–
8,131	10	8	320	–	–	1,403	15	9	1,08,026	14	5
3,100	–	–	192	–	–	43	–	–	29,082	8	–
8,401	–	–	336	–	–	314	–	3	37,535	5	2
29,000	–	–	12,320	–	–	545	3	6	1,03,677	8	–
51,400	–	–	51,211	8	–	584	13	9	2,29,546	5	9
16,644	1	–	1,132	–	–	146	2	–	99,727	7	–
3,195	–	–	-	-	-	237	4	3	13,319	14	7
-	-	-	-	-	-	224	–	–	6,584	10	4
-	-	-	832	–	–	73	4	–	5,181	10	6
-	-	-	-	-	-	761	3	7	39,215	11	7
-	-	-	-	-	-	497	13	6	23,203	13	6
-	-	-	-	-	-	112	–	–	15,191	12	–
-	-	-	-	-	-	1,432	15	6	23,358	7	6
-	-	-	-	-	-	119	2	6	19,608	7	6
-	-	-	-	-	-	117	4	9	2,117	4	9
-	-	-	-	-	-	1,137	12	3	33,235	4	3
-	-	-	-	-	-	2,185	8	–	29,945	–	–
-	-	-	-	-	-	609	8	–	19,708	8	–
-	-	-	-	-	-	457	2	9	6,861	11	9
3,59,363	5	3	5,58,203	10	–	18,801	11	5	20,70,486	8	10

REMARKS.

A. No excise duty is levied in the North Western Provinces on imported rum. Import duty is paid at the sea-port.

B. Still head duty is levied at the rate of 3 rupees a gallon of the strength of London proof.

C. The right of vend of taree is farmed out in those districts in which the palm grows that produces the juice.

D. In the Kumaon, Gurhwal, Jhansie, Jaloun, Lullutpore, and Ajmere districts, and the Chukratta, Jhansie, and Nusseerabad cantonments, the right of manufacture and vend of country spirit was farmed out during 1870-71. In the rest of the North Western Provinces the revenue from country spirit was raised during that period by a still head duty of one-eighth rupee a gallon irrespective of strength, the spirit being distilled in Government distilleries, and by license fees for retail vend varying from 12 to 240 rupees per annum. There was also a nominal fee of 1 rupee per annum for the right to distil in a Government distillery.
The limit of 240 rupees for a license for retail vend was removed from the 1st April 1871.

E. No duty is levied on unfermented liquors in the North Western Provinces.

F. No duty is levied on the import of ganjah into the North Western Provinces. The right to vend it is farmed with that of other drugs; receipts on account of it cannot, therefore, be shown separately.

G. This is the full price realised from the sale of Government opium at 16 rupees a seer. The discount on the sale of it at 1 rupee a seer amounted to *Rs.* 34,650. 12. 3., and its cost price at *Rs.* 7. 12. a seer (credited to the Government of Bengal) to *Rs.* 2,51,682. 9. 2.

H. Receipts for licenses for wholesale vend of English spirituous and fermented liquors - and of retail vend of such liquors - -

	Rs.	*a.*	*p.*
	1,829	11	2
	11,241	12	4
TOTAL - - -	*Rs.* 13,071	7	6

are included in the miscellaneous receipts.
The fees for wholesale vend are 16 rupees per annum; those for retail vend from 2 to 8 rupees per mensem.

C. W. Carpenter,
Officiating Secretary.

Appendix, No. 15.

Statement VII.

Estimate of Excise Revenue for 1871-72.

DISTRICTS.	FERMENTED LIQUORS.			Drugs, including Madad and Ganjah.*	Opium.	Miscellaneous Receipts.
	Country Spirit (produced by Distillation after Fermentation).					
	Still Head Duty.	Distillery Fees.	License Fees for Vend.			
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Agra	35,300	20	5,220	12,500	50,000	50
Ajmere	—	—	—	—	—	—
Allahabad	60,000	200	7,300	29,500	36,000	100
Allygurh	12,000	50	5,000	8,000	36,000	100
Azimgurh	27,000	50	4,000	19,000	200	20
Banda	4,500	40	2,500	7,700	14,000	25
Bareilly	47,000	60	10,640	21,000	17,500	200
Benares	105,000	50	13,000	45,000	43,000	100
Bijnour	6,000	70	2,000	3,250	15,600	50
Boolundshahur	6,500	15	2,500	3,500	23,000	100
Budaon	8,000	10	3,000	10,000	3,840	50
Bustee	15,600	50	1,500	8,300	100	100
Cawnpore	40,000	200	15,000	30,000	35,200	50
Dehra Doon	18,000	—	7,050	6,000	9,000	—
Etah	4,500	15	2,400	7,000	5,600	80
Etawah	11,000	40	2,880	12,000	1,600	40
Furruckabad	30,000	40	10,000	26,000	4,000	10
Futtehpore	10,000	100	3,500	8,700	5,000	50
Ghazeepore	45,000	30	10,000	36,000	800	25
Goruckpore	70,000	25	9,000	24,000	200	200
Humeerpore	2,850	100	1,600	4,300	11,520	—
Jaloun	-	-	—	12,000	4,000	8,500	100
Jhansie	-	-	—	9,300	2,000	7,000	20
Jounpore	34,000	25	5,000	12,000	1,200	—
Kumaon	10,500	200	4,300	3,800	2,560	10
Lullutpore	-	-	—	3,500	625	1,920	—
Meerut	36,600	30	22,000	18,000	49,000	120
Mirzapore	50,000	25	12,000	30,000	12,000	100
Moradabad	12,000	50	4,000	8,000	26,000	30
Mozuffernuggur	8,000	30	7,000	2,000	25,000	50
Muttra	8,000	25	2,900	11,000	30,000	100
Mynpoory	12,000	20	3,000	9,280	2,600	20
Roorkee	9,400	—	1,100	-	-	40
Shahjehanpore	75,000	40	10,000	12,000	6,000	100
Saharunpore	15,000	5	4,500	5,500	28,000	50
Added for round numbers	-	-	—	-	1,890	—	—
Total *Rs.*	8,28,750	1,615	2,18,790	4,36,845	5,11,940	2,060

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT VIII.

ABSTRACT of FINAL ASSESSMENTS under all SCHEDULES in the Year 1860-61 in the NORTH WESTERN PROVINCES.

DIVISIONS.	SCHEDULE I.					SCHEDULE II.				
	Number of Parties Assessed.	DUTIES. At 3 per Cent.	At 1 per Cent.	At 2 per Cent.	TOTAL.	Number of Parties Assessed.	DUTIES. At 3 per Cent.	At 1 per Cent.	At 2 per Cent.	TOTAL.
		Rs. a.	*Rs. a.*	*Rs. a.*	*Rs. a.*		*Rs. a.*	*Rs. a.*	*Rs. a.*	*Rs.*
Meerut - -	17,548	59,316 5	19,776 12	11,466 4	90,559 5	26,850	1,86,385 4	62,379 6	1,01,454 6	3,50,219
Kumaon - -	482	1,218 10	405 7	283 12	1,907 13	910	5,980 12	792 12	3,529 11	10,303
Rohilkhund -	14,935	61,472 4	20,519 12	13,794 12	95,786 12	15,345	1,19,820 15	39,913 4	53,678 11	2,13,412 1
Agra - - -	12,847	62,459 5	20,784 3	14,195 2	97,438 10	24,378	1,95,878 14	65,141 -	94,909 -	3,55,928 1
Jhansie - -	2,147	19,439 7	6,370 11	4,389 8	30,149 10	4,194	24,670 3	8,263 2	17,422 13	50,356
Allahabad - -	20,687	64,304 12	22,491 9	19,335 1	1,06,131 6	24,556	1,52,201 3	55,560 10	96,484 13	3,04,246 1
Goruckpore -	10,875	16,800 3	5,598 10	8,293 9	30,692 6	15,182	1,12,893 11	37,487 15	58,680 12	2,09,062 6
Benares - -	28,755	1,57,233 15	52,197 11	57,890 14	2,67,322 8	27,510	2,19,703 9	73,752 8	88,463 12	3,81,919 13
Jubbulpore -	4,515	24,426 1	8,172 6	5,998 11	38,597 2	12,134	1,05,687 5	35,219 8	47,298 14	1,88,205 11
Ajmere - -	3,397	12,245 2	4,081 6	3,027 10	19,354 2	4,430	27,570 8	9,193 1	17,382 10	54,146 3
TOTAL - -	116,188	4,78,916 -	1,60,398 7	138,625 3	7,77,939 10	1,54,479	11,50,792 4	3,87,703 2	5,79,305 6	21,17,800 12

STATEMENT VIII.—*continued.*

ABSTRACT of FINAL ASSESSMENTS under all SCHEDULES

DIVISIONS.	SCHEDULE III.					SCHEDULE IV.				
	Number of Parties Assessed.	DUTIES.			TOTAL.	Number of Parties Assessed.	DUTIES.			TOTAL.
		At 3 per Cent.	At 1 per Cent.	At 2 per Cent.			At 3 per Cent.	At 1 per Cent.	At 2 per Cent.	
		Rs. *a.*	*Rs* *a.*	*Rs.* *a.*	*Rs.* *a.*		*Rs.* *a.*	*Rs.* *a.*	*Rs.* *a.*	*Rs.* *a.*
Meerut - -	43	2,357 8	781 7	–	3,138 15	727	33,278 12	11,075 –	3,808 4	48,162 –
Kumaon - -	14	337 5	112 6	–	449 11	195	5,590 11	1,859 15	690 9	8,141 3
Rohilkhund -	45	4,027 3	1,341 14	32 5	5,401 6	910	24,977 13	8,307 14	3,072 15	36,358 10
Agra - - -	179	3,281 12	1,096 6	2 10	4,380 12	1,119	39,638 7	13,159 6	5,182 11	57,971 8
Jhansie - -	4	25 8	8 8	– 10	34 10	414	12,252 1	4,006 1	2,030 13	18,288 15
Allahabad - -	214	3,202 14	1,069 4	–	4,272 2	585	53,208 7	17,921 9	6,720 7	77,850 7
Goruckpore -	10	96 14	31 11	–	128 9	838	7,100 13	2,393 5	3,198 –	12,692 2
Benares - -	415	7,266 3	2,406 8	–	9,672 11	1,402	33,533 4	12,278 –	3,925 3	49,736 7
Jubbulpore - -	34	883 –	293 8	7 –	1,183 8	746	17,054 3	5,661 6	2,934 11	25,650 4
Ajmere - -	32	1,796 7	598 9	–	2,395 –	291	13,865 8	4,621 2	880 8	19,367 2
TOTAL - -	990	23,274 10	7,740 1	42 9	31,057 4	7,227	2,40,499 15	81,274 10	32,444 1	3,54,218 10

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

STATEMENT VIII.—*continued.*

in the Year 1860–61 in the NORTH WESTERN PROVINCES—*continued.*

TOTAL.					REMARKS.
Number of Parties Assessed.	DUTIES. At 3 per Cent.	At 1 per Cent.	At 2 per Cent.	TOTAL.	
	Rs. a.	*Rs. a.*	*Rs. a.*	*Rs. a.*	
28,957	2,81,337 13	94,012 9	1,16,728 14	4,92,079 4	The Acts under which the income tax was levied during the year 1860–61 were Nos. XXXII. and XXXIX. of 1860. For the purpose of assessment, incomes were classified under four schedules, viz.:—
1,138	13,127 6	3,170 8	4,504 –	20,801 14	Schedule I.—Profits arising from all lands and houses in India.
18,393	2,10,298 3	70,082 12	70,578 11	3,50,959 10	Schedule II.—Profits arising to any person residing in India from any profession, trade, or employment, whether the same shall be carried on in India or elsewhere, and for and in respect of all interest of money, annuities, and other annual profits not being Government securities.
29,031	3,01,258 6	1,00,171 15	1,14,289 7	5,15,719 12	Schedule III.—Profits arising from interest, annuities, or dividends, out of the public revenues of India; and
5,815	56,387 3	18,648 6	23,793 12	98,829 5	Schedule IV.—Every public office or employment of profit in India, and every office or employment of profit in or under any company in India, and upon every annuity, salary, or pension, payable to any person residing in India, or paid in India to or on account of any person whatever by the Government of India, except annuities charged to the duty under Schedule III.
32,907	2,72,917 4	97,043 –	1,12,549 5	4,92,509 9	
		Lump Assessment - -		80,000 –	Upon incomes or profits falling under the above, a tax of 3 per cent. was levied. Under Schedule III. of the Act, an additional duty of 1 per cent. was imposed on all incomes falling under the above schedules. The assessable minimum was an income of 200 rupees per year. A tax of 2 per cent. was assessed upon incomes falling within 200 rupees and 500 rupees per annum. There were thus three rates of assessment. The figures in the statement show the final assessment under all schedules at each rate of duty.
15,451	1,36,891 9	45,511 9	70,172 5	2,52,575 7	
37,363	4,17,736 15	1,40,634 11	1,50,279 13	7,08,651 7	
		Lump Assessment - -		1,23,700 –	
14,107	1,48,050 9	49,346 12	56,239 4	2,53,636 9	
5,021	55,477 9	18,494 2	21,290 12	95,262 7	
1,88,183	18,93,482 13	6,37,116 4	7,50,417 3	32,81,016 4	
		Lump Assessment - - - -		2,03,700 –	
			Rs.	34,84,716 4	

C. W. Carpenter,
Officiating Secretary.

STATEMENT IX.

STATEMENT of FINAL INCOME TAX ASSESSMENTS under Act XVI. of 1870 during the Financial Year 1870-71.

1. DIVISION.	2. Under Class I., on Incomes of 500 Rupees to 750 Rupees per Annum.		3. Under Class II., on Incomes of 750 Rupees to 1,000 Rupees per Annum.		4. Under Class III., on Incomes of 1,000 Rupees to 1,500 Rupees per Annum.		5. Under Class IV., on Incomes of 1,500 Rupees to 2,000 Rupees per Annum.		6. Under Class V., on Incomes of 2,000 Rupees to 10,000 Rupees per Annum.		7. Under Class VI., on Incomes of 10,000 Rupees to 1,00,000 Rupees per Annum.		8. Under Class VII., on Incomes of 1,00,000 Rupees and upwards per Annum.		9. Total Assessments on all Classes, exclusive of Deductions from Salaries.		10. Deductions from Official Salaries.	11. Total Assessments under the Act on all Sources of Income.	12. REMARKS.
	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	Amount.	Amount.	
		Rs.		*Rs.*		*Rs.*		*Rs.*		*Rs.*		*Rs.*		*Rs.*		*Rs.*	*Rs.*	*Rs.*	
Meerut -	7,691	1,50,552	2,660	71,804	1,698	66,159	958	51,760	1,782	1,89,842	121	78,847	2	6,704	14,912	6,15,668	38,492	6,54,160	The classification was as follows :—
Kumaon -	186	3,632	86	2,318	53	2,066	46	2,476	42	4,640	5	4,431	–	–	418	19,564	10,401	29,965	
Rohilkhund -	3,627	70,822	1,338	36,148	1,063	41,548	575	31,050	1,096	1,21,011	108	65,971	1	3,125	7,808	3,69,675	34,769	4,04,444	
Agra - -	8,726	1,70,121	2,229	60,184	1,399	54,643	659	35,617	1,079	1,25,604	118	73,738	6	29,639	14,216	5,49,545	38,367	5,87,912	
Jhansie -	1,253	24,216	375	10,165	374	14,541	136	7,363	230	24,086	13	7,193	–	–	2,381	87,564	10,674	98,238	
Allahabad -	7,140	1,39,225	1,830	49,646	1,350	52,632	591	31,703	1,406	1,63,679	181	1,07,878	6	22,200	12,504	5,66,963	76,687	6,43,650	
Benares -	7,284	1,44,088	2,135	58,179	1,242	48,714	584	31,843	1,161	1,30,147	201	1,38,506	3	28,920	12,610	5,80,397	44,516	6,24,913	
Ajmere -	801	15,882	176	4,826	160	6,396	96	5,346	94	9,823	26	21,750	–	–	1,353	64,023	12,670	76,693	
											Add on account of the Forest and Customs (deductions from official salaries) - - - - - -						10,777	10,777	
TOTAL -	36,708	7,18,538	10,829	2,93,270	7,339	2,86,699	3,645	1,97,158	6,890	7,68,832	773	4,98,314	18	90,588	66,202	28,53,399	2,77,353	31,30,752	

Rate of Assessment.	
Rs. a. p.	
19 8 –	
27 – –	
39 – –	
54 – –	
6 pies per rupee	
„	„

The rate of assessment was 3⅛ per cent.

		Rs.		*Rs.*
Class	I.	500	to	750 per annum - -
„	II.	750	„	1,000 „ - -
„	III.	1,000	„	1,500 „ - -
„	IV.	1,500	„	2,000 „ - -
„	V.	2,000	„	10,000 „ - -
„	VI.	10,000	„	1,00,000 „ - -
„	VII.	1,00,000 and upwards		„ - -

Note.—The above are the total assessments; out of them 34,411 rupees have been subsequently remitted, and about 50,000 rupees are expected to prove irrecoverable.

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT X.

STATEMENT of ESTIMATED INCOME TAX ASSESSMENTS under Act XII. of 1871 during the Financial Year 1871–72.

DIVISION.	Under Class I., on Incomes of 750 Rupees to 1,000 Rupees per Annum.		Under Class II., on Incomes of 1,000 Rupees to 2,000 Rupees per Annum.		Under Class III., on Incomes of 2,000 Rupees to 10,000 Rupees per Annum.		Under Class IV., on Incomes of 10,000 Rupees to 1,00,000 Rupees per Annum.		Under Class V., on Incomes of 1,00,000 Rupees and upwards.		Total Assessments on all Classes, exclusive of Deductions from Official Salaries.		Deductions from Official Salaries.	Total Estimated Assessments on all Sources of Income.	REMARKS.
	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	Amount.	Amount.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
		Rs.		*Rs.*		*Rs.*		*Rs.*		*Rs.*		*Rs.*		*Rs.*	
Meerut	3,405	29,947	2,777	39,838	1,926	69,607	144	29,989	2	2,723	8,254	1,72,104	10,050	1,82,154	
Kumaon	98	825	99	1,368	56	1,628	4	1,418	–	–	257	5,239	3,250	8,489	
Rohilkund	2,020	18,128	1,718	24,515	1,158	44,611	105	23,402	1	1,042	5,002	1,11,698	10,270	1,21,968	The rate of assessment under this Act fell at two pies per rupee, or $1\frac{1}{24}$ per cent., leviable on all descriptions or classes of income of the annual value of 750 rupees and upwards.
Agra	3,528	30,219	2,165	32,497	1,053	43,572	123	25,935	4	9,399	6,873	1,41,622	11,660	1,53,282	
Jhansie	521	4,412	466	6,297	307	11,239	15	2,911	–	–	1,309	24,859	3,250	28,109	
Allahabad	2,715	23,371	2,172	30,269	1,511	60,368	196	40,757	6	7,985	6,600	1,62,750	23,710	1,86,460	
Benares	3,686	30,199	2,216	31,485	1,235	48,729	197	45,365	2	3,790	7,336	1,59,568	12,190	1,71,758	
Add on account of the Customs and Forest Departments	–	–	–	–	–	–	–	–	–	–	–	–	9,380	9,380	
TOTAL	15,973	1,37,101	11,613	1,66,269	7,246	2,79,754	784	1,69,777	15	24,939	35,631	7,77,840	83,760	8,61,600	

Ajmere has been excluded from the North Western Provinces since 1870–71. About 8½ lakhs of rupees may be taken as the net collections which will be paid into the Treasury after allowing for Refunds and Irrecoverable Items.

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT XI.

STATEMENT showing the CREDITS on Account of LOCAL CESSES in the NORTH WESTERN PROVINCES during the Year 1869–70.

	DISTRICTS.	Road.	Municipal.	Village Chowkeedaree.	School.	Putwaree.	District Dâk.	TOTAL.
		Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1	Agra	21,982	1,22,155	74,672	17,762	70,490	1,118	3,08,179
2	Ajmere	11,435	31,707	44,046	-	10,468	-	97,656
3	Allahabad	22,499	73,604	2,244	12,494	1,17,882	3,884	2,32,607
4	Allygurh	18,485	97,770	47,985	12,846	67,047	1,444	2,45,577
5	Azimgurh	14,868	-	63	7,415	94,321	1,868	1,18,535
6	Banda	13,425	15,622	60,790	13,106	51,820	3,347	1,58,110
7	Bareilly	17,528	41,711	11,029	1,866	1,27,749	4,279	2,04,162
8	Benares	9,031	71,489	1,218	3,200	-	1,929	86,867
9	Bijnour	11,386	23,211	61,054	7,907	-	2,254	1,05,812
10	Boolundshahur	13,423	33,678	75,167	13,423	65,015	3,374	2,04,080
11	Budaon	12,272	21,546	52,649	10,627	36,304	-	1,33,398
12	Bustee	13,163	50,749	17,689	12,809	67,439	3,104	1,64,953
13	Cawnpore	21,662	70,416	10,033	20,767	79,160	1,812	2,03,850
14	Dehra Doon	489	3,223	522	415	3,104	154	7,907
15	Etah	7,520	24,322	32,405	8,188	41,054	1,338	1,14,827
16	Etawah	12,444	19,832	56,161	12,260	39,630	1,171	1,41,498
17	Furruckabad	11,562	30,167	57,569	7,061	49,277	3,204	1,58,840
18	Futtehpore	14,463	-	-	6,297	52,473	1,280	74,513
19	Ghazeepore	15,504	8,002	45	7,302	9,333	2,567	42,753
20	Goruckpore	17,075	-	91,899	18,917	98,005	4,082	2,29,978
21	Humeerpore	14,661	1,065	55,260	5,816	54,061	1,577	1,32,440
22	Jaloun	17,348	21,587	54,834	6,150	39,056	1,577	1,40,552
23	Jhansie	5,069	9,377	39,889	5,037	24,936	1,337	85,645
24	Jounpore	12,357	18,516	-	6,317	44,382	1,885	83,457
25	Kumaon	-	-	-	3,270	4,270	3,195	10,735
26	Lullutpore	1,989	-	13,707	1,973	8,239	494	26,402
27	Meerut	21,649	28,510	1,45,338	20,835	80,924	4,641	3,01,897
28	Mirzapore	30,269	64,753	-	13,516	24,573	2,538	1,35,649
29	Moradabad	20,253	53,342	-	13,834	-	1,724	89,153
30	Moozuffernuggur	12,529	-	36,176	12,529	69,231	3,129	1,33,594
31	Muttra	22,638	77,605	43,737	13,787	46,012	-	2,03,779
32	Mynpoorie	11,345	8,196	30,413	11,221	44,171	893	1,06,239
33	Roorkee	—	—	—	—	—	—	—
34	Shahjehanpore	10,204	39,524	7,769	10,846	903	2,424	71,670
35	Seharunpore	31,668	43,614	98,648	13,782	68,917	3,339	2,59,968
	TOTAL *Rs.*	4,92,195	11,05,293	12,23,011	3,33,575	15,90,246	70,962	48,15,282

STATEMENT showing the CREDITS on Account of LOCAL CESSES in the NORTH WESTERN PROVINCES during the Year 1870–71.

	DISTRICTS.	Road.	Municipal.	Village Chowkeedaree.	School.	Putwaree.	District Dâk.	TOTAL.
		Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1	Agra	17,643	1,06,879	74,902	18,032	76,202	1,130	2,94,788
2	Ajmere	8,605	44,432	23,688	-	12,486	-	89,211
3	Allahabad	25,957	96,986	80,884	17,632	1,18,260	4,800	3,44,519
4	Allygurh	18,605	1,05,600	48,249	12,857	67,627	1,444	2,54,382
5	Azimgurh	16,796	1,135	6,105	7,701	89,136	2,066	1,22,939
6	Banda	13,443	15,464	60,891	13,145	51,954	3,353	1,58,250
7	Bareilly	27,580	82,473	76,757	11,537	1,21,379	4,811	3,24,537
8	Benares	6,941	89,363	1,147	4,493	-	1,859	1,03,803
9	Bijnour	11,533	33,862	70,514	9,217	-	2,449	1,27,575
10	Boolundshahur	13,183	35,181	1,07,325	13,183	60,549	3,295	2,32,716
11	Budaon	12,646	24,085	82,894	11,678	58,330	2,605	1,92,238
12	Bustee	14,902	75,130	1,30,182	13,354	67,298	3,523	3,04,389
13	Cawnpore	22,768	72,239	87,780	17,210	79,695	3,626	2,83,318
14	Debra Doon	762	8,685	685	379	2,953	142	13,606
15	Etah	8,042	25,759	52,331	8,081	43,232	1,684	1,39,129
16	Etawah	12,492	16,476	56,746	12,262	37,128	1,723	1,36,827
17	Furruckabad	12,123	43,164	91,674	11,474	51,267	3,115	2,12,817
18	Futtehpore	14,258	-	55,640	10,290	52,626	2,703	1,35,517
19	Ghazeepore	15,265	15,384	152	7,148	3,413	2,561	43,923
20	Goruckpore	16,582	19,019	1,25,269	18,980	96,504	4,079	2,80,433
21	Humeerpore	10,989	-	56,450	5,821	54,450	1,709	1,29,419
22	Jaloun	12,899	23,044	62,183	6,191	45,606	1,933	1,51,856
23	Jhansie	5,372	14,156	41,383	5,382	26,049	1,400	93,742
24	Jounpore	11,971	14,733	-	6,146	47,883	1,794	82,527
25	Kumaon	-	416	-	3,200	4,543	3,126	11,285
26	Lullutpore	1,761	2,158	13,536	1,828	10,854	438	30,575
27	Meerut	21,072	42,004	1,54,792	21,069	85,098	3,206	3,29,241
28	Mirzapore	8,751	67,743	-	4,819	23,532	3,276	1,08,121
29	Moradabad	16,768	60,531	-	12,972	-	1,696	91,967
30	Moozuffernuggur	12,034	-	34,325	12,023	66,754	3,005	1,28,141
31	Muttra	18,732	79,648	44,615	14,283	47,235	-	2,04,513
32	Mynpoorie	12,696	9,182	59,507	12,657	44,649	1,860	1,40,551
33	Roorkee	—	—	—	—	—	—	—
34	Shahjehanpore	11,946	18,422	42,942	12,184	14,710	2,926	1,03,130
35	Seharunpore	14,792	35,938	92,536	13,145	61,344	3,135	2,20,890
	TOTAL *Rs.*	4,49,909	12,79,291	18,36,084	3,50,373	16,22,746	82,472	56,20,875

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

STATEMENT XII.

ESTIMATE of LOCAL CESSES on Temporarily and Permanently Settled Estates for 1871–72.

	Districts.	Old Cesses.					New Cesses.				
		Road Fund in permanently settled Districts.	One per Cent. Road Fund.	One per Cent. School Cess.	One-fourth per Cent. Dak Cess.	Village Chowkeedari Fund.	Ten per Cent Cess in temporarily settled Districts.	Ten per Cent. Cess on Maafee Holdings.	Acreage Cess in permanently settled Districts.	Commuted Jagheers in permanently settled Districts.	Putwaree Fund.
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
		Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1	Agra	–	22,000	17,000	1,100	75,000	–	–	–	–	76,000
2	Ajmere	–	–	–	–	–	–	–	–	–	–
3	Allahabad	–	–	–	–	–	2,03,096	–	–	–	1,15,000
4	Aligurh	–	–	–	–	–	1,83,521	–	–	–	67,710
5	Azimgurh	3,500	–	–	–	–	1,17,414	–	20,270	–	1,04,376
6	Banda	–	13,413	13,123	3,350	60,900	–	–	–	–	52,100
7	Bareilly	–	–	–	–	–	1,75,959	–	–	–	1,25,000
8	Benares	14,000	–	–	–	–	–	–	55,370	–	–
9	Bijnore	–	–	–	–	–	1,15,564	–	–	–	–
10	Boolundshahur	–	–	–	–	–	1,33,124	–	–	–	65,000
11	Budaon	–	–	–	–	–	1,00,394	–	–	–	56,560
12	Bustee	–	–	–	–	–	1,34,876	–	–	–	65,500
13	Cawnpoor	–	–	–	–	–	2,13,206	–	–	–	79,200
14	Dehra Doon	–	–	–	–	504	5,995	–	–	–	3,030
15	Etah	–	–	–	–	–	73,047	–	–	–	44,150
16	Etawah	–	6,043	6,049	850	27,931	1,19,568	–	–	–	36,561
17	Furruckabad	–	–	–	–	–	1,12,396	–	–	–	49,000
18	Futtehpoor	–	–	–	–	–	1,41,719	–	–	–	53,000
19	Ghazeepoor	15,000	–	–	–	–	–	–	1,16,700	–	8,000
20	Goruckpoor	–	–	–	–	–	1,64,580	–	–	–	96,900
21	Humeerpoor	–	10,916	5,619	1,605	56,216	87,255	–	–	–	53,899
22	Jaloun	–	–	–	–	–	–	–	–	–	48,753
23	Jhansie	–	–	–	–	–	45,730	–	–	–	25,600
24	Jounpoor	12,500	–	–	–	–	–	–	74,860	–	52,970
25	Kumaon	–	–	–	–	–	30,953	–	–	–	4,400
26	Lullutpoor	–	–	–	–	–	8,110	–	–	–	9,000
27	Meerut	–	–	–	–	–	2,07,162	–	–	–	86,810
28	Mirzapoor	11,000	–	–	–	–	–	–	1,00,940	–	26,000
29	Moradabad	–	16,100	12,000	1,678	–	–	–	–	–	–
30	Moozuffernuggur	–	–	–	–	–	1,20,045	–	–	–	67,650
31	Muttra	–	9,000	6,815	–	21,900	1,65,792	–	–	–	47,000
32	Mynpoory	–	–	–	–	–	1,11,702	–	–	–	42,487
33	Roorkee	–	–	–	–	–	–	–	–	–	–
34	Shahjehanpoor	–	–	–	–	–	97,163	–	–	–	500
35	Seharunpoor	–	–	–	–	–	1,16,089	–	–	–	60,604
	Undetailed	–	–	–	–	–	–	50,000	–	1,13,000	–
	TOTAL *Rs.*	56,000	77,472	60,606	8,583	2,42,451	29,84,460	50,000	3,68,140	1,13,000	16,22,760

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

Appendix, No. 15.

STATEMENT XIII.

ESTIMATE of LOCAL CESSES on temporarily and permanently settled Estates for 1872–73.

DISTRICTS.	Cesses for which Engagements have or will be taken exclusive of Revenue Free Estates.	Estimated Cesses on Revenue Free Estates.	Acreage Rate in permanently settled Districts.	Commuted Jagirs in permanently settled Districts.	Road Fund in permanently settled Districts.	TOTAL CESSES.
1.	2.	3.	4.	5.	6.	7.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Dehra Doon	3,671	876	-	-	-	4,547
Saharunpore	1,16,669	2,352	-	-	-	1,19,021
Moozuffernuggur	1,14,074	6,686	-	-	-	1,20,760
Meerut	2,18,665	4,320	-		-	2,22,985
Boolundshahur	1,25,242	4,505	-	-	-	1,29,747
Allyghur	1,80,369	4,313	-	-	-	1,84,682
Kumaon	4,087	1,452	-	-	-	5,539
Gurhwal	9,560	1,169	-	-	-	10,729
Terai	6,961	-	-	-	-	6,961
Bijnour	1,08,779	-	-	-	-	1,08,779
Moradabad	72,752	15,045	-	-	-	87,797
Budaon	1,02,331	3,813	-	-	-	1,06,144
Bareilly	1,79,031	1,326	-	-	-	1,80,357
Shahjehanpore	98,681	1,053	-	-	-	99,734
Muttra	1,66,134	11,884	-	-	-	1,78,018
Agra	1,34,723	5,157	-	-	-	1,39,880
Furruckabad	1,23,387	7,008	-	-	-	1,30,395
Mynpoory	1,14,301	138	-	-	-	1,14,439
Etawah	1,11,225	2,417	-	-	-	1,13,642
Etah	80,897	1,744	-	-	-	82,641
Jaloun	88,267	4,071	-	-	-	92,338
Jhansie	47,025	4,470	-	-	-	51,495
Lullutpore	14,845	5,703	-	-	-	20,548
Cawnpore	2,13,844	15	-	-	-	2,13,859
Futtehpore	1,42,344	245	-	-	-	1,42,589
Banda	90,803	-	-	-	-	90,803
Allahabad	2,13,661	2,970	-	-	-	2,16,631
Humeerpore	91,415	883	-	-	-	92,298
Jounpore	-	-	74,000	10,000	12,500	96,500
Goruckpore	1,60,251	2,340	-	-	-	1,62,591
Bustee	1,31,050	3,752	-	-	-	1,34,802
Azimghur	1,25,734	-	22,395	6,947	3,500	1,58,576
Mirzapore	-	-	1,29,392	4,000	11,000	1,44,392
Benares	-	-	52,976	15,009	14,000	81,985
Ghazeepore	203	-	1,26,566	30,000	15,000	1,71,769
TOTAL *Rs.*	33,90,981	99,707	4,05,329	65,956	56,000	40,17,973

Board of Revenue, North Western Provinces,
Alllahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

OCTROI DUTIES LEVIED BY MUNICIPALITIES IN THE NORTH WESTERN PROVINCES. Appendix, No. 15.

The return has been prepared under the following heads:—(1) Piecegoods and metals; (2) Food and other necessaries; (3) Other Merchandise, and (4) Cattle.

The rates differ in almost every municipality; the average duties, based on the schedule of the leading municipalities, will be noted hereafter.

(1.) In sanctioning the taxation of these articles, the Government of India provided that the maximum duty should not exceed *Rs.* 1. 8. per cent. *ad valorem.* Most Committees imposed the maximum rate, but some contented themselves with the levy of a duty of 12 annas per cent., and some have since reduced the rate to this figure. The average may be taken at from 1 to 1¼ rupees per cent.

(2.) Grain is taxed at from 3 pie to 2 annas per maund, the cheaper sorts, and those therefore most commonly consumed being assessed at lower rates; sugar and saccharine substances from 6 pie to 8 annas per maund, a differential scale being observed in this case also; bhoosa and fodder for cattle about 3 pie per maund, but this duty is generally levied on loads carried or drawn by bullocks, a rate of from 3 pie to 1 anna per bullock being levied, and tobacco from 2 to 8 annas per maund according as to whether it is green, or for smoking or chewing.

There are many other articles falling under this head, such as fruits, vegetables, milk, eggs, pan, honey, &c., &c., on which *ad valorem* rates are usually levied, ranging from *Rs.* 1. 9. to *Rs.* 3. 2., and in some cases even to *Rs.* 4. 11. per cent. The most common rate is, however, *Rs.* 1. 9. per cent., or 3 pie per rupee.

(3.) Under this head are included articles of fuel, lighting and washing, building materials and drugs, gums, and spices. The usual rate is from *Rs.* 1. 9. to *Rs.* 3. 2. per cent. *ad valorem.* Maundage rates are, however, generally levied on the *heavier* articles, such as fuel, wood used for building purposes, stone, brick, lime, country iron, &c., the duty ranging from 6 pie to 2 annas per maund.

(4.) The following rates on animals for slaughter have just been sanctioned for the five municipalities in the Allygurh district, and are fair samples:—

	Rs.	*a.*	*p.*	
Horned cattle	–	4	–	each.
„ calves	–	2	–	
Goats, sheep	–	1	–	
Lambs, kids	–	–	6	

STATEMENT showing the Actual RECEIPTS from OCTROI in the MUNICIPALITIES of the NORTH WESTERN PROVINCES during 1870–71, and the Estimated RECEIPTS during 1871–72.

MUNICIPALITY.	OCTROI.									
	Piecegoods and Metals.		Food and other Necessaries.		Other Merchandise.		Cattle.		TOTAL.	
	1870–71.	1871–72.	1870–71.	1871–72.	1870–71.	1871–72.	1870–71.	1871–72.	1870–71.	1871–72.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Meerut	–	–	21,858	25,000	3,685	5,000	–	–	25,543	30,000
Ghazeeabad	–	–	5,493	7,400	160	500	70	100	5,723	8,000
Barote	–	900	4,138	4,200	271	290	7	10	4,416	5,400
Baghput	–	–	7,724	6,420	119	120	7	10	7,850	6,550
Shahderah	–	1,000	–	6,740	–	90	–	100	–	7,930
Boolundshahur	–	810	4,929	4,500	491	430	63	60	5,483	5,800
Anoopshahur	–	–	3,229	3,960	399	430	10	10	3,638	4,400
Khoorjah	–	–	18,825	16,900	951	500	148	100	19,924	17,500
Saharunpore	1,398	–	19,406	18,750	1,180	1,000	250	250	22,234	20,000
Hurdwar Union	781	–	8,001	8,500	452	480	15	20	9,249	9,000
Deobund	150	–	3,188	2,900	82	80	10	20	3,430	3,000
Coel	–	2,500	33,757	36,100	5,788	6,100	639	800	40,184	45,500
Hatrass	–	–	46,543	37,216	4,262	3,664	285	168	51,090	41,048
Secundra Rao	–	1,100	2,842	4,100	540	330	90	70	3,472	5,600
Hurdooa Gunj	–	700	3,798	3,400	453	600	70	10	4,321	4,710
Attrowlee	–	2,000	4,328	5,100	232	350	597	200	5,157	7,650
Agra	1,384	16,000	91,082	90,000	5,339	4,500	3,007	2,000	100,812	112,500
Futtehpore Seekree	–	800	2,748	2,200	49	100	292	300	3,089	3,400

STATEMENT showing Actual Receipts from Octroi in the Municipalities of North Western Provinces 1870-71—*cont^d.*

MUNICIPALITY.	OCTROI.									
	Piecegoods and Metals.		Food and other Necessaries.		Other Merchandise.		Cattle.		TOTAL.	
	1870-71.	1871-72.	1870-71.	1871-72.	1870-71.	1871-72.	1870-71.	1871-72.	1870-71.	1871-72.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Ferozabad	–	1,500	3,561	4,350	162	150	493	500	4,216	6,500
Muttra	–	–	41,631	42,500	5,943	6,000	1,320	1,500	48,894	50,000
Julleysur	–	–	7,926	7,500	547	400	193	123	8,666	8,023
Kosee	–	2,000	8,352	8,300	498	400	90	100	8,940	10,800
Bindrabun	–	–	14,541	13,500	2,039	1,900	86	100	1,666	15,500
Etawah	–	2,200	14,354	15,250	1,580	2,800	571	650	16,505	20,400
Mynpoory	–	3,840	7,481	7,540	1,393	1,090	316	170	9,190	12,640
Etah	–	650	4,267	4,187	743	790	19	23	5,029	5,650
Saron	–	400	6,936	7,396	497	614	22	20	7,455	8,430
Kasgunj	4	2,500	8,950	9,640	1,091	1,150	65	50	10,110	13,340
Furruckabad	1,526	17,610	31,301	29,000	5,243	5,000	574	780	38,644	52,390
Futtehgurh	15	127	2,824	2,500	338	200	124	30	3,301	2,857
Bijnour	–	734	2,650	3,767	359	550	71	350	3,080	5,401
Chandpore	–	422	2,296	2,774	224	337	68	95	2,588	3,628
Dhanpore	–	700	2,170	2,590	378	480	27	14	2,575	3,784
Nugcena	–	1,200	2,956	3,000	539	500	92	100	3,587	4,800
Nujeebabad	–	3,500	7,883	12,410	2,753	1,900	116	240	10,752	18,050
Bareilly	513	3,000	47,254	42,800	7,729	8,200	1,063	1,000	56,559	55,000
Phillibheet	–	–	20,973	16,525	1,702	1,475	141	500	22,816	18,500
Beesulpore	–	–	1,639	1,172	113	328	50	50	1,802	1,550
Budaon	351	–	7,867	7,400	599	500	586	500	9,403	8,400
Bilsee	100	–	4,868	5,400	210	260	99	100	5,277	5,760
Oojhanee	66	–	2,557	2,500	242	200	88	60	2,953	2,760
Moradabad	–	8,000	23,072	22,900	2,209	2,250	456	450	25,737	33,600
Dhunoura	132	1,083	9,656	3,284	39	33	–	–	9,827	4,400
Chundowsee	–	5,800	21,270	15,400	1,337	1,300	72	100	22,679	22,600
Amroha	No budget received. The introduction of the Act was postponed until next year.									
Sumbhul										
Shahjehanpore	1,501	5,000	37,658	39,000	3,754	4,500	1,255	1,500	44,168	50,000
Allahabad	688	10,000	63,273	90,000	20,253	29,000	5,234	6,000	89,448	1,35,000
Bharutgunj	–	270	–	2,420	–	250	–	60	–	3,000
Sirsa	–	270	–	2,420	–	250	–	60	–	3,000
Bunda	–	–	13,603	1,500	1,515	1,750	346	359	15,464	17,109
Jounpore	–	8,000	13,937	14,200	396	400	357	400	14,690	23,000
Benares	–	19,700	81,451	90,000	7,285	8,000	1,815	2,000	90,551	119,700
Mirzapore	–	10,000	55,929	56,000	3,875	3,400	618	600	60,422	70,000
Chunar	–	–	–	Detail not submitted	–	–	–	–	4,409	6,000
Guruckpore	72	–	9,046	10,500	3,588	5,000	396	500	13,102	16,000
Azimgurh	–	1,800	–	7,350	–	650	–	200	–	10,000
Calpee	56	–	15,859	16,400	556	500	71	100	16,542	17,000
Koonch	–	1,000	5,734	5,800	130	100	28	25	5,892	6,925
Mowraneepore	–	2,200	9,794	8,000	575	400	140	100	10,509	10,700
Lullutpore	–	1,500	1,893	5,150	241	600	14	50	2,148	7,300
Almorah	–	–	–	–	–	–	414	400	414	400
TOTAL OCTROI - *Rs.*	8,737	1,35,016	8,99,301	9,23,811	1,05,128	1,16,371	23,050	24,087	10,40,625	12,05,285

Appendix, No. 15.

STATEMENT showing the actual RECEIPTS during 1870–71, and the Estimated Yield during 1871–72, from the TAX on PROFESSIONS and TRADES in the MUNICIPALITIES of the NORTH WESTERN PROVINCES in which the Tax is in Force.

MUNICIPALITY.	Amount of Tax.	
	1870–71.	1871–72.
	Rs.	*Rs.*
Bijnour	1,207	1,000
Chandpore	1,478	1,474
Dhanpore	1,352	1,400
Nugeena	2,664	2,656
Nuggeebabad	2,412	—
Budaon	3,374	3,000
Bilsee	1,099	1,120
Oojhanee	1,110	1,150
Cawnpore	71,991	75,000
Mowraneepore	1,074	1,100
Ghazeepore	Not in force	16,000
TOTAL *Rs.*	87,761	1,03,900

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

STATEMENT showing the actual RECEIPTS during 1870–71, and the Estimated Yield during 1871–72 from TAXES other than the OCTROI, HOUSE, and LICENSE TAX in the MUNICIPALITIES of the NORTH WESTERN PROVINCES in which they are Levied.

MUNICIPALITY.	Tax on Carriages, Horses, &c.		Tolls on Carriages, Carts, &c.		Other Taxes.	
	1870–71.	1871–72.	1870–71.	1871–72.	1870–71.	1871–72.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Barote	356	300	—	—	—	—
Baghput	319	150	—	—	—	—
Futtehgurh	270	200	—	—	—	—
Furruckabad	751	650	—	—	—	—
Dhunowra	- -	- -	- -	1,600	—	—
Allahabad	6,893	8,000	—	—	—	—
Cawnpore	248	—	—	—	—	—
Benares	276	500	—	—	—	—
Ghazeepore	107	500	—	—	—	—
Nynee Tal	- -	- -	- -	- -	8,987	8,200
Mowraneepore	- -	- -	600	600	—	—
TOTAL *Rs.*	9,220	10,300	600	2,200	8,987	8,200

STATEMENT showing the INCOME raised by MUNICIPAL TAXATION in the NORTH WESTERN PROVINCES during 1870–71, and the Amount Estimated for 1871–72.

Nature of Tax.	Actuals for 1870–71.	Estimate for 1871–72.
	Rs.	*Rs.*
Octroi on piece goods and metals	8,737	1,35,016
Ditto food and other necessaries	8,99,301	9,23,811
Ditto other merchandise	1,05,128	1,16,371
Ditto cattle	23,050	24,087
License tax	87,761	1,03,900
Tax on carriages, horses, &c.	9,220	10,300
Tolls on carriages, carts, &c.	600	2,200
Other taxes	8,987	8,200
TOTAL *Rs.*	11,42,784	13,23,885

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

Appendix, No. 15.

STATEMENT XV.

STATEMENT showing the CREDITS on account of LOCAL CESSES under MUNICIPAL CHOWKEEDAREE FUND, under Act XX. of 1856, in the NORTH WESTERN PROVINCES, during the Year 1869–70 and 1870–71.

No.	DISTRICTS.	Actuals, 1869–70.	Actuals, 1870–71.	Estimate, 1871–72.
		Rs.	*Rs.*	*Rs.*
1	Agra	1,421	1,323	1,500
2	Ajmere	—	—	—
3	Allahabad	12,618	11,895	7,268
4	Allygurh	15,711	16,664	16,510
5	Azimgurh	13,890	24,499	12,828
6	Banda	3,793	4,171	5,135
7	Bareilly	6,803	6,060	5,500
8	Benares	1,520	1,777	2,200
9	Bijnour	5,587	6,374	6,000
10	Boolundshahur	21,245	32,968	28,200
11	Budaon	21,445	2,111	16,165
12	Bustee	708	646	2,000
13	Cawnpoor	6,359	7,569	6,700
14	Dehra Doon	942	1,050	1,150
15	Etah	10,007	12,589	12,100
16	Etawah	5,025	5,057	5,035
17	Furruckabad	13,716	12,618	11,778
18	Futtehpoor	18,454	17,518	16,454
19	Ghazeepoor	9,285	6,839	6,896
20	Goruckpoor	8,786	4,683	3,237
21	Humeerpoor	6,547	10,920	10,566
22	Jaloun	5,076	6,031	6,705
23	Jhansie	—	1,940	6,580
24	Jounpoor	2,930	4,015	3,946
25	Kumaon	—	—	—
26	Lullutpoor	1,372	1,048	—
27	Meerut	25,500	27,510	21,577
28	Mirzapoor	2,056	2,195	2,160
29	Moradabad	23,709	30,116	8,350
30	Moozuffernuggur	31,817	33,579	37,117
31	Muttra	11,013	11,180	11,120
32	Mynpoory	5,337	5,606	5,853
33	Roorkee	4,293	4,289	4,500
34	Shahjehanpoor	8,959	10,149	10,260
35	Saharunpoor	24,013	22,715	25,530
	TOTAL *Rs.*	3,29,937	3,66,704	3,20,920

Board of Revenue, North Western Provinces,
Allahabad, 4 July 1872.

C. W. Carpenter,
Officiating Secretary.

Appendix, No. 15.

OUDH.

From Captain *N. M. T. Horsford*, Junior Secretary, for Officiating Secretary to the Chief Commissioner of Oudh, to the Secretary to the Government of India, Financial Department (No. 3515); dated 5th August 1872.

WITH reference to the Resolution of the Government of India in the Financial Department, No. 4510, dated 23rd October last, I am directed to forward the following returns therein called for:—

1. Statement showing the revenue realised in the province of Oudh before the assumption of the direct Government of India by the Crown in 1859, together with the actuals of 1870-71 and the estimate for the year 1871-72. The proportions of the gross produce and the net assets of land taken as Imperial Revenue in the two periods, and the rate per acre at which the assessment falls on the land, are also shown.

2. The details of excise revenue asked for in paragraph 5.

3. Price list of produce in the Oudh forests, and statement of forest revenue in Oudh.

4. A detail of assessed taxes.

5. A statement of cesses on land revenue.

6. A return of receipts and expenditure on municipalities in Oudh during 1870-71 and 1871-72.

7. A memorandum showing the authority under which each tax is levied, and the objects to which it is applied.

8. As desired, copies of petitions regarding the imposition of rates and taxes for local purposes, received in the years of 1870 and 1871, are attached.

Appendix, No. 15.

STATEMENT showing the REVENUE realised in the Province of OUDH before the Assumption of the direct Government of India by the Crown in 1858, and of those of later Origin.

Description of Revenue.	Actuals of 1858-59.	Actuals of 1870-71.	Estimate of 1871-72.	REMARKS.
	£.	£.	£.	
I.—LAND REVENUE:				RATE OR SCALE.
Fixed Collections - -		1,315,614	1,066,483	Both in 1859 and now the land revenue is half or 50 per cent. of the gross rental or net assets. The proportion which it bears to the gross produce cannot be stated with any degree of certainty; but when rents are paid in kind, the rent is for the most part two-fifths of the produce, and therefore in such cases the land revenue, assessed at half the rent, would be one-fifth of the gross produce.
Surplus „ - - - -		- -	279,047	
Kham and Khas Mehal Collections - - - - -	535,712	5,378	7,807	
Sale proceeds of waste land and redemption of land revenue - - - -		3,329	4,850	INCIDENCE PER ACRE.
Miscellaneous - - - -		283	413	As the settlement operations of the province are not complete, it is not possible to state precisely what is the incidence of the revenue throughout the province; but by the returns for the year ending 30th September 1871, it was for 10 districts and portions of the remaining two districts.
TOTAL - - - £.	535,712	1,324,604	1,358,600	*Rs.* 1-14-6 per acre cultivated. „ 1- 5-9 „ „ and cultivable, *i.e.*, assessable. „ 1—10¾ „ total area.
II.—EXCISE REVENUE:			* Actuals of 9 months.	* The estimates for 1871-72 were— £. License fees - - - - 13,290 Still-head duty - - - - 59,930 Farming drugs - - - - 8,400 Sale proceeds of excise opium - 8,600 Fines, confiscations and miscellaneous 80
Spirits, viz.:				
Rum, imported - -		1,088	910	RATE OF DUTY.
„ Country - - -		—	—	Drugs, Charas - - *Rs.* 10 per seer. „ Bhang - - 1 to 8 as. per seer. Ganja grown in Oudh „ 2 per seer. Opium - - - „ 16 per seer. Still-head duty on country liquor, 1 rupee per gallon. Ditto - ditto - - ditto 12 annas per gallon.
Fermented Liquors - -		68,561	45,898	
Unfermented ditto - -		975	862	
Drugs other than Opium and Ganja - - -	14,804	4,578	3,552	LICENSE FEES.
Opium - - - -		9,979	6,463	On wholesale shop, at 2 rupees each. On retail vend at 8 annas to 2 rupees per diem upon each shop, and 250 rupees downwards per month. On wholesale vend of European manufactured liquor, at 16 rupees. On retail - ditto - ditto at 48 rupees, p. a. On drugs, at 1 rupee to 4 rupees.
Ganja - - - -		1,703	1,790	
Fines, forfeitures, and miscellaneous - - -		100	97	PRODUCE.
				Ms. Sr. Ch. Ganja in 1870-71 - - - 206 28 5 „ - 1871-72 (9 months) - 234 39 13
TOTAL - - - £.	14,804	86,984	59,572	

STATEMENT showing the REVENUE realised in the Province of OUDH, &c.—*continued.* Appendix, No. 15.

Description of Revenue.	Actuals of 1858–59.	Actuals of 1870–71.	Estimate of 1871–72.	REMARKS.
III.—FOREST:	£.	£.	£.	
I. Sale of timber at depôts - - -	- -	270	5,980	
II. Ditto removed by purchasers - -	- -	2,037	2,000	
III. Duty on foreign timber - - -	—	—	—	
IV. Permit fees - -	- -	196	—	
V. Grazing dues - -	- -	2,243	4,000	For rate of produce, *vide* Appendix A.
VI. Sale of fruits, &c. -	- -	696	600	
VII. Ditto confiscated timber - - -	- -	144	300	
VIII. Fines and forfeitures -	- -	37	15	
IX. Miscellaneous - -	- -	395	500	
TOTAL - - £.	- -	6,018	13,395	
IV.—ASSESSED TAXES:				
Deductions from official salaries - - -	- -	8,766	2,500	RATE FOR 1870–71:
General collections -	- -	55,004	14,800	Six pies for every rupee. All incomes of 500 rupees or 50 *l.* and above per year only assessed.
Penalties - - -	—	—	—	FOR 1871–72:
Miscellaneous - -	- -	5	—	Two pies for every rupee. All annual incomes of 75 *l.* and upwards only assessed.
TOTAL - - £.	- -	63,775	17,300	
V.—CESSES:				RATE:
Road fund - - -	8,442	13,972	14,364	1 per cent. on land revenue, or ½ per cent. on net assets or gross rental.
School fund - - -	- -	12,107	12,936	1 ditto - ditto - ½ ditto.
Margin fund - - -	- -	3,847	3,644	¼th ditto - ditto - ⅛th ditto.
District dâk fund - -	- -	2,978	3,270	¼th ditto - ditto - ⅛th ditto.
Local rate - - -	- -	- -	56,799	1¼ per cent. on "annual value," *i. e.*, double the land revenue.
TOTAL - - £.	8,442	32,904	91,013	*N. B.*—This is equivalent to 2½ per cent. on land revenue, or 1¼ per cent. on net assets or gross rental. (Act XVII. of 1871).

Lucknow,
Chief Commissioner's Office,
5 August 1872.

N. M. T. Horsford,
Junior Secretary, for Officiating Secretary to Chief Commissioner of Oudh.

No. VI.—RETURN of Receipts and Expenditure in Municipalities in the

Name of Municipality and Act under which Constituted.		RECEIPTS.											
		Municipal Rates or Taxes.										Other Sources of Municipal Income.	Total.
		Houses or Lands.		Trades and Professions.	(Municipal) Tolls on Roads and Ferries.	Taxes on Consumption in Towns.					Other Municipal Taxes.		
						Octroi.				Other Taxes on Consumption, besides Octroi.			
		Government.	Private.			Piece Goods and Metals.	Food and other Necessaries.	Other Merchandise.	Cattle, not for Slaughter.				
		Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Lucknow.	Existing in 1870–71:												
Acts XVIII. of 1864 and XV. of 1867.	Actuals of 1870–71 - -	[a]1,044	[a]4,011	[b]1,089	–	–	1,44,676	17,633	–	–	[c]23,571	[d]33,571	[e]2,25,595
	Estimate for 1871–72 -	–	–	150	–	34,000	1,67,100	24,900	–	–	1,200	[k]23,750	[l]2,51,100
	Introduced in 1871–72:												
	Estimate for 1871–72 -	–	–	–	–	–	–	–	–	–	Nil.	–	–
Unao.	Existing in 1870–71 -												
Act XV. of 1867	Actuals of 1870–71 - -	–	1,039	–	–	284	1,582	237	–	–	868	2,432	6,442
	Estimate for 1871–72 -	–	1,352	–	–	908	2,270	389	–	–	800	1,098	6,817
	Introduced in 1871–72:												
	Estimate for 1871–72 -	–	–	–	–	–	–	–	–	–	Nil.	–	–
Barabanki.	Existing in 1870–71:												
Act XV. of 1867	Actual of 1870–71 - -	–	–	–	–	184	9,591	1,725	102	53	–	2,170	13,825
	Estimate for 1871–72 -	–	–	–	–	250	10,000	2,100	150	150	–	3,650	16,300
	Introduced in 1871–72:												
	Estimate for 1871–72 - -	–	–	–	–	–	–	–	–	–	–	Nil.	–
Sitapur.	Existing in 1871–72:												
Act XV. of 1867	Actuals of 1870–71 - -	–	1,565	–	–	558	8,000	570	–	–	–	[o]9,001	19,693
	Estimate for 1871–72 -	–	–	–	–	1,550	9,900	350	–	–	–	3,300	15,100
	Introduced in 1871–72:												
	Estimate for 1871–72 -	–	–	–	–	–	–	–	–	–	–	Nil.	–
Hardui.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71 - -	–	–	–	–	346	632	212	–	–	–	–	1,190
	Estimate for 1871–72 -	–	–	–	–	1,635	1,505	1,381	–	–	–	100	4,621
	Introduced in 1871–72:												
	Estimate for 1871–72 -	–	–	–	–	–	–	–	–	–	–	–	Nil.
Kheri.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71 - -	[p]1,200	1,485	–	–	–	–	–	–	–	–	133	2,818
	Estimate for 1871–72 -	[p] 370	[q]1,830	–	–	–	–	–	–	–	–	317	2,517
	Introduced in 1871–72:												
	Estimate for 1871–72 -	–	–	–	–	–	–	–	–	–	–	–	Nil.

Province of OUDH during the Years 1870–71 and 1871–72.

EXPENDITURE.								REMARKS.
Total Cost of Collection and Maintenance.	Police.	Conservancy.	Public Works, including Establishment.	Education.	Charities, Hospitals, and Dispensaries.	Special Objects, including Transfer.	Total Expenditure.	
Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	
24,497	[f]73,527	50,411	51,603	1,181	[h]3,599	[j]28,713	2,33,531	On the extension of octroi duty to piece goods and metals, &c., in 1871–72, the following municipal taxes, viz., house tax, municipal income tax, license tax, existing in 1870–71, were done away with from April 1871:—
24,892	69,750	48,900	71,700	1,200	[h]3,600	[n]33,084	2,53,126	[a] Five rupees per cent. on rental of houses in the civil lines.
–	–	–	–	–	–	–	–	[b] License tax on dalals, potters, brickmakers, &c.
								[c] Municipal income tax at 1 pie per rupee from residents in the city, having incomes of 1,000 rupees and upwards per annum – – – – – – 22,342
								Municipal chowkidari cess – – – – – – 1,229
								Rs. 23,571
								[d] Sale of manure – – – – – – – 5,803
								Fees from prostitutes – – – – – – 2,810
								Fines under Act XVIII. of 1864 – – – – 774
								Refunds of advances and savings – – – – 3,156
								Transfers from other funds – – – – – 21,028
								Rs. 33,571
								[e] Adding the opening balance of the year, 10,200 rupees, to this, the total receipts for 1870–71 amounted to – 2,35,795
								[f] Octroi collection charges – – – – – – 20,340
								Municipal income tax charges – – – – – 1,913
								Ditto – – office charges – – – – – 2,244
								Rs. 24,497
								[g] Exclusive of Government contribution of – – – 25,000
								[h] For lock hospital.
								[j] Public garden – – – – – – – – 7,653
								Interest on loan – – – – – – – 2,500
								Refunds, advances, &c. – – – – – – 3,463
								Transfers to other funds – – – – – – 15,097
								Rs. 28,713
								[k] Sale of manure – – – – – – – 6,500
								Fees from prostitutes – – – – – – 2,700
								Fines under Act XVIII. of 1864 – – – – 750
								Pound fines – – – – – – – – 800
								Transfer from nazul – – – – – – 13,000
								Rs. 23,750
583	909	1,536	1,027	100	13	937	5,055	[l] Adding to this 2,264 rupees, the closing balance of 1870–71, the total receipts amount to – – – 2,53,364
920	1,075	1,895	1,430	240	–	470	6,030	
–	–	–	–	–	–	–	–	[m] Octroi collection charges – – – – – – 22,500
								Municipal office charges – – – – – – 2,392
								Rs. 24,892
1,293	3,735	3,019	3,929	80	–	62	12,118	[n] Repayment of loan and interest – – – – *12,500*
2,172	3,917	3,216	6,573	240	–	182	16,300	Miscellaneous contingencies – – – – – 1,184
–	–	–	–	–	–	–	–	Public garden – – – – – – – 8,000
								Special revenue – – – – – – – 3,000
								Transfer to Cantonment Fund – – – – 8,400
								Rs. 33,084
1,898	2,614	2,148	7,520	300	–	3,994	18,474	[o] Transfer from nazul fund, 3,414 rupees. Rent of Thompsonganj shops, &c., 5,587 rupees. The excess charge of 1871–72, as compared with receipts of that year, is to be met from old balances.
2,581	3,268	3,156	15,505	386	–	4,616	29,512	
–	–	–	–	–	–	–	–	
348	60	261	36	60	–	90	855	
1,190	441	987	1,267	225	–	469	4,579	
–	–	–	–	–	–	–	–	
222	358	600	1,520	–	–	–	2,700	[p] Income derived from nazul houses and lands.
250	378	635	2,273	–	–	–	3,536	[q] The rate per cent. of house tax on rental amounts to 18 rupees.
–	–	–	–	–	–	–	–	

No. VI.—Return of Receipts and Expenditure in Municipalities in the

Name of Municipality and Act under which Constituted.		RECEIPTS											
		Municipal Rates or Taxes.										Other Sources of Municipal Income.	Total.
		Houses or Lands.		Trades and Professions.	(Municipal) Tolls on Roads and Ferries.	Taxes on Consumption in Towns.					Other Municipal Taxes.		
						Octroi.				Other Taxes on Consumption besides Octroi.			
		Government.	Private.			Piece Goods and Metals.	Food and other Necessaries.	Other Merchandise.	Cattle not for Slaughter.				
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Faizabad.	Existing in 1870–71:												
Acts XVIII. of 1864 and XV. of 1867.	Actuals of 1870–71	–	–	–	–	–	34,596	7,900	84	–	2,787	[r]30,995	76,36
	Estimate for 1871–72	–	–	–	–	–	34,900	8,000	100	–	3,000	28,458	74,45
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	4,785	–	–	–	–	–	–	[s]4,7
Tanda.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71	–	–	–	–	–	3,669	1,295	125	–	–	–	5,08
	Estimate for 1871–72	–	–	–	–	–	3,781	2,042	172	–	–	–	5,9
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	–	–	–	–	–	–	–	Nil.
Baraich.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71	[t]1,766	[u]668	–	–	109	9,754	1,739	–	–	[v]914	733	15,6
	Estimate for 1871–72	1,525	500	–	–	2,500	8,500	2,500	–	–	2,000	500	[w]18,0
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	–	–	–	–	–	–	–	Nil.
Nanpara.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71	–	404	–	–	42	2,483	381	–	–	–	62	3,3
	Estimate for 1871–72	–	700	–	–	700	2,700	300	100	–	–	–	4,5
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	–	–	–	–	–	–	–	Nil.
Gonda.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71	–	791	–	–	[y]82	3,456	593	–	–	–	859	5,7
	Estimate for 1871–72	1,051	[x]322	–	–	1,721	3,934	714	–	–	–	425	8,1
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	–	–	–	–	–	–	–	Nil.
Rai Bareli.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71	–	–	–	–	–	2,802	974	152	–	551	7,331	11,8
	Estimate for 1871–72	–	–	–	–	644	2,910	2,637	165	–	925	4,839	12,1
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	–	–	–	–	–	–	–	Nil.
Sultanpur.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71	–	2,000	–	–	–	–	–	–	–	–	118	2,1
	Estimate for 1871–72	–	1,596	–	–	–	–	–	–	–	–	1,150	2,7
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	856	1,364	50	82	30	–	–	2,3
Pratabgarh.	Existing in 1870–71:												
Act XV. of 1867	Actuals of 1870–71	–	1,919	–	–	19	301	–	–	–	–	436	2,6
	Estimate for 1871–72	–	2,182	–	–	20	380	–	–	–	–	738	3,3
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	–	–	–	–	–	–	–	Nil.
Province.	Existing in 1870–71:												
Act XV. of 1867 in all Districts as well as Act XVIII. of 1864 in Lucknow and Faizabad.	Actuals of 1870–71	4,010	13,881	1,089	–	1,624	2,21,542	33,259	463	53	28,691	87,841	3,92,1
	Estimate for 1871–72	2,946	8,482	150	–	43,928	2,47,880	45,313	687	150	7,925	68,325	4,25,4
	Introduced in 1871–72:												
	Estimate for 1871–72	–	–	–	–	5,641	1,364	50	82	30	–	–	7,1

Province of Oudh during the Years 1870–71 and 1871–72—*continued.*

EXPENDITURE.								REMARKS.
Total Cost of Collection and Maintenance.	Police.	Conservancy.	Public Works, including Establishment.	Education.	Charities, Hospitals, and Dispensaries.	Special Objects, including Transfer.	Total Expenditure.	
Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	
8,032 7,670	13,541 11,098	11,501 12,000	34,271 35,000	– –	1,205 –	5,538 11,485	74,088 77,253	
–	–	–	–	–	–	–	–	[s] No expenditure estimated.
1,106 1,653	1,568 1,694	1,169 1,366	899 784	– –	– –	– –	4,802 5,497	
–	–	–	–	–	–	–	–	
3,247 3,722	3,167 3,451	4,490 5,058	6,621 4,584	317 360	– –	823 750	18,665 17,925	[t] Transfer from nazul fund. [u] House tax on offices at 1 rupee per cent. on their income abolished since April. The house tax on natives was at 2 rupees per cent. [v] Poll tax on pilgrims at 2 pice per head. [w] Plus 3,110 rupees; balance in hand, 21,135 rupees.
–	–	–	–	–	–	–	–	
835 1,074	868 1,084	233 1,080	437 462	– –	– –	3 –	2,376 3,700	Rate of house tax is at 1 rupee per cent. on income. Application has been made to abolish this tax from 1st April 1872, and to substitute a tax on piece goods and metals at 1-8 rupees per cent.
–	–	–	–	–	–	–	–	
1,579 1,406	1,522 1,548	1,310 1,610	1,532 2,171	– 100	– –	500 230	– –	[x] House tax on Gonda city remitted. [y] Levied for only a short time in 1870-71.
–	–	–	–	–	–	–	–	
1,106 1,687	935 1,043	1,208 1,489	1,990 2,585	234 312	– –	[z]2,215 844	7,688 7,960	[z] Include 1,231 rupees paid in excess in 1869–70, and refunded in 1870–71. It is impossible to give the rate per cent. of the house tax on rental, as it bears no proportion to house rent, the tax being a voluntary subscription. The approximate or average per-centage on the income of the bulk of the contribution is about 8 annas per cent.
–	–	–	–	–	–	–	–	
– –	467 602	784 784	2,102 1,360	– –	– –	– –	[aa]3,353 2,746	[aa] The difference, 1,235 rupees, was paid from the balance of 1869–70, and 1,150 rupees transferred from nazul fund. Octroi was established on 1st December 1871, and it was estimated in a lump sum that the income in 12 months would be 7,000 rupees, as it was introduced at the end of the official year. The amount realised and expended are not given, but can be furnished, if required.
972	–	–	–	–	–	–	972	
176 180	19 1,224	1,704 936	177 680	– –	– –	900 300	2,976 3,320	Rates of duties are various.
–	–	–	–	–	–	–	–	
44,932 49,397	1,03,290 1,00,573	80,374 83,112	1,10,664 1,46,374	2,272 3,063	4,817 3,600	43,775 52,430	3,93,124 4,38,549	
97	–	–	–	–	–	–	–	

REMARKS.	
	Rs.
[r] Ajudhia fair tax	14,769
Sale of filth	1,731
Stall rent	605
Experimental garden	345
Transfer from nazul fund	12,646
Ditto – pound fund	400
Ditto – cantonment fund	371
Lock hospital	125
Saving of Latrine establishment	3
Rs.	30,995

N. M. T. Horsford,
Junior Secretary, for Officiating Secretary to the Chief Commissioner, Oudh.

Appendix, No. 15.

No. VII.

MEMORANDUM showing the Authority under which each Tax is levied, and the Objects to which it is applied.

Nature of Tax.	Authority under which levied.	Objects to which the Tax is applied.	Remarks.
Land Revenue - - -	Directions to Settlement Officers, and orders of Government, dated 4th February 1856 and in 1861.	Cost of Administration and Imperial purposes.	
Excise Revenue:—			
Still-head duty on country liquor - -	Chief Commissioner, as Board of Revenue.	- ditto - ditto.	
License fees on wholesale shops and retail vends - - -			
License fees upon wholesale and retail vend of European manufactured liquor.	Chief Commissioner, as Board of Revenue; fixed by Section 26, Act XXI. of 1856, and confirmed by the chief revenue authority under the Oudh Excise Act X. of 1871.		
Opium - - -	Bengal Board of Revenue -		
Farm of right of retail vend.	Financial Commissioner's Circular No 85 of 14th July 1870.		
Taree farm or unfermented liquor.	Section 16 of Act X. of 1871, confirmed by Chief Commissioner.		
Drugs - - -	Sanctioned by Chief Commissioner and Supreme Government, *vide* Financial Commissioner's Circular No. 45 of 1870.		
Ganja - - -			
Fines, confiscations, &c.	Realised under Sections 61, 62 of Act X. of 1871, confirmed by Chief Commissioner.		
Forest Revenue - -	Oudh Forest Rules—Rates fixed under Rule II. and Schedule I. by Conservator.	- ditto - ditto.	
Assessed Taxes:—			
For 1870–71 - -	Act XVI. of 1870 - - -	- ditto - ditto.	
For 1871–72 - -	Act XII. of 1871.		
(1.) Road Fund - -	Government orders in 1861.		
(2.) School Fund -			
(3.) District Dâk Fund			
(4.) Margin Fund -			
(5.) Local Rate - -	Act XVII. of 1871.		

Appendix, No. 15.

PETITION of Rajishar and Surajlal Chowdhris, Gunga Putrs, Residents of Oudh Khas; dated 2nd December 1870.

STATES that the Bhadders, residents of Bhaddria Talah, in Oudh, have in regard to Ramjanki, Basdeo, and Niaghâts (which are sold by public auction), preferred an appeal for the ancestral proprietary right before the Commissioner, but that the said ghâts are the ancestral zemindari rights of the petitioners; that the petitioners have held on for thousands of years; that they have thousands of gift deeds granted to them by the Talukdars and the Rajas. That the Bhadders' profession from the time (old) has been begging alms (oil and mash), in honour of the god Saturn, and dancing and singing. It was only once when the Government had imposed a tax on these ghâts that these Bhadders by misrepresentation had obtained a lease of 100 choukis of Janki and Basdeo ghâts direct from the Government, notwithstanding the petitioners themselves were ready to grant it; but after two years following the annexation of the province, they could not retain the choukis. They have no proprietary rights, and admit they never have held the choukis. Moreover, in no holy place, Prag, Kashee, &c., are the Bhadders other than *Gunga Putrs* in possession. The petitioners' suit is pending in the Settlement Court, and no decision has yet been passed. The Bhadders' object is, that before a decision is given by the Settlement Court, to get by deception an order from the higher authorities in their favour. The petitioners, therefore, with a view to prevent occurrence of such a mistake, have submitted this petition, praying that until final decision by the Settlement Court, no order in favour of the Bhadders' proprietary rights be passed: otherwise there will be a great injustice to the petitioners.

OFFICE MEMORANDUM by *H. B. Harington*, Esq., Officiating Secretary to the Chief Commissioner, Oudh.

THE local authorities, after searching inquiry, decided that the auction of choukis was a mistake, and the old practice has been reverted to.

From *R. Davis*, Esq., late Castor-oil Manufacturer, Lucknow, to the Secretary to the Chief Commissioner, Oudh; dated 9th March 1872.

I RESPECTFULLY beg to bring to notice that in the "Octroi Schedule" for the ensuing year now under review, the oil-seeds of all kinds are entered under one general head, including "castor-oil seed." The latter, it is well known, does not contain so much oil as the other kinds, and are not so profitable, being greatly mixed with dried-up and red seeds, causing much loss in picking and cleaning; besides this, the oil-cakes are not used, as is the case with the cake of other kind.

The duty on prepared oil brought into the station is only 4 annas per maund, whereas it stands me about 12 annas *as duty* for procuring so much seed as yields a maund in my own factory, which compels me often to stop work, and cause much inconvenience to the public; my present selling rate being just the same as it was in 1864, when the seed was cheaper and duty much lower.

Under these circumstances, I beg to submit my case and to solicit the favour of your laying it before his Honor the Chief Commissioner for favourable consideration, in the earnest hope that the castor-seed may be separated from the other oil-seeds in the Schedule, and the duty reduced.

MEMORANDUM by *H. B. Harington*, Esq., Officiating Secretary to the Chief Commissioner, Oudh.

ON the report of the Commissioner and Deputy Commissioner, the duty was lowered from *As.* 2-6 to *As.* 1-6 per maund.

Appendix, No. 15.

Price List of Produce in the Oudh Forests.

Sub-Head.	Hindustani Name.	English Name.	Quantity.	Rate. Rs.	a.	p.
		Dry Wood.				
II. Sakoo	Boto Sakoo Khooshk	Dead Sâl Wood	Cubic foot	–	4	–
„	Kuthra Kullan, 18 inch chora	Wooden dish (large)	Score	4	–	–
„	„ Ausat, 12 „ „	„ „ (medium)	„	3	–	–
„	„ Khoord, 9 „ „	„ „ (small)	„	2	–	–
„	Tham, Thoonoe, Bundair	Posts, props, and ridge-poles for native houses.	Cart, 2-ox	3	–	–
„	Hurs-hull	Plough beam	Each	–	2	–
„	Hursa garhee	Cart beams	Pair	1	–	–
„	Moongri-yani Nah	Wheel naves	Each	–	4	–
„	Araguz	ditto spokes	„	–	2	–
„	Painjni	ditto outside beams	Pair	–	8	–
„	Kolhoo, 7 tool 90-inch gol	Sugar or oil press	Each	6	–	–
„	„ 7 80 „ „	ditto ditto	„	5	–	–
„	Dhenklee	Lever and prop for drawing water.	„	–	3	–
„	Dounder	Hollow tree for a well	Per tree	3	–	–
„	Saman-garhee	Cart manufacture in the forest	Per man working six months.	10	–	–
„	Churkhee	Cotton gin	Each	–	1	–
„	Puttee and Sirwa pulung	Bed frame	Set	–	4	–
„	Moosul	Pestle	Each	–	1	–
„	Peerhee-tyar	Native stool	„	–	2	–
„	Pata Dhobee	Washerman's plank	„	–	2	–
„	Kurree Donder	Rafters made out of hollow Sâl trees.	Score	2	–	–
„	Churkha	Spinning-wheel	Each	–	2	–
Sheeshum	Bota Sheeshum	Sissoo dead wood	Cubic foot	–	4	–
„	Paya Khuradee-pulung	Turned legs for bedstead	Set	–	3	–
„	„ Sada	Plain ditto ditto	„	–	1	6
„	Kuthra Kullan	Wooden dish (large)	Score	4	–	–
„	„ Ausat	„ „ (medium)	„	3	–	–
„	„ Khoord	„ „ (small)	„	2	–	–
„	Jatha yani jooa	Yoke	Each	–	2	–
„	Khuraon	Pattens	Pair	–	–	6
Dhow	Dhoora	Axle	Each	–	1	–
Asna	Bota Asna	Dead Arseyna wood	Cubic foot	–	2	–
„	Karon chirwan	Sawn rafters	Cart, 2-ox	2	–	–
„	Khopee-jaugha	Plough	„	2	–	–
„	Dhenklee	Lever and prop for drawing water.	Each	–	1	6
„	Puttee Sirwa-pulung	Bed frame	Set	–	2	–
Khair	Kurree	Beams	Score	8	–	–
„	Bullee	Poles	„	5	–	–
„	Moosul	Pestle	Each	–	1	–
Tikooee or Huldoo.	Bota Huldoo	Dead Huldoo wood	Cubic foot	–	2	–
	Ookhlee	Mortar	Each	–	2	–
„	Hainga ya Surawun	Levelling field-board	„	–	3	–
Miscellaneous	Tharha Khet	Wood for fences	Head load	–	1	–
„	Sokhta	Fire-wood	„	–	–	2
„	Ditto	ditto	Banghy	–	–	6
„	Ditto	ditto	Pony	–	–	9
„	Ditto	ditto	Donkey	–	–	6
„	Ditto	ditto	Buffalo load	–	1	–
„	Ditto	ditto	Cart, 2-ox	–	2	–
„	Ditto	ditto	„ 3-ox	–	3	–
„	Kulyee	Asna bark	Head load	–	4	–
„	Kaela	Charcoal	„	–	–	9
„	Ditto	ditto	Banghy	–	1	6
„	Ditto	ditto	Ass load	–	1	6
„	Ditto	ditto	Horse or buffalo	–	2	–
„	Ditto	ditto	Cart, 2-ox	1	–	–
		Green Wood (Reserved).				
II. Sakoo	Dondur wasti Kishtee	Hollow trees for boats	Each	Rs. 15 to 20		
„	Durukht Andhi-ki-gira	Wind-falls	Cubic foot	–	8	–
Sheeshum	Ditto ditto	ditto	„	–	8	–
Taindoo	Ditto Abnass Saldar	Ebony-wood	„	1	–	–
Dhow	Dhoora	Axle	Each	–	2	–
Asna	Bota Asna	Arseyna wood	Cubic foot	–	4	–
Tikooee	„ Huldoo	Huldoo „	„	–	4	–
„	Kunghee ke wasti	„ crooked trees cut into hair-combs in the forests.	Cart-load, 2-ox	3	–	–

PRICE LIST of Produce in the Oudh Forests—*continued.* Appendix, No. 15.

Sub-head.	Hindustani Name.	English Name.	Quantity.	Rate.
	GREEN WOOD (UNRESERVED).			*Rs. a. p.*
II.	Bota Mootfurrikat	Wood of any kind	Cubic foot	– 2 –
	Karon-gala	Round karon (large)	Cart, 2-ox	1 8 –
	„ Santha	Long ditto (medium)	„	– 12 –
	Batee	Thin ditto (small)	„	– 12 –
	Karon chira hoa	Sawn ditto	„	2 – –
Sâl or Panun	Potheepuhiya, 6 poothee	Felloes for wheels	Pair wheels	4 – –
„	Ditto 4 „	ditto ditto	„	3 – –
Khumar	Dhol Kullan	Native drum (large)	Each	– 4 –
„	„ Ausat	ditto (medium)	„	– 2 –
„	„ Khoord	ditto (small)	„	– 1 –
„	Hainga ya Surawun	Rollers for levelling field	„	– 2 6
„	Jatha yani jooa	Yoke	„	– 2 –
Koosum	Jat	Koosum wood	Cubic foot	– 4 –
„	Mohun, 10½, 17 to 19 inches mota.	„ Mohun	Each	– 8 –
Jamun	Niwar ya jakhun	Wooden foundation for wells	„	3 – –
Jingna	Ookhlee	Mortar	„	– 1 6
Koosum	Moosul	Pestle	„	– 1 6
„	Kuthra Kullan	Wooden dish (large)	Score	2 – –
„	„ Ausat	ditto (medium)	„	1 8 –
„	„ Khoord	ditto (small)	„	1 – –
Jingna	Dound	Hollow Jingna	Per tree	4 – –
	Koondair ya khuradee kam	Wood turnery work	Per man, 6 months	6 – –
Oorga, &c.	Kussao bukla, oorga, &c.	Bark oorga, &c.	Head-load	– 2 –
	Banda	A parasitical plant	„	– 2 –
Chitaiwa, &c.	Jhar kutteela	Prickly branches	„	– – 4
Burgud, Peepul, &c.	Chara hathee	Elephant's fodder	Per diem	– 1 6
„	„ Oont	Camel's „	„	– – 6
Khoorhur	Rubana yanee ghera	Musical instrument frame	Score	– 4 –
Doodhee	Chhuree	Walking-stick	Each	– – 2
	Pulra-tarazoo	Pair of scales	Pair	– 1 6
	GRAZING (ANNUALLY).			
V. Oudh Cattle	Churree ya churaee bhains	Grazing buffalo	Each	– 9 –
	Ditto - ditto sand, gae, byl, ghora.	ditto bulls, cows, oxen, horses.	„	– 3 –
	Ditto - ditto tuttoo, khuchur, guddha.	ditto ponies, mules, and donkeys.	„	– 1 6
	Ditto - ditto bhair, bukree	ditto sheep and goats	„	– – 9
	Dhool oorae yani khoont	Cattle passing through the forests, or staying 10 days.	One fourth of the rates.	
	Ditto - ditto	ditto - ditto, over 10 days	Full rates.	
Other Provinces	Churree ya churaee bhains	Grazing buffaloes	Each	– 12 –
	Ditto - ditto sand, byl, ghora.	ditto bulls, oxen, and horses	„	– 5 –
	Ditto - ditto gae	ditto cows	„	– 3 –
	Ditto - ditto tuttoo, khuchur, guddha.	ditto ponies, mules, and donkeys.	„	– 2 –
	Ditto - ditto bhair, bukree	ditto sheep and goats	„	– 1 –
	MINOR FOREST PRODUCE.			
VI.	Khair buttee	Catechu boiler	Per boiler	7 – –
	Ditto tyar	Catechu	„ maund	1 – –
	Lakh	Gum lac	„ seer	– 1 –
	Gound	„ Arabic	„ maund	2 – –
	Moum	Wax	„ seer	– 2 –
	Shuhud	Honey	„ „	– 1 –
	Goolaindee muhwa	Muhooa seeds	„ maund	1 – –
	Phool - ditto	ditto flowers	„ „	– 12 –
	Ditto - Toon	Toon ditto	„ „	2 – –
	Ditto - Dhak	Dhak ditto	„ seer	– – 3
	Singhara	Water-nut	„ maund	– 4 –
	Khuskhus	Grass-root for tatties	„ „	– 8 –
	Puttay Agai ya Morain	Agai and Morain leaves	Head-load	– – 4
	Poola ghass	Thatching grass	ditto	– – 6
	Ditto	ditto	Banghy	– 1 –
	Ditto	ditto	Horse or buffalo	– 1 6

Appendix, No. 15.

PRICE LIST of Produce in the Oudh Forests—*continued.*

Sub-Head.	Hindustani Name.	English Name.	Quantity.	Rate.
	MINOR FOREST PRODUCE—*continued.*			*Rs. a. p.*
VI.—*continued*	Poola ghass	Thatching grass	Cart, 2-ox	– 4 –
	Ditto	ditto	„ 3-ox	– 6 –
	Ditto	ditto	„ 4-ox	– 8 –
	Beend yani Saintha	Reed grass	Head-load	– – 9
	Ditto	ditto	Banghy	– 1 6
	Ditto	ditto	Horse or buffalo	– 2 –
	Ditto	ditto	Cart, 2-ox	– 8 –
	Ditto	ditto	„ 3-ox	– 12 –
	Ditto	ditto	„ 4-ox	1 – –
	Baid ya byt	Cane	2-ox	1 – –
	Ditto	ditto	4-ox	2 – –
	Bans	Bamboos	2-ox	– 8 –
	Ditto	ditto	4-ox	1 – –
	Moonje and Sirkee	Saccharum munja	Head-load	– 1 –
	Ditto	ditto	Banghy	– 2 –
	Ditto	ditto	Horse or buffalo	– 3 –
	Ditto	ditto	Cart, 2-ox	1 8 –
	Ditto	ditto	„ 3-ox	2 4 –
	Ditto	ditto	„ 4-ox	3 – –
	Bunkus	Grass for ropes	Head-load	– 1 –
	Ditto	ditto	Banghy	– 1 6
	Ditto	ditto	Horse or buffalo	– 2 –
	Ditto	ditto	Cart, 2-ox	1 – –
	Ditto	ditto	„ 3-ox	1 8 –
	Ditto	ditto	„ 4-ox	2 – –
	Chutaee Nurkool	Reed mat	Head-load	– 1 –
	Ditto	ditto	Banghy	– 2 –
	Ditto	ditto	Cart, 2-ox	– 8 –
	Ditto	ditto	„ 3-ox	– 12 –
	Ditto	ditto	„ 4-ox	1 – –
	Ditto	ditto	„ 2-ox	1 – –
	Ditto	ditto	„ 4-ox	2 – –
	Kumaila ya Rohinee	Rohinee dye powder	Per seer	– 1 –
	Hur, Buhera, Amla ya Turphula.	Wild fruit	„ „	– – 3
	Kakra-singhee	A medicinal root	„ „	– 2 –
	Kupoor-kuchree	ditto	Per maund	– 8 –
	Nagur Motha	Sweet smelling grass, or Cyperus pertenius.	„ „	– 8 –
	Kunwul Gutta	Lotus seed	„ „	1 – –
	Kussairoo	Root (Cyperus pertenius)	„ „	– 4 –
	Ruttunjote	Medicinal herb	„ „	– 8 –
	Sitawur	ditto	„ „	– 8 –
	Mooslee Semal	Seimul root	„ „	– 8 –
	„ Syah o sufed	Root, black and white	„ „	– 8 –
	Bilaeekund	Medicinal herb	„ „	– 4 –
	Mynpul	ditto fruit	„ „	– 4 –
	Peepul	Long pepper	„ seer	– 4 –
	Jhur-bair	Wild plums	Head-load	– – 3
	Indurjow	Doodhee seed	Per seer	– – 3
	Ghoonchee	Red and black seed	„ „	– – 6
	Mooluhtee	Medicinal root	„ „	– 1 –
IX.	Bungaee	Wild cattle	Each	5 – –
	Muchlee	Fish	Per maund	– 8 –
	Moorghabee	Teal	Each	– – 3
	Chumra Gae Bhains	Hides	„	– 2 –
	„ Hurun	ditto, deer	„	– 1 –
	Seeng Bhains wagairah	Buffalo, &c., horns	Per pair	– – 3
	Ditto ditto	ditto ditto	Cart, 2-ox	1 – –
	Ditto ditto	ditto ditto	„ 4-ox	2 – –
	Ditto Hurun	Deers' horns	Pair	– – 3
	Choona	Limestone	Cart, 2-ox	– 4 –
	Ditto	ditto	„ 3-ox	– 6 –
	Ditto	ditto	„ 4-ox	– 8 –

W. Stenhouse, Captain,
Officiating Conservator of Forests, Oudh.

POLITICAL ADMINISTRATIONS UNDER THE GOVERNMENT OF INDIA,
Except AJMERE, viz.:—BHOPAL, COORG, and INDORE.

From *W. Biss*, Esq., Assistant Comptroller General of Accounts, to the Secretary to the Government of India, Financial Department (No. 7001); dated Calcutta, the 12th March 1872.

I AM desired to submit the statements called for in Resolution No. 4510, dated 23rd October last:—

PART I.

RETURN required by Resolution, Financial Department, No. 4510, dated 23rd October 1871.

LAND REVENUE.

DISTRICTS.	Gross Produce.			Net Assets taken as Revenue.			Rate per Acre of Government Assessment.	REMARKS.
	1858–59.	1870–71.	Estimate, 1871–72.	1858–59.	1870–71.	Estimate, 1871–72.		
				Rs.	*Rs.*	*Rs.*	*Rs. a. p.*	
Bhopal	- -	- -	- -	81,676	- -	- -	– 15 3	Pergunnah Bairseeah, from which this revenue was derived, was made over to the Begum of Bhopal in 1870.
Coorg	- -	- -	- -	1,33,384	2,29,458	2,42,600	3 5 4	This rate is on rice lands.
Indore	- -	- -	- -	- -	4,280	5,800	- - -	In the absence of a survey the rate per acre cannot be given. The rates in force are for ordinary villages (dry land) *Rs.* 1. 5. per acre.
TOTAL	- -	- -	- -	2,15,060	2,33,738	2,48,400		

EXCISE REVENUE.

DISTRICTS.	Imported Rum.			Country Rum.	Fermented Liquors.			Unfermented Liquors.			Drugs, including Gunja and Opium.		
	1858–59.	1870–71.	Estimate, 1871–72.		1858–59.	1870–71.	Estimate, 1871–72.	1858–59.	1870–71.	Estimate, 1871–72.	1858–59.	1871–72.	Estimate, 1871–72.
	Rs.	*Rs.*			*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Coorg - - -	32,029*	–	–	–	–	3,408	4,000	–	1,27,844	1,07,000	–	642	900
Indore† - - -	–	93	–	–	26,590	37,717	43,600	2,511	792	- -	2,678	3,560	—
TOTAL - - -	32,929	93	–	–	26,590	41,125	47,600	2,511	1,28,636	1,07,000	2,678	4,202	900

* The excise was farmed in 1858–59; hence this represents the entire revenue derived, as details are not forthcoming.

† There is no duty on fermented liquor; the toddy trees are leased by auction. License fees are levied from shops in which European liquors are sold, 240 rupees per annum being the rate for each wholesale shop, and 120 rupees per retail shop. Retail licenses to sell country liquor in towns are sold annually by auction. In 1870–71 the bids ranged from 71 rupees to 1,602 rupees. In villages the rates of license fees are 15 to 20 rupees per annum. The rates of duty cannot be given for Indore, as the licenses are farmed.

FOREST REVENUE.

DISTRICTS.	1858–59.	1870–71.	Estimate, 1871–72.	REMARKS.
	Rs.	*Rs.*	*Rs.*	
Coorg - - - -	35,626	74,092	80,000	Teakwood was sold in 1870–71 at from 47 rupees to 63 rupees per ton; sandalwood from 320 rupees to 400 rupees per ton; other timbers from 9 rupees to 40 rupees per ton.
Indore - - - -	- - -	3,108	2,000	Charcoal at *Rs.* 1. 14, and firewood at 10 annas per ton.
TOTAL - - *Rs.*	35,626	77,200	82,000	

ASSESSED TAXES.

Assessed taxes - - -	- - -	3,86,359	3,78,000	In 1870–71 income tax was assessed at the rate of 3⅛ per cent., and in 1871–72 at 2 pies per rupee. In 1871–72, 78,000 rupees have been estimated on account of tax levied on interest payments at the Bank of Bengal. In the previous year the income from interest on promissory notes was chargeable as a part of general income only.

Appendix, No. 15.

TRIBUTES and CONTRIBUTIONS from NATIVE STATES.

	Actuals. 1858-59.	Actuals. 1870-71.	Regular Estimate, 1871-72.	REMARKS.
Tributes.	*Rs.*	*Rs.*	*Rs.*	
Oodeypore	2,36,346 [a]	-*	2,00,000	[a] Includes first instalment of 1858-59 and arrears.
Boondee	65,000 [b]	-	1,20,000	[b] The tribute was in arrear in 1858-59.
Kotah	- [c]	-	2,43,660	[c] The amount of this tribute is 1,84,720 rupees. It was wholly in arrear in 1858-59, and the excess collections in 1871-72 represent arrears also.
Banswara	27,387 [d]	-	39,129	[d] The tribute payable by this State was fluctuating.
Doongurpore	13,694 [e]	-	27,400	[e] This is the first instalment, the second credited in the following year.
Jeypore	2,64,999 [f]	-	4,00,000	[f] Includes first instalment and arrears.
Joudpore	800 [g]	-	1,08,000	[g] 97,200 rupees for Gwalior Contingent credited under debt, and 10,000 rupees remission for Omercote District not adjusted.
Jhalwar	- [h]	-	80,000	[h] In arrear.
Holkar	-	3,061 [i]	800	[i] Annual demand is 768 rupees—realisation in 1870-71 include arrears.
Mundy	67,000	-	-	Transferred to Punjab.
Chumba	10,000	-	-	Ditto - ditto.
Sokeit	7,500	-	-	
Nizam's Government on account of Mahratta choute.	1,08,108	1,08,108	1,08,108	
Petty States.				
Tehree	5,562	—	—	
Loodeepoorah	4,479	—	—	
Petty States in North Western Provinces.	1,396	—	—	
Ditto Punjab	15,436	—	—	
Kelcheepore	-	12,912	12,920	In 1858-59 shown under debt (Scindiah's Government on account of Gwalior Contingent), and subsequently transferred to the head tributes.
Rutlam	-	44,268	86,772	The estimate of the Rutlam State for 1871-72 includes recovery of arrear tribute, 21,252 rupees on account of 1870-71, while those of the Sillana and Amjeera States show the annual demand of tribute to be realised from them.
Sillana	-	26,650	32,760	
Amjeera	-	27,027	34,400	
Serohi	2,657 [k]	-	6,881	[k] 2,657 rupees are on account of arrears. Tribute due for this year, 7,500 rupees credited in 1859-60.
Shaahposra	-	-	10,000	
TOTAL	8,30,364	2,22,026	15,10,830	
Contributions from Native States.				
Joudpore	1,15,000	-	1,17,432	The difference in the first column as compared with that of the second is on account of arrears.
Bhopaul	3,43,004	1,81,819	1,82,000	
Oodeypore	36,542	-	50,000	
Holkar	-	2,38,152	2,38,152	Annual demand is 2,38,152 rupees. In 1858-59 shown under debt (Malwa Contingent).
Kotah	-	-*	2,00,000	* Credited in the following year.
Allirajpore	-	1,474	1,474	Annual demand is 1,474 rupees.
Dewus	41,278	37,150	33,000	Annual demand is 33,000 rupees. Excess recovery in 1858-59 and 1870-71 was on account of arrears.
Dhar	7,862	19,656	19,700	Annual demand is 19,656 rupees. Less realised in 1858-59.

* The tributes and contributions of the Rajpootana States for 1870-71 were credited in the books of the North Western Provinces.

Tributes and Contributions from Native States—*continued.*

	Actuals. 1858-59.	Actuals. 1870-71.	Regular Estimate, 1871-72.	Remarks.
Contributions from Native States—continued.				
	Rs.	*Rs.*	*Rs.*	
Jowruh - - -	1,82,614	1,19,270	1,59,000	Annual demand is 1,59,000 rupees. Excess recovery in 1858-59 was on account of arrears.
Jobooah - - -	- -	737	1,474	Annual demand is 1,494 rupees. Less realised in 1870-71. In 1858-59, shown under debt (Malw Bheel Corps).
Amjeerah - - -	5,897	27,027	19,700	Annual demand is 19,700 rupees.
Burwani - - -	- -	3,931	3,931	Shown under debt (miscellaneous demands against non-tributary States) in 1858-59. Annual demand is 3,931 rupees.
	7,32,197	6,29,216	10,25,863	
Fees on successions to Native States - -	- -	5,261	1,752	

Districts.	Tax on Houses (for Police Purposes).*	Tolls on Ferries.	Mohturfa.	Market Fees.	Abkaree.	Duty on Weighing Grain.	Duty on Brokerage.	Sale of Stray Cattle.	Miscellaneous.	Tank Fund.†	Tax on Articles of Consumption in Towns.			
											Octroi on Piece-Goods and Metals.	Octroi on Food and other Necessaries.	Octroi on Merchandise.	Octroi on Cattle.
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Bhopal - -	-	-	-	-	10,133	2,610	2,612	-	10,501	-	-	-	-	-
Coorg - -	-	764	3,832	2,821	-	-	-	1,809	-	-	-	-	-	-

* At various rates not exceeding one rupee on each house.

† At 1 per cent. on original cost of tank.

Memorandum to Accompany Part II.

The cesses on land revenue are levied under the orders of Government, North Western Provinces, in regard to the conduct of settlements, the receipts of the Road Fund are applied to the maintenance and repair of district roads and those of the Putwarri Fund in the payment of the wages of village putwarrees.

The house tax is levied under Act XX. of 1856 and III. of 1869. The produce of the tax under the former is applied to the maintenance of police in towns, and to conservancy and improvements, and under the latter to the maintenance of rural police.

The tank collections are made agreeably to orders of Government, North Western Provinces, and are applied to the maintenance and repair of reservoirs, &c.

The sum shown as "octroi on food and other necessaries" includes a small sum on account of tax on building materials, and the like. The tax is levied under Act VI. of 1868, and the proceeds are devoted to various municipal purposes.

The Abkaree collections, &c. in Bhopal are the collections made in the Sehore Cantonment, and are allowed by the Begum for municipal improvements.

The ferries in Coorg are leased on contract. The other taxes are levied under the orders of the Chief Commissioner, and the income is devoted to construction and repair of roads, &c.

There has been no addition to the local taxes since 1870–71, nor have the rates at which they were levied in that year been altered.

Appendix, No. 15.

BRITISH BURMAH.

From *C. B. Cooke*, Esq., Officiating Secretary to the Chief Commissioner, British Burma, to the Secretary to the Government of India, Financial Department (No. 1374—135); dated 25 October 1872.

I AM directed to acknowledge the receipt of your Department Resolution, No. 4510, dated 23rd October 1871, requesting that a return of all imperial rates and taxes now levied in this province may be submitted, distinguishing the rates and taxes levied before from those levied since the transfer of the Government of the Indian territories to the Crown, and giving the amount of the produce of each rate or tax.

A. Detailed statement of imperial rates and taxes for 1858–59 and 1871–72.
B. Abstract of imperial rates and taxes for 1858–59 and 1871–72.
C. Statement showing the net revenue on account of local rates and taxes for 1870–71 and estimates for 1871–72.

2. In reply, I am directed to submit a copy of letter No. 2722, dated 13th September 1872, from the Officiating Deputy Accountant General, together with copies of its enclosures, containing Statements A, B, and C, as noted in the margin. It may be observed that the produce of each tax in the year 1871–72, as given by the revenue authorities, and the amounts shown in the finance and revenue accounts, do not agree, and district officers have been requested to furnish, if possible, an explanation of these discrepancies; but to obviate further delay, the Chief Commissioner directs the submission of the returns in question without the information which will be forwarded hereafter when received. As regards the figures for the year 1858–59, it may be remarked that Mr. Rule states that "this office cannot certify in accordance with paragraph 8 of the Financial Resolution, as the accounts prior to 1864–65 are in the office of the Accountant General, Bengal."

3. The statements called for in paragraphs 12, 13, and 14 of your Resolution under acknowledgment will be found in the Return C. I am, however, to point out that in one or two cases the authority under which certain rates or taxes are levied has been incorrectly given by the Deputy Accountant General; for instance, Act XIV. of 1856 is given as the authority under which municipal taxes are levied, whereas that Act has never been authoritatively extended to any town in British Burma, and such taxes are levied merely under local rules of very doubtful legality; this, however, is about to be rectified, as a Municipal Bill has been prepared and submitted to the Government of India, in the Department of Agriculture, Revenue, and Commerce, by means of which the Chief Commissioner hopes to establish properly constituted municipalities in all the more important towns in the province.

4. District officers have been requested to submit returns showing the actual receipts for the years 1870–71 and 1871–72, as well as the estimated receipts for the year 1872–73 in the forms attached to your circular letter No. 2017 of the 17th August last, and the authority under which each local rate or tax is levied will then be correctly shown, but it is to be feared that there may be some discrepancies between the figures then submitted and those now given in Statement C.

5. With reference to paragraph 18 of your Resolution under reply, I am directed to say that, as far as the Chief Commissioner is aware, no petitions from any persons in British Burma, regarding the imposition of rates and taxes for local purposes, have been presented during the years 1870 and 1871 either to the Supreme Government or to the local Administration.

From *E. Rule*, Esq., Officiating Deputy Accountant General, British Burma, to the Assistant Secretary to the Chief Commissioner, British Burma (No. 2722); dated 13 September 1872.

A. Detailed statement of imperial rates and taxes for 1858–59 and 1871–72.
B. Abstract of imperial rates and taxes for 1858–59 and 1871–72.
C. Statement showing the net revenue on account of local rates and taxes for 1870–71 and estimates for 1871–72.

WITH reference to your letter No. 436-420 (Revenue Department, Miscellaneous), dated 14th November 1871, forwarding copy of a Financial Resolution of the Government of India, No. 4510, dated 23rd October last, calling for a return of local and imperial rates and taxes levied in British Burma, I have the honour to submit herewith Statements marked A, B, and C, as marginally noted.

The information contained in the imperial rates and taxes is for the years 1858–59 and 1871–72, and are for the following heads of service:—Land revenue, excise, forests, and assessed taxes, and have been prepared in accordance with paragraphs 3 to 7 of the Resolution, as far as the said instructions are applicable to this province.

I regret to observe that the amount of revenue as given by the district officers does not in any one instance correspond with that shown in their cash accounts and recorded on the books of this office, although specially directed to agree in their returns. I append a statement of discrepancies more and less in the district returns with that credited in the books of this office for the year 1871–72. Further, the returns do not give, in many instances, the number of persons holding land, the value of produce of land per acre, the net assets of land.

In respect to the year 1858–59, this office cannot certify in accordance with paragraph 8 of the Financial Resolution, as the accounts prior to 1864–65 are in the office of the Accountant General, Bengal.

I regret

I regret the delay in the submission of the returns, but this office has been compelled to return the first returns submitted by the district officers, as some gave the information for 1856-57, others 1857-58, others 1858-59, and one the calendar years 1859 and 1871. This office prepared the form which is now submitted, and called upon the district officers to be careful in giving the correct information; but this has not been done in any one instance. I submit the compilation of the district returns as they have been received from the officers concerned, and will call for fresh returns, namely for the years 1856-57 and 1870-71, as these are the years which were examined by the Finance Committee in London; and further, as the officers will now go over fresh ground, and will possibly be more correct in giving the information. No form was submitted with the Financial Department Resolution, but this office was of opinion that the particulars called for were sufficient. Appendix, No. 15.

Great pressure of other work in this office prevented me from going into each district return when received, but I will in the fresh returns go over each item as soon as the statements are received from the districts.

With respect to Statement C (local rates and taxes), I beg to state that the revenue entered therein is correct, and that all the information available in this office is duly given.

In advertence to paragraph 19 of the Resolution, I beg to report that Treasury Officers have stated that no petitions have been addressed to the Supreme and Local Legislative Councils regarding the imposition of rates and taxes for local purposes, nor am I aware of any such petitions.

British Burmah.

Statement of Discrepancies in the Amount of Revenue shown in the District Returns and that credited in the Books of this Office for 1871-72.

District.	Description of Revenue.	More in District.	Less in District.
		Rs.	*Rs.*
Moulmein	Ordinary revenue		84,722
	Capitation tax	524	—
	Miscellaneous	60,390	—
	Excise revenue	43,992	—
Toungoo	Ordinary revenue	2,984	—
	Capitation tax	1,616	—
	Miscellaneous	156	—
	Excise revenue	565	—
Henzadah	Ordinary revenue		11,943
	Capitation tax	1,874	—
	Miscellaneous	74,894	—
	Excise revenue		31,618
Shwe-gyeen	Ordinary revenue	12,572	—
	Capitation tax		2,557
	Miscellaneous	14,122	—
	Excise revenue		23

Appendix, No. 15.

STATEMENT of Discrepancies in the Amount of Revenue, &c.—*continued.*

District.	Description of Revenue.	More in District.	Less in District.
		Rs.	*Rs.*
Bassein	Ordinary revenue	21,218	—
	Capitation tax	—	712
	Miscellaneous	13,198	—
	Excise revenue	—	40,225
Tavoy	Ordinary revenue	—	35,526
	Capitation tax	199	—
	Miscellaneous	22,854	—
	Excise revenue	—	3,848
Mergui	Ordinary revenue	—	20,879
	Capitation tax	58	—
	Miscellaneous	16,348	—
	Excise revenue	—	22,153
Akyab	Ordinary revenue	—	13,677
	Capitation tax	—	186
	Miscellaneous	44,486	—
	Excise revenue	—	2,148
Prome	Ordinary revenue	—	70,577
	Capitation tax	—	—
	Miscellaneous	—	30,833
	Excise revenue	4,134	—
Thayetmyo	Ordinary revenue	—	17,545
	Capitation tax	135	—
	Miscellaneous	—	10,864
	Excise revenue	6,705	—
Rangoon	Ordinary revenue	15,967	—
	Capitation tax	—	1,531
	Miscellaneous	77,110	—
	Excise revenue	—	1,240
Sandoway	Ordinary revenue	—	12,834
	Capitation tax	84	—
	Miscellaneous	12,090	—
	Excise revenue	—	11,182
Ramree	Ordinary revenue	—	5,356
	Capitation tax	725	—
	Miscellaneous	16,882	—
	Excise revenue	—	6,198

Appendix, No. 15.

SUMMARY.

Ordinary Revenue.	More.	Less.	Excise Revenue.	More.	Less.
	Rs.	*Rs.*		*Rs.*	*Rs.*
Moulmein - - -	60,914	84,722	Moulmein - - -	43,992	–
Toungoo - - -	4,756	—	Toungoo - - -	565	–
Henzadah - - -	76,768	11,943	Henzadah - - -	–	31,681
Shwe-gyeen - - -	26,694	2,557	Shwe-gyeen - -	–	23
Bassein - - -	34,416	712	Bassein - - -	–	40,225
Tavoy - - - -	23,053	35,526	Tavoy - - -	–	3,848
Mergui - - -	16,401	20,879	Mergui - - -	–	22,153
Akyab - - - -	44,486	13,863	Akyab - - -	–	2,148
Prome - - - -	–	1,01,410	Prome - - -	4,134	–
Thayetmyo - - -	135	28,409	Thayetmyo - - -	6,705	–
Rangoon - - -	93,077	1,531	Rangoon - - -	–	1,240
Sandoway - - -	12,174	12,834	Sandoway - - -	–	11,182
Ramree - - -	17,607	5,356	Ramree - - -	–	6,198
	4,10,481	3,19,742		55,396	1,18,698
Balance more in District	–	90,739	Balance less in District	63,302	—
Rs.	4,10,481	4,10,481	*Rs.*	1,18,698	1,18,698

	District and Ledger Total.	More in District.	Less in District.
Land Revenue—	*Rs.*	*Rs.*	
District Statements - - -	65,54,859		
Ledger Account - - -	64,64,155		
		90,704	—
Excise Revenue—			
District Statements - - -	9,32,324		
Ledger Account - - - -	9,95,642		
		- - -	63,318

Edward Rule,
Officiating Deputy Accountant General, British Burmah.

BRITISH BURMAH.

(A.)—Detailed Statement of Imperial Rates and Taxes.

DESCRIPTION OF REVENUE.	DISTRICTS.	1858-59. Rate of Tax. From.	To.	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
LAND REVENUE:		*Rs. a. p.*	*Rs. a. p.*	*Number.*	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Paddy Land	Maulmain	– 8 –	to 2 8 –	11,356	88,603	1,51,089	16	8	15,109
	Toungoo	– 8 –	„ 1 8 –	3,266	18,366	21,851	15	1	2,463
	Henzada	– 2 –	„ 2 – –	– –	1,43,565	2,31,960	10 to 25	– – –	– – –
	Shwè-gyeen	1 – –	„ 2 – –	8,967	41,825	65,162	20	12	7,350
	Bassein	1 – –	„ 2 – –	19,942	1,57,146	2,25,113	23	10	20,537
	Tavoy	– 4 –	„ 2 – –	6,233	35,950	57,981	11	5	5,798
	Mergui	– 8 –	„ 2 – –	3,486	16,088	24,632	11 to 20	– 6 – to 7	2,463
	Akyab	1 1 –	„ 5 – –	28,874	2,51,572	5,11,612	25	1	1,17,282
	Prome	– 6 –	„ 1 8 –	25,218	1,06,530	1,29,517	10	1	12,379
	Thayetmyo	1 4 –	& 1 8 –	9,760	30,485	28,374	8	– – –	2,521
	Rangoon	1 8 –	to 3 – –	18,266	2,27,207	4,09,287	– –	– – –	54,652
	Sandoway	1 2 11		2,836	16,619	25,525	9	8	7,942
	Ramree	– 10 1	to 2 3 3	19,651	72,664	1,15,704	16	6	24,298
		– 10 8	to 2 2 11	1,57,855	12,06,620	19,97,757	15	4	2,72,794
Garden or Orchard Land.	Maulmain	1 4 –	to 2 14 –	4,296	13,213	32,746	20	7	3,275
	Toungoo	1 8 –		569	360	539	25	*Vide* Paddy land	*Vide* Paddy land
	Henzada	– 8 –	to 2 – –	– –	4,939	14,188	20 to 140	– – –	– – –
	Shwè-gyeen	2 – –		2,364	3,572	7,145	– –	– – –	*Vide* Paddy land
	Bassein	2 – –		4,556	4,863	9,724	50	48	– ditto – –
	Tavoy	1 4 –	& 2 8 –	5,800	7,225	16,806	20	5	1,675
	Mergui	1 – –	to 2 8 –	3,911	5,548	13,869	30	3	1,387
	Akyab	2 8 –	„ 5 – –	*Vide* Paddy land.	13,169	34,877	100	*Vide* Paddy land	*Vide* Paddy land
	Prome	– 8 –	„ 1 8 –	27,955	9,259	12,681	60	1	1,266
	Thayetmyo	– 8 –	„ 1 4 –	9,320	5,542	5,231	4	1	523
	Rangoon	2 – –		2,817	8,081	16,163	– –	– – –	*Vide* Paddy land
	Sandoway	2 8 4		100	1,373	3,461	6	3	– ditto – –
	Ramree	1 14 3	to 2 8 4	3,062	3,679	9,107	350	186	1,913
		– 11 6	to 2 5 1	64,750	80,823	1,76,587	61 14 9	19 8 7	10,039
Miscellaneous	Maulmain	2 – –		437	1,507	3,013	35	20	301
	Toungoo	– 4 –	to 1 8 –	2,659	829	1,650	25	*Vide* Paddy land	*Vide* Paddy land
	Henzada	– 8 –	„ 2 – –	– –	17,529	28,237	20 to 140	– – –	– – –
	Shwè-gyeen	2 – –		560	424	847	– –	– – –	*Vide* Paddy land
	Bassein	1 – –	& 2 – –	1,917	2,179	4,028	50	45	– ditto – –
	*Tavoy	*Vide* Garden or orchard land, included up to 1860-61					– –	– – –	– – –
	Mergui	– –		– –	– –	– –	– –	– – –	– – –
	Akyab	1 4 2	to 5 – –	1,357	7,981	12,645	55	*Vide* Paddy land	*Vide* Paddy land
	Prome	– – 4	„ 1 8 –	3,010	3,159	20,728	27	1	2,058
	Thayetmyo	– – 4	„ 2 8 –	2,131	7,173	9,369	21	1	932
	Rangoon	2 – –		3,000	3,930	15,260	– –	– – –	*Vide* Paddy land
	Sandoway	2 8 4		930	2,350	5,923	12	9	– ditto – –
	Ramree	1 14 3	to 2 8 4	1,653	2,225	5,450	592	381	1,145
		– 6 1	to 1 15 5	17,654	49,286	1,07,145	73 9 10	35 2 4	4,436

BRITISH BURMAH.

(A.)—Detailed Statement of Imperial Rates and Taxes.

1871-72.

Rate of Tax. From.	Rate of Tax. To.	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
Rs. a. p.	*Rs. a. p.*	*Number.*	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
– 2 – to	5 – –	18,975	1,87,354	3,21,594	18	9	25,981
– 2 – „	1 8 –	5,981	29,711	26,395	24	1	2,542
– 2 – „	2 – –	38,457	2,20,126	3,36,220	10 to 25	- - -	18,417
– 8 – „	1 8 –	17,485	73,526	72,749	20	12	6,585
– 8 – „	2 – –	28,780	2,22,424	3,62,308	25	13	—
– 8 – „	2 – –	6,627	42,821	62,453	11	5	6,215
– 2 – „	2 – –	4,044	25,713	36,276	16 to 20	4 to 7	3,628
– 8 – „	2 8 –	- - -	2,51,550	5,01,861	25	2	45,937
– 6 – „	1 8 –	31,015	1,52,032	1,68,417	15	1	1,68,142
– 2 – „	1 – –	6,540	57,115	37,082	7	1	5,623
– 2 – „	3 – –	34,141	4,72,988	9,10,105	- -	- - -	49,219
– 14 –		7,346	26,513	38,375	17	16	4,878
– 2 – to	2 4 –	20,276	81,153	1,20,371	17	7	11,237
– 4 – to	2 1 4	2,19,667	1,84,302	29,94,206	17 3 8	5 11 –	3,48,404
1 – – to	5 – –	10,361	21,998	50,883	20	7	5,088
– 6 – „	1 8 –	1,505	1,200	1,430	25	*Vide* Paddy land	*Vide* Paddy land.
– 8 – „	2 – –	11,022	9,486	24,441	20 to 140	- - -	1,339
1 – – „	2 – –	2,589	6,719	13,223	- -	- - -	*Vide* Paddy land.
1 4 – „	3 – –	7,909	11,117	12,661	50	48	—
1 – – „	2 8 –	11,150	10,916	21,784	20	15	1,894
1 – – „	2 8 –	4,116	7,553	16,067	15 to 30	3	1,607
1 8 – „	2 8 –	*Vide* Paddy land	17,324	35,485	100	*Vide* Paddy land	*Vide* Paddy land.
– 8 – „	1 8 –	22,871	10,866	14,829	75	1	1,483
– 8 – „	1 4 –	9,821	3,804	2,545	5	1	254
1 – – „	3 – –	3,820	17,879	40,585	- -	- - -	*Vide* Paddy land.
1 5 –		2,099	2,937	4,856	10	9	- ditto.
– 2 – to	2 4 –	3,382	5,313	8,010	190	126	741
– 12 – to	2 5 3	90,645	1,27,112	2,46,799	51 2 5	16 2 6	12,406
– 4 – to	2 8 –	2,036	5,304	6,200	35	20	593
– – 3 „	1 8 –	5,567	1,644	2,982	25	*Vide* Paddy land	*Vide* Paddy land.
– 8 – „	2 – –	16,019	30,212	49,020	20 to 140	- - -	2,686
– 8 – „	1 8 –	1,209	1,718	1,764	- -	- - -	*Vide* Paddy land.
1 4 – „	2 – –	2,389	3,161	5,003	50	48	—
– 6 – „	1 – –	904	483	314	20	15	30
– 6 – „	1 – –	299	327	171	5 to 15	- - -	17
– 10 1 „	2 8 –	1,246	10,293	15,143	55	*Vide* Paddy land	*Vide* Paddy land.
– – 4 „	1 8 –	16,075	6,830	30,542	50	1	3,054
– – 3 „	1 4 –	13,050	19,441	16,384	21	7	1,625
1 – – „	3 – –	2,074	4,084	12,890	- -	- - -	*Vide* Paddy land.
2 8 4		2,298	3,777	5,924	20	17	- ditto.
1 – – to	2 4 –	1,953	3,968	5,857	670	459	556
– 7 3 to	1 14 2	65,119	91,242	1,52,194	77	42 13 6	8,561

BRITISH BURMAH.—(A.)—Detailed Statement of Imperial Rates and Taxes—*continued.*

DESCRIPTION OF REVENUE.	DISTRICTS.	1858-59. Rate of Tax. From.	To.	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
		Rs. a. p.	*Rs. a. p.*	*Number.*	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
TOUNGYA OR HILL CULTIVATION.	Maulmain	– 4 –	to 1 – –	2,400	12,828	5,383	5	5	538
	Toungoo	1 – –		996	996	996	30	*Vide* Paddy Land	*Vide* Paddy Land
	Henzada	1 per man		– –	3,102	1,551	20 to 25	– –	– –
	Bassein	1 – –		2,911	3,180	3,180	50	49	*Vide* Paddy Land
	Tavoy	– 2 –	to 1 – –	2,522	4,903	2,611	7	7	260
	Mergui	– 2 –	„ 1 – –	2,237	7,645	4,440	14	– –	444
	Akyab	1 – –		4,497	– –	4,497	25	*Vide* Paddy Land	*Vide* Paddy Land
	Prome	1 – –		3,554	7,108	3,554	7	1	350
	Thayetmyo	1 – –		4,197	8,394	4,197	9	1	418
	Rangoon	1 – –		2,383	– –	2,383	– –	– –	*Vide* Paddy Land
	Sandoway	1 – –		2,908	– –	2,908	8	7	– ditto – –
	Ramree	– – –	–	2,410	5,012	2,506	25	15	526
		– – 7	to – 14 9	31,015	53,168	38,206	17 1 4	7 1 4	2,536
INLAND AND SEA FISHERIES.	Maulmain	– – –	–	– –	– –	– –	– –	– –	– –
	Toungoo	– – –	–	132	– –	5,007	– –	– –	– –
	Henzada	– – –	–	– –	– –	54,867	– –	– –	– –
	Shwè-gyeen	– – –	–	– –	– –	35,802	– –	– –	– –
	Bassein	1 – –	to 4 – –	1,994	– –	1,01,582	– –	– –	2,499
	Tavoy	– – –	–	– –	– –	– –	– –	– –	– –
	Mergui	– – –	–	– –	– –	– –	– –	– –	– –
	Akyab	– – –	–	– –	– –	– –	– –	– –	– –
	Prome	2 – –	to 700 – –	420	– –	5,600	– –	95	559
	Thayetmyo	2 – –	„ 75 – –	165	– –	1,485	– –	– –	143
	Rangoon	– – –	–	3,270	– –	2,08,817	– –	– –	– –
	Sandoway	– – –	–	– –	– –	– –	– –	– –	– –
	*Ramree	– – –	–	– –	– –	– –	– –	– –	– –
		– – –	–	5,981	– –	4,13,160	– –	95	3,201
TURTLE BANK	Maulmain	– – –	–	– –	– –	– –	– –	– –	– –
	Toungoo	– – –	–	– –	– –	265	– –	– –	– –
	Henzada	– – –	–	– –	– –	– –	– –	– –	– –
	Shwè-gyeen	– – –	–	– –	– –	451	– –	– –	– –
	Bassein	– – –	–	15	– –	4,656	– –	– –	– –
	Tavoy	– – –	–	– –	– –	– –	– –	– –	– –
	Mergui	– – –	–	– –	– –	– –	– –	– –	– –
	Sandoway	– – –	–	– –	– –	– –	– –	– –	– –
		– – –	–	15	– –	5,372	– –	– –	– –
BEES WAX	Maulmain	– – –	–	– –	– –	– –	– –	– –	– –
	Toungoo	– – –	–	– –	– –	– –	– –	– –	– –
	Henzada	– – –	–	– –	– –	175	– –	– –	– –
	Shwè-gyeen	– – –	–	– –	– –	– –	– –	– –	– –
	Bassein	– – –	–	26	– –	789	– –	– –	– –
	Mergui	– – –	–	– –	– –	– –	– –	– –	– –
	Rangoon	– – –	–	– –	– –	50	– –	– –	– –
	Ramree	– – –	–	– –	– –	– –	– –	– –	– –
		– – –	–	26	– –	1,014	– –	– –	– –
CAPITATION TAX	Maulmain	2 – –	to 5 – –	15,025	– –	44,795	– –	– –	4,480
	Toungoo	1 – –	„ 4 – –	10,221	– –	34,276	– –	– –	– –
	Henzada	1 – –	„ 5 – –	– –	– –	2,35,747	– –	– –	– –
	Shwè-gyeen	– – –	–	23,531	– –	65,990	– –	– –	– –
	Bassein	2 – –	& 4 – –	59,058	– –	2,05,138	– –	– –	19,975
	Tavoy	1 – –	„ 3 – –	8,717	– –	17,177	– –	– –	1,212
	Mergui	– – –	–	– –	– –	17,443	– –	– –	– –
	Akyab	1 – –	to 4 – –	52,437	– –	1,81,098	– –	– –	34,401
	Prome	1 – –	„ 4 – –	45,950	– –	1,39,086	– –	3	13,734
	Thayetmyo	1 – –	„ 4 – –	15,949	– –	48,023	– –	3	4,758
	Rangoon	2 – –	„ 4 – –	51,110	– –	1,77,134	– –	– –	*Vide* Paddy Land
	Sandoway	1 – –	„ 4 – –	6,886	– –	24,092	– –	– –	5,055
	Ramree	1 – –	„ 4 – –	23,604	– –	89,029	– –	– –	18,696
		1 1 2	to 3 7 4	3,12,488	– –	12,79,028	– –	6	1,02,311

* By lease.

BRITISH BURMAH.—(A.)—Detailed Statement of Imperial Rates and Taxes—*continued.*

1871-72.

Rate of Tax. From	Rate of Tax. To	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
Rs. a. p.	*Rs. a. p.*	*Number.*	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
– 8 –		3,729	7,458	3,729	5	5	– – –
– 8 –		1,456	2,912	1,456	30	*Vide* Paddy Land	*Vide* Paddy Land.
1 per man		2,430	4,860	2,430	20 to 25	– – –	133
– 8 –		1,137	2,516	1,258	25	24	– – –
1 – –		3,692	7,384	3,692	7	7	369
1 – –		2,531	– –	2,531	14	– – –	253
– 4 –	to 1 – –	4,763	5,402	4,289	25	*Vide* Paddy Land	*Vide* Paddy Land.
1 – –		6,762	13,524	6,752	15	1	675
1 – –		11,517	21,696	11,517	6	1	1,150
1 – –		1,370	– –	1,370	– –	– – –	*Vide* Paddy Land.
– 8 –		1,429	3,809	1,385	12	12	ditto.
– – –		2,490	5,669	2,556	30	20	247
– 12 –		43,306	75,230	42,965	16 2 8	5 13 4	2,827
– – –		964	– –	9,651	– –	– – –	394
– – –		125	– –	6,731	—	—	—
– – –		1,217	– –	1,27,087	– –	– – –	286
– – –		– – –	– –	63,980	—	—	—
1 – –	to 4 – –	1,914	– –	1,47,077	– –	– – –	3,391
2 – –	,, 20 – –	1,033	– –	3,327	– –	– – –	332
– – –		– – –	– –	10,187	—	—	—
– – –		525	– –	5,598	– –	– – –	585
2 – –	to 550 – –	409	– –	8,677	– –	21	—
2 – –	,, 550 – –	240	– –	4,426	– –	– – –	67
– – –		4,631	– –	2,80,565	—	—	—
– – –		– – –	– –	470	—	—	—
1 4 –	to 20 – –	381	– –	4,341	– –	– – –	431
– – –		11,439	– –	6,72,117	– –	21	5,436
– – –		7	– –	2,227	—	—	—
– – –		– – –	– –	720	—	—	—
– – –		3	– –	450	—	—	—
– – –		– – –	– –	550	—	—	—
– – –		7	– –	8,100	—	—	—
– – –		– – –	– –	2,568	—	—	—
– – –		– – –	– –	1,000	—	—	—
– – –		– – –	– –	1,037	—	—	—
– – –		17	– –	16,652	—	—	—
– – –		11	– –	677	—	—	—
– – –		8	– –	119	—	—	—
– – –		12	– –	456	—	—	—
– – –		– – –	– –	1,689	—	—	—
– – –		21	– –	805	—	—	—
– – –		– – –	– –	110	—	—	—
– – –		– – –	– –	110	—	—	—
– – –		5	– –	110	—	—	—
– – –		57	– –	4,066	—	—	—
1 – –	to 5 – –	42,197	– –	1,78,822	– –	– – –	17,882
1 – –	,, 4 – –	13,539	– –	45,108	—	—	—
1 – –	,, 5 – –	96,195	– –	4,25,656	– –	– – –	40,620
– – –		31,166	– –	1,02,111	—	—	—
2 8 –	& 5 – –	73,539	– –	3,23,617	– –	– – –	31,446
1 – –	to 4 – –	15,421	– –	49,381	– –	– – –	4,874
– – –		– – –	– –	25,620	—	—	—
1 – –	to 5 – –	64,565	– –	2,60,521	– –	– – –	26,049
1 – –	,, 5 – –	55,554	– –	2,31,621	– –	428	23,162
1 – –	,, 5 – –	28,342	– –	97,320	– –	– – –	9,711
1 – –	,, 5 – –	78,987	– –	3,42,437	– –	– – –	32,301
1 – –	,, 4 – –	12,126	– –	42,943	– –	– – –	4,286
1 – –	,, 5 – –	33,705	– –	1,40,492	– –	– – –	13,976
– 14 7	to 4 – –	5,45,336	– –	22,65,649	– –	428	2,04,307

BRITISH BURMAH—(A.)—Detailed Statement of Imperial Rates and Taxes—*continued.*

DESCRIPTION OF REVENUE.	DISTRICTS.	1858-59. Rate of Tax. From	To	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
		Rs. a. p.	*Rs. a. p.*	*No.*	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
BIRDS' NESTS	Bassein	- - -	- - -	1	- -	185	- -	- -	- -
	Tavoy	- - -	- - -	- -	- -	3,200	- -	- -	- -
	Mergui	- - -	- - -	- -	- -	2,070	- -	- -	- -
	Akyab	- - -	- - -	1	- -	40	- -	- -	- -
	Ramree	- - -	- - -	- -	- -	- -	- -	- -	- -
		- - -	- - -	2	- -	5,495	- -	- -	- -
LAND TAX IN LIEU OF CAPITATION TAX.	Toungoo	- - -	- - -	- -	- -	- -	- -	- -	- -
	Henzada	- - -	- - -	- -	- -	- -	- -	- -	- -
	Bassein	- - -	- - 1	2,745	- -	7,978	- -	- -	716
	Akyab	- - -	1 8 -	- -	67	10,198	- -	- -	2,132
				Houses and persons.					
	Prome	- 4 5	to 5 - -	4,674	71	14,973	- -	32	1,469
	Thayetmyo	- 4 5	„ - 8 5	1,232	21	4,759	- -	226	438
	Rangoon	- - 1	„ - - 4	2,069	- -	26,883	- -	- -	*Vide* Paddy Land.
	Ramree	- - 1	per square foot.	590	3,62,317	1,887	- -	- -	396
		- - -	- - -	11,310	3,62,476	66,678	- -	258	5,151
KAREEN CHIEFS' TRIBUTE.	Toungoo	- - -	- - -	- -	- -	3,874	- -	- -	- -
HILL TRIBUTE	Akyab	- - -	- - -	- -	- -	1,260	- -	- -	178
LICENSE FEE FOR FELLING IRON-WOOD TREE.	Akyab	- - -	- - -	- -	- -	- -	- -	- -	- -
	Sandoway	- - -	- - -	- -	- -	- -	- -	- -	- -
	Ramree	- - -	- - -	- -	- -	- -	- -	- -	- -
		- - -	- - -	- -	- -	- -	- -	- -	- -
THITSEE	Shwè-gyeen	- - -	- - -	- -	- -	- -	- -	- -	- -
PETROLEUM WELLS	Ramree	2 - -	per well - -	28	- -	56	- -	- -	12
EXCISE REVENUE.									
RUM IMPORTED	Maulmain	100 - -	and 200 - -	15	- -	2,200	- -	- -	- -
	Henzada	- - -	- - -	- -	- -	8,935	—	—	—
	Akyab	- - -	- - -	- -	- -	80	—	—	—
	Prome	100 - -	to 2,500 - -	3	- -	4,660	- -	- -	- -
	Thayetmyo	100 - -	to 8,500 - -	8	- -	11,250	- -	- -	- -
	Rangoon	- - -	- - -	3	- -	1,17,250	—	—	—
	Sandoway	- - -	- - -	1	- -	300	—	—	—
		- - -	- - -	30	- -	1,44,675	- -	- -	-
RUM, COUNTRY	Maulmain	160 - -	to 42,060 - -	12	- -	97,807	- -	- -	- -
	Henzada	- - -	- - -	- -	- -	- -	- -	- -	- -
	Tavoy	- - -	- - -	1	- -	4,590	- -	- -	- -
	Mergui	- - -	- - -	- -	- -	6,420	- -	- -	- -
	Akyab	- - -	- - -	- -	- -	16,615	- -	- -	- -
	Prome	- - -	- - -	*Vide* Rum Imported.		—	—	—	—
	Thayetmyo	- - -	- - -	*Vide* Rum Imported.		—	—	—	—
	Rangoon	- - -	- - -	- -	- -	- -	- -	- -	- -
	Sandoway	- - -	- - -	1	- -	920	- -	- -	- -
	Ramree	- - -	- - -	1	- -	5,000	- -	- -	- -
		- - -	- - -	15	- -	1,31,352	- -	- -	- -

BRITISH BURMAH—(A.)—Detailed Statement of Imperial Rates and Taxes—*continued.*

1871-72.

Rate of Tax. From	Rate of Tax. To	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
Rs. a. p.	*Rs. a. p.*	*No.*	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
- -	-	1	- -	50	—	—	—
- -	- -	- - -	- -	10,400	—	—	—
- -	- -	- -	- -	1,000	—	—	—
- -	- -	1	- -	77	—	—	—
- -	- -	1	- -	20	—	—	—
-	- -	3	- -	11,547	—	—	—
1½ pie - - - -	-	1,980	11,61,192	9,072	—	—	—
ditto - -	- -	1,019	- -	4,815	- -	- - -	365
- - 1 and	- - 1½	3,399	- -	13,780	- -	- - -	1,294
1 8 -		2,683	74	11,221	- -	- - -	836
		Houses and persons.					
- - 1¼ to	- - 3	5,264	179	19,647	- -	338	1,600
		Houses and persons.					
- - 6 „	3 - -	3,824	69	7,973	- -	344	631
- - 1 „	- - 4	7,858	- -	74,477	- -	- - -	5,096
- - 1 per square foot	-	519	3,49,128	1,818	- -	- - -	173
- - -	-	26,546	15,10,642	1,42,803	- -	682	9,995
- - -	-	- - -	- -	2,977	—	—	—
- - -	-	- - -	- -	55	- -	- -	5
- - -	-	3	- -	115	—	—	—
- - -	-	- - -	- -	1,793	—	—	—
1 - -		111	- -	504	—	—	—
- - -	-	114	- -	2,412	—	—	—
- - -	-	- - -	- -	315	—	—	—
2 - - per well - -	-	51	- -	102	- -	- - -	7
500 - - and	600 - -	10	- -	5,700	—	—	—
—		—	—	—	—	—	—
—		—	—	—	—	—	—
5 - - to	4,200 - -	104	- -	11,408	—	—	—
5 - - „	4,800 - -	50	- -	12,572	—	—	—
—		—	—	—	—	—	—
—		—	—	—	—	—	—
- - -	-	164	- -	29,680	—	—	—
10,000 to	50,000	2	- -	60,000	—	—	—
- - -	- -	- - -	- -	4,550	—	—	—
- - -	- -	1	- -	1,900	—	—	—
- - -	- -	- - -	- -	3,000	—	—	—
- - -	- -	- - -	- -	5,750	—	—	—
—		—	—	—	—	—	—
—		—	—	—	—	—	—
- - -	- -	4	- -	93,500	—	—	—
- - -	- -	1	- -	150	—	—	—
- - -	- -	3	- -	900	—	—	—
- - -	- -	11	- -	1,69,750	—	—	—

BRITISH BURMAH—(A.)—Detailed Statement of Imperial Rates and Taxes—*continued.*

DESCRIPTION OF REVENUE.	DISTRICTS.	1858-59. Rate of Tax. From	To	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
		Rs. a. p.	Rs. a. p.	*No.*	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
UNFERMENTED LIQUORS.	Maulmain	2,352	and 5,460	2		7,812			
	Rangoon			1		4,900			
	Ramree			28		1,620			
				31		14,332			
DRUGS OTHER THAN OPIUM AND GUNJAH.	Maulmain	1,900		9		17,100	—	—	—
	Akyab					15,341	—	—	—
				9		32,441	—	—	—
WINES AND SPIRITS IMPORTED.	Bassein			2		300			
TODDY FARM	Toungoo								
	Henzada					720			
	Shwè-gyeen					2,190			
	Bassein			9		3,591			
				9		6,501			
OPIUM	Maulmain	110	and 243	5		1,082			
	Toungoo								
	Henzada					7,300			
	Shwe-gyeen					7,334	—	—	—
	Bassein			11		16,370			
	Tavoy			1		10,767			
	Mergui					11,611			
	Akyab					41,008			14,096
	Thayetmyo								
	Rangoon			1		34,100			
	Sandoway			1		650			
	Ramree			24		10,454			
				43		1,40,676			14,096
SALE OF OPIUM	Moulmain					59,940			
	Rangoon					1,11,552	—	—	—
						1,71,492			
GUNJAH	Maulmain	110	and 500	2		610			
	Toungoo								
	Henzada								
	Shwè-gyeen					535	—	—	—
	Bassein			6		832			
	Akyab					7,172			
	Thayetmyo								
	Rangoon			1		4,900			
	Sandoway			1		31	—	—	—
	Ramree			1		500	—	—	—
				11		14,580			
FERMENTED LIQUORS	Shwè-gyeen					8,114	—	—	—
	Tavoy			1		2,562			
	Mergui								
	Akyab					19,524			
	Prome					*Vide* Rum Imported			
	Thayetmyo					*Vide* Rum Imported			
	Rangoon								
	Sandoway			1		1,060			
	Ramree			4		288			
				6		31,548			

BRITISH BURMAH—(A.)—Detailed Statement of Imperial Rates and Taxes—*continued.*

1871-72.

Rate of Tax. From	Rate of Tax. To	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
Rs. a. p.	*Rs. a. p.*	*No.*	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
300 - -	to 34,500 - -	8	- -	43,575	—	—	—
- - -	- - -	48	- -	7,607	—	—	—
- - -	- - -	23	- -	3,035	—	—	—
- - -	- - -	79	- -	54,217	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
- - -	- - -	8	- -	3,200	—	—	—
- - -	- - -	17	- -	9,165	—	—	—
- - -	- - -	- - -	- -	8,957	—	—	—
- - -	- - -	- - -	- -	3,799	—	—	—
- - -	- - -	13	- -	2,005	—	—	—
- - -	- - -	30	- -	23,926	—	—	—
62,000		1	- -	62,000	—	—	—
- - -	- - -	1	- -	10,600	—	—	—
- - -	- - -	- - -	- -	8,700	—	—	—
	—	—	—	—	—	—	—
- - -		1	- -	13,333	—	—	—
- - -	- - -	1	- -	8,280	—	—	—
- - -	- - -	- - -	- -	8,400	—	—	—
- - -	- - -	- - -	- -	63,198	—	—	—
18,860 - -	and 34,560 - -	1	- -	53,420	—	—	—
- - -	- - -	4	- -	*2,40,950	—	—	—
- - -	- - -	1	- -	4,200	—	—	—
- - -	- - -	4	- -	27,866	—	—	—
- - -	- - -	14	- -	50,09,458	—	—	—
- - -	- - -	- - -	- -	75,792	—	—	—
	—	—	—	—	—	—	—
- - -	- - -	- - -	- -	75,792	—	—	—
2,500		1	- -	2,500	—	—	—
- - -	- - -	1	- -	1,090	—	—	—
- - -	- - -	- - -	- -	315	—	—	—
	—	—	—	—	—	—	—
- - -	- - -	1	- -	900	—	—	—
- - -	- - -	- - -	- -	3,500	—	—	—
450		1	- -	450	—	—	—
- - -	- - -	1	- -	8,600	—	—	—
	—	—	—	—	—	—	—
	—	—	—	—	—	—	—
2,950		5	- -	17,355	—	—	—
	—	—	—	—	—	—	—
- - -	- - -	1	- -	1,087	—	—	—
- - -	- - -	- - -	- -	2,520	—	—	—
- - -	- - -	- - -	- -	24,635	—	—	—
- - -	- - -	Imported.	—	—	—	—	—
- - -	- - -	Ditto.	—	—	—	—	—
- - -	- - -	1	- -	10,000	—	—	—
- - -	- - -	19	- -	1,317	—	—	—
- - -	- - -	1	- -	400	—	—	—
- - -	- - -	22	- -	39,959	—	—	—

* Includes sale of opium.

BRITISH BURMAH—(A.)—Detailed Statement of Imperial Rates and Taxes—*continued.*

DESCRIPTION OF REVENUE.	DISTRICT.	1858-59.							
		Rate of Tax. From	Rate of Tax. To	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
				No.		*Rs.*	*Rs.*	*Rs.*	*Rs.*
ARRACK FARM -	Toungoo - - - - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Bassein - - - - - -	-	-	11	- -	13,711	- -	- -	- -
		-	-	11	- -	13,711	- -	- -	- -
FOREST SALE OF TIMBER REMOVED BY PURCHASERS.	- - - - -	- -	- -	- -	- -	71,107	- -	- -	- -
SALE OF TIMBER BROUGHT TO DEPÔT.	- - - - -	- -	- -	- -	- -	- -	- -	- -	- -
DUTY ON FOREIGN TIMBER.	- - - - -	- -	- -	- -	- -	- -	- -	- -	- -
PERMIT FEES - -	- - - - -	- -	- -	- -	- -	- -	- -	- -	- -
SALE OF CONFISCATED DRIFT OR WAIF TIMBER.	- - - - -	- -	- -	- -	- -	- -	- -	- -	- -
MISCELLANEOUS -	- - - - -	- -	- -	- -	-	- -	- -	- -	- -
ASSESSED TAXES AT 2 PIE PER RUPEE.	Maulmain—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Miscellaneous - - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Toungoo—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Miscellaneous - - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Henzada—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Miscellaneous - - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Shwè gyeen—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Bassein—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Miscellaneous - - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Tavoy—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Mergui—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Akyab—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Miscellaneous - - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Prome—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Thayetmyo—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Rangoon—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Miscellaneous - - - -	- -	- -	- -	-	- -	- -	-	- -
	Sandoway—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Ramree—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
	General collections - - -	- -	- -	- -	- -	- -	- -	- -	- -
	Forest—								
	Deductions from official salaries -	- -	- -	- -	- -	- -	- -	- -	- -
		- -	- -	- -	- -	- -	- -	- -	- -

BRITISH BURMAH—(A.)—Detailed Statement of Imperial Rates and Taxes—*continued.*

1871-72.

Rate of Tax. From	Rate of Tax. To	Number of Persons.	Area in Acres.	Amount of Revenue.	Value of Produce of Land per Acre.	Net Assets of Land per Acre.	Cost of Collection.
		No.	*Acres.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
- -	- -	1	- -	15,000	—	—	—
- -	- -	1	- -	2,500	—	—	—
- - -	- -	2	- -	17,500	—	—	—
- - -	- -	- - -	- -	2,42,786	—	—	—
- - -	- -	- - -	- -	2,92,603	—	—	—
- - -	- -	- - -	- -	1,64,670	—	—	—
- - -	- -	- - -	- -	30,750	—	—	—
- - -	- -	- - -	- -	21,044	—	—	—
- - -	- -	- - -	- -	20,547	—	—	—
- - -	- -	- - -	- -	3,144	—	—	—
- - -	- -	- - -	- -	8,508	—	—	—
- - -	- -	- - -	- -	4	—	—	—
- - -	- -	- - -	- -	671	—	—	—
- - -	- -	- - -	- -	2,084	—	—	—
- - -	- -	- - -	- -	17	—	—	—
- - -	- -	- - -	- -	964	—	—	—
- - -	- -	- - -	- -	3,428	—	—	—
- - -	- -	- - -	- -	399	—	—	—
- - -	- -	- - -	- -	835	—	—	—
- - -	- -	- - -	- -	605	—	—	—
- - -	- -	- - -	- -	1,171	—	—	—
- - -	- -	- - -	- -	2,857	—	—	—
- - -	- -	- - -	- -	3	—	—	—
- - -	- -	- - -	- -	568	—	—	—
- - -	- -	- - -	- -	543	—	—	—
- - -	- -	- - -	- -	471	—	—	—
- - -	- -	- - -	- -	170	—	—	—
- - -	- -	- - -	- -	1,928	—	—	—
- - -	- -	- - -	- -	8,055	—	—	—
- - -	- -	- - -	- -	262	—	—	—
- - -	- -	- - -	- -	844	—	—	—
- - -	- -	- - -	- -	4,247	—	—	—
- - -	- -	- - -	- -	838	—	—	—
- - -	- -	- - -	- -	159	—	—	—
- - -	- -	- - -	- -	8,256	—	—	—
- - -	- -	- - -	- -	35,144	—	—	—
- - -	- -	- - -	- -	31	—	—	—
- - -	- -	- - -	- -	357	—	—	—
- - -	- -	- - -	- -	74	—	—	—
- - -	- -	- - -	- -	604	—	—	—
- - -	- -	- - -	- -	459	—	—	—
- - -	- -	- - -	- -	959	—	—	—
- - -	- -	- - -	- -	88,654	—	—	—

BRITISH BURMAH—*continued.*

(B.)—ABSTRACT of IMPERIAL RATES and TAXES.

1858-59.

	Rate of Tax (Average). From	Rate of Tax (Average). To	Number of Persons.	Area in Acres.	Amount of Revenue.	Average Value of Produce of Land per Acre.	Net Assets of Land per Acre (Average).	Cost of Collection.
LAND REVENUE:	*Rs. a. p.*	*Rs. a. p.*	*No.*	*Acres.*	*Rs.*	*Rs. a. p.*	*Rs. a. p.*	*Rs.*
Paddy land	– 10 8	to 2 2 11	1,57,855	12,06,620	19,97,757	15 – –	4 – –	2,72,794
Garden or orchard land	– 11 6	„ 2 5 1	64,750	80,823	1,76,537	61 14 9	19 8 7	10,039
Miscellaneous	– 6 1	„ 1 15 5	17,654	49,286	1,07,145	73 9 10	35 2 4	4,436
Toungya or hill cultivation	– – 7	„ – 14 9	31,015	53,168	38,206	17 1 4	7 1 4	2,536
Inland and sea fisheries	–	–	5,981	–	4,13,160	–	95 – –	3,201
Turtle bank	–	–	15	–	5,372	–	–	–
Bees' wax	–	–	26	–	1,014	–	–	–
Capitation tax	1 1 2	„ 3 5 4	3,12,488	–	12,79,028	–	6 – –	1,02,311
Land tax in lieu of capitation tax.	–	–	11,310	3,62,176	66,678	–	258 – –	5,151
Birds' nests	–	–	2	–	5,495	–	–	–
Kareen chiefs' tribute	–	–	–	–	3,874	–	–	–
Hill tribute	–	–	–	–	1,260	–	–	178
License fee for felling iron wood tree.	–	–	–	–	–	–	–	–
Thitsee	–	–	–	–	–	–	–	–
Petroleum wells	2 – –		28	–	56	–	–	12
TOTAL LAND REVENUE	–	–	–	–	40,95,582	–	–	–
EXCISE REVENUE:								
Rum, imported	–	–	–	–	1,44,675	–	–	–
„ country	–	–	–	–	1,31,352	–	–	–
Unfermented liquors	–	–	–	–	14,332	–	–	–
Drugs other than opium and gunjah.	–	–	–	–	32,441	—	—	—
Wines and spirits imported	–	–	–	–	300	–	–	–
Toddy farm	–	–	–	–	6,501	–	–	–
Opium	–	–	–	–	1,40,676	–	–	–
Sale of opium	–	–	–	–	1,71,492	–	–	–
Gunjah	–	–	–	–	14,580	–	–	–
Fermented liquors	–	–	–	–	31,548	–	–	–
Arrack farm	–	–	–	–	13,711	–	–	–
TOTAL EXCISE REVENUE	–	–	–	–	7,01,608	–	–	–
FOREST	–	–	–	–	71,107	–	–	–
ASSESSED TAXES	–	–	–	–	–	–	–	–

BRITISH BURMAH—*continued.*

(B.)—ABSTRACT OF IMPERIAL RATES AND TAXES.

1871-72.

Rate of Tax (Average). From	Rate of Tax (Average). To	Number of Persons.	Area in Acres.	Amount of Revenue.	Average Value of Produce of Land per Acre.	Average Net Assets of Land per Acre.	Cost of Collection.
Rs. a. p.	*Rs. a. p.*	*No.*	*Acres.*	*Rs.*	*Rs. a. p.*	*Rs. a. p.*	*Rs.*
– 4 –	to 2 1 4	219,667	18,43,026	29,94,206	17 3 8	5 11 –	3,48,404
– 12 –	„ 2 5 3	90,645	1,27,112	2,46,799	8 2 5	16 2 6	12,406
– 7 3	„ 1 11 2	65,119	91,242	1,52,194	77 – –	42 13 6	8,561
– 12 –		43,306	75,230	42,965	16 2 8	5 13 4	2,827
–	–	11,439	– –	6,72,117	21 – –	– – –	5,436
–	–	17	– –	16,652	—	—	—
–	–	57	– –	4,066	—	—	—
– 14 7	to 4 – –	545,336	– –	22,65,649	– –	428 – –	2,04,307
–	–	26,546	15,10,642	1,42,803	– –	682 – –	9,995
–	–	3	– –	11,547	—	—	—
–	–	– – –	– –	2,977	—	—	—
–	–	– – –	– –	55	– –	– – –	5
–	–	114	– –	2,412	—	—	—
–	–	– – –	– –	315	—	—	—
2 – –	per well.	51	– –	102	– –	– – –	7
–	–	– – –	– –	65,54,859	—	—	—
–	–	– – –	– –	29,680	—	—	—
–	–	– – –	– –	1,69,750	—	—	—
–	–	– – –	– –	54,217	—	—	—
—		—	—	—	—	—	—
–	–	– – –	– –	3,200	—	—	—
–	–	– – –	– –	23,926	—	—	—
–	–	– – –	– –	5,00,945	—	—	—
–	–	– – –	– –	75,792	—	—	—
–	–	– – –	– –	17,355	—	—	—
–	–	– – –	– –	39,959	—	—	—
–	–	– – –	– –	17,500	—	—	—
–	–	– – –	– –	9,32,324	—	—	—
–	–	– – –	– –	7,72,400	—	—	—
–	–	– – –	– –	88,654	—	—	—

BRITISH BURMAH—*continued.*

(C.)—STATEMENT showing the NET REVENUE on Account of LOCAL

DESCRIPTION OF RECEIPTS.	RATES.	Amount Collected in 1870–71.	Amount Estimated for 1871–72.
		Rs.	*Rs.*
CESSES on LAND REVENUE:			
Road Fund	1 rupee per cent.	37,514	37,520
Village Chowkeedaree Fund	2¾ rupees „	1,03,162	1,03,177
School (or Education) Fund	1 rupee „	37,514	37,520
District Dâk	¼ rupee „	9,380	9,370
		1,87,570	1,87,587
HOUSES:			
Municipal tax on land covered by houses	1 rupee per square foot	64,575	62,673
„ „ „ „	39 rupees per 11,500 square feet		
„ „ „ „	*Rs.* 19. 8. per 6,000 „ „		
„ „ „ „	*Rs.* 6. 12. per 2,000 „ „	44,349	47,660
„ „ „ „	*Rs.* 5. 4. per 1,600 „ „		
„ „ „ „	*Rs.* 3. 12. per 1,250 „ „		
„ „ on houses not exceeding 25 rupees in value.	12 annas		
„ „ on houses not exceeding 100 rupees in value.	*Rs.* 1. 8.	3,158	4,000
„ „ on houses exceeding 100 rupees in value.	*Rs.* 2. 4. per cent.		
„ „ on houses containing 2 posts	8 annas		
„ „ on houses containing 3 „	*Rs.* 1. 8.		
„ „ on houses containing 4 „	*Rs.* 2. 8.	16,923	20,160
„ „ on houses containing 5 „	4 rupees		
„ „ on houses containing 6 „	7 rupees		
„ „ on houses containing 7 „	10 rupees		
„ „ on average rate on each holding.	*Rs.* 1. 15.	4,499	4,800
Chowkeedaree tax	4 pies per square foot	1,179	1,200
„ „	From 12 annas to 24 rupees per house	29,534	30,800
Municipal tax on Government buildings	1 anna per square foot	1,458	3,238
Sale of town land	Sold by auction, the upset price ranging from 1½ to 3 annas per square foot.	25,020	30,986
Rent from town lands unsold	3 annas per square foot	74,816	77,061
„ paddy land	*Rs.* 13. 12. per acre	55	55
„ „ „	Unknown	230	230
Grazing fees	Sold by auction to the highest bidder	4,143	3,790
		2,69,939	2,86,653

BRITISH BURMAH—*continued.*

RATES and TAXES for 1870-71, and Estimated for 1871-72.

AUTHORITY.	FUNDS TO WHICH CREDITED.	REMARKS.
Financial Department, Letter No. 461, dated the 25th January 1865.	Five per Cent. Cess Fund - -	The cess is leviable for local purposes on the following taxes only: Land, fisheries, net, turtle banks and palm trees. It is not leviable in towns where municipal tax is collected. The cess is in addition to the rates on land, fisheries, &c., and is levied at the rate of 5 per cent. on the annual amount of such taxes.
Act XIV. of 1856, and Act XXII. of 1864 -	Municipal and Cantonment Funds,	Cost of police, conservancy, construction of roads and bridges in towns, cantonments and districts; for construction and repairs to bazaars, and for the general improvement fo towns, cantonments and districts.
Financial Resolution, No. 247, of 31st January 1867.	Municipal Fund.	
Local rules sanctioned by the Most Noble the Governor General in Council in 1853 and 1854, and Act XIV. of 1856.	Land Sale and Rent and Municipal Funds.	
Act XXII. of 1864, and Local - - -	Cantonment and Dalhousie Park Funds.	

BRITISH BURMAH—*continued.* - - - - - - - -

(C.)—STATEMENT showing the Net Revenue on Account of Local

DESCRIPTION OF RECEIPTS.	RATES.	Amount Collected in 1870–71.	Amount Estimated for 1871–72.
		Rs.	*Rs.*
TOLLS AT FERRIES:			
Lease of ferries - - - - -	Sold by auction - - - - -	24,349	25,910
Passenger boat license - - - -	At 1 rupee per boat - - - -	1,982	2,420
		26,331	28,330
CONSUMPTION IN TOWN MARKETS:			
Bazar stall rents - - - - -	Fixed rates from 6 rupees to 60 rupees payable in advance.	1,09,315	1,17,870
„ stall rents - - - - -	Sold by auction - - - - -	15,419	14,875
„ tax - - - - - -	Daily, 2 annas per cart load - - -	6,483	3,754
„ tax - - - - - -	„ 6 pies per basket - - -	1,144	1,400
Slaughter-house license - - - -	Sold by auction annually - - -	15,820	16,000
„ „ - - - -	2 annas to 1 rupee per head of cattle slaughtered.	5,050	4,500
Wholesale and retail license - - -	From 75 rupees to 600 rupees - -	30,111	43,400
		1,83,342	2,01,799
SUMPTUARY TAXES:			
Hack carriage license - - - -	1 rupee per carriage - - - -	1,238	1,600
„ carriage license - - - -	3 rupees per „ - - - -	1,944	1,800
„ cart - - - - - -	8 annas per cart - - - - -	1,357	1,200
„ cart - - - - - -	1 rupee „ - - - - -	1,218	1,400
		5,757	6,000
MISCELLANEOUS RATES AND TAXES; EXCEPTIONAL ITEMS IN A FEW OF THE DISTRICTS ONLY:			
Lease of sand banks - - - -	Sold by auction, annually - - -	3,953	1,100
Tank fishery - - - - -	„ „ „ - - -	178	260
Sale of fruit trees - - - - -	„ „ „ - - -	859	1,405
Rent from wharves - - - -	„ „ „ - - -	- -	500
Rent from occupants of staging bungalow	8 annas for 6 hours - - - - 12 „ for 12 „ - - - - 1 rupee 8 annas for 24 hours - -	438	600
Rent from fuel shed - - - -	Fixed rates payable quarterly - -	60	48
Dock rent - - - - - -	10 rupees per vessel per month - -	285	400
Strand bank dues - - - - -	½ and 1 pie per square foot daily - -	2,414	1,000
„ „ - - - - -	1 anna per earthen jar daily - - -		
License for Burmese poays or theatres -	5 rupees per night - - - -	835	1,200
	Rs.	9,022	6,513

- - - - - - - - British Burmah—*continued.*

Rates and Taxes for 1870–71, and Estimated for 1871–72—*continued.*

Authority.	Funds to which Credited.	Remarks.
Act XIV. of 1856, and Local - - -	Municipal and District Funds -	Cost of police, conservancy, construction of roads and bridges in towns, cantonment and districts; for construction and repairs to bazaars, and for the general improvement of towns, cantonments and districts.
Local - - - - - - - -	Municipal and Town - -	
Act XIV. of 1856 - - - - -	Municipal Funds - - -	
Act XXIII. of 1868 - - - - -		
Act XXII. of 1864, and Act XIV. of 1865 -	Cantonment and Municipal Funds	For construction of roads and bridges, and for general improvement of towns and cantonments.
Act XXII. of 1864, and Act XIV. of 1865, and Local.	Cantonment, Municipal, and Dalhousie Park Funds.	

Appendix, No. 15.

CENTRAL PROVINCES.

(No. 27, of 1873.)

Government of India.—Financial Department.—Accounts.

To His Grace the Duke of *Argyll*, K.T., Her Majesty's Secretary of State for India.

My Lord Duke, Fort William, 10 January 1873.

In continuation of our Despatch, No. 6, dated 3rd January 1873, we have the honour to forward a copy of a letter from the Chief Commissioner, Central Provinces, and of its enclosures, furnishing the Returns of Imperial and local rates and taxes which have been called for by the Select Committee of the House of Commons on Indian Finance.

We have, &c.
(signed) *Northbrook.*
R. Temple.
B. H. Ellis.
H. W. Norman.
A. Hobhouse.
E. C. Bayley.

Government of India.—Financial Department.

Enclosure to Despatch, No. 27, of 1873.

From *J. W. Neill*, Officiating Secretary to the Chief Commissioner, Central Provinces, to the Secretary to the Government of India, Financial Department (No. 4534), dated 30th December 1872.

I AM now directed to forward the Returns of Imperial and local taxation required in Financial Resolution, No. 4510, dated 23rd October 1871.

2. On the receipt of the resolution, the circular* annexed to this letter was issued by the Chief Commissioner to all Deputy Commissioners, and they were directed to submit the information required in the shape of five Returns.

These Returns have been furnished, and have been checked as carefully as possible in this office, and Returns for the whole Province compiled from the separate district Returns are now submitted to Government.

* No. 59, dated 27th November 1871.

3. It has been a matter of considerable difficulty to obtain accurate figures for the year 1858–59. The records in the offices of Deputy Commissioners were very defective, and as the audit and control of the finances of different parts of the Province were carried on partly at Nágpúr, partly at Allahabad; and as the Central Provinces have been pieced together since 1859, it will be easily imagined that the information required was not readily obtainable, and that means of checking at head-quarters the figures supplied from individual districts were extremely deficient. This has been the cause of the long delay in submitting the information. A few remarks on each statement will be made to explain any discrepancies that exist between the figures given and the financial figures, and any other matters that may seem to require notice.

Statement I. Land revenue.

4. The land revenue collections for 1858–59 cannot be compared with the financial figures of the year for the reason given in paragraph 3. The collections for 1870–71 are given as 59,25,557 rupees. The Deputy Accountant General shows in the Finance Accounts for the year, 60,48,534 rupees; but of this sum 1,04,000 rupees consist of tribute erroneously credited and shown by him under land revenue, and the balance is due to difference in crediting under this or that head of proceeds of sales of waste lands, interest on the unpaid balance due given

from such sales, and other matters. The actual error it is, of course, impossible to trace to its source.

For 1871–72 the collections are given in Statement I. as 59,23,288 rupees. The Deputy Accountant General shows 59,38,911 rupees. This difference is again chiefly due to difference in the treatment of certain minor receipts. It may be remarked that the figures showing revenue show the revenue both including and excluding the district of Sambalpúr, which pays a small revenue. The column showing area under cultivation does not include Sambalpúr, as no measurements have ever been made there, and the area under cultivation is not known.

In the case of one or two districts the actual land revenue demand and collections for the actual year 1858–59 could not be ascertained; in such cases the demand and collections for the year immediately preceding the new settlement were taken, and they must be as nearly as possible the same as for the year 1858–59 itself, no change in the temporary settlements having been made in the interval. It must also be explained how in column 3 the total malguzari area in acres is so much greater in 1858–59 than in the years 1870 and 1871. The explanation is that in the first year the malguzari area included the whole land of the district under settlement, waste as well as cultivated land, all waste land being part of some village or other. At the new settlement large areas of waste or uncultivated land were reserved by Government, and these have not been settled with any one, and form therefore no part of the malguzari area.

Statement II. Excise.

5. The figures for 1858–59 have been taken from the earliest reports procurable. In some cases Deputy Commissioners could not furnish the actual figures for 1858–59; but as the excise revenue was invariably farmed in those years, and the amount of the farm did not materially vary, the figures given are as nearly correct as it is practicable to obtain any.

The Deputy Accountant General gives the total excise revenue for 1870–71 at 10,00,189 rupees, and for 1871–72 at 10,59,887 rupees. These figures differ so slightly from those given in the present Return that no explanation may be necessary.

Statement III. Forests.

6. The figures here given have been furnished by the Conservator of Forests, and they agree with the financial figures.

In 1858–59 any small forest revenue was included in land revenue. The Forest Department and Government Forests are creations since that time.

Statement IV. Assessed taxes.

7. The figures for 1858–59 show the collections under the Pandhari tax in the districts of the old Nagpur Province. For the other two years, 1870–71 and 1871–72, by assessed taxes is meant merely income tax.

The Deputy Accountant General shows, for 1870–71, 5,61,000 rupees as income tax collections. After deducting the tax on official salaries, and a small balance from previous years collected, the discrepancy has not been cleared.

For 1871–72 the financial figures closely approximate to these here given.

Statement V. Local rates and taxes.

8. It cannot be expected that the financial figures should exactly correspond with those here given, as here the actual cesses on the land revenue are shown.

In the same way, under pound receipts, the Deputy Accountant General shows gross receipts; the present statement shows only the balance after payment of all charges, which have first to be met before pound receipts become a local fund.

The Pandhari receipts do not differ materially in the financial books from those here given.

Under the other heads exact correspondence between the finance and present figures, which have been derived from Deputy Commissioners, cannot be expected.

Statement V. (*a*)

9. Here municipal rates and taxes are separately shown. It must be explained that the division of the octroi receipts into receipts from piece goods, on food stuffs, cattle, &c., can be no more than an estimate, and cannot pretend to accuracy. The octroi is generally farmed out, and the record of the articles entering the town on which octroi is paid, and the amount thus paid, is by no means complete.

The total municipal rates and taxes will not correspond with the financial figures of the Deputy Accountant General; first, because in 1870–71 the Government made a loan to the Nagpúr municipalities of 63,000 rupees, and in 1871–72 of 2,58,000 rupees, for the purpose of constructing the Ambajari reservoir; and secondly, because in these rates and taxes contributions and subscriptions from private individuals or from local funds in aid of municipal objects of importance are not shown in the present statements as rates and taxes, though they would find a place in the financial accounts. Were they to find a place here, local taxation might find a place twice over, and Government would be misled. The foregoing remarks will, the Chief Commissioner trusts, have sufficed to render the statements intelligible, and it may again be said that they have been prepared with much care, and at the expense of much labour.

I.—Land Revenue, Central Provinces.

YEAR.	Area under Cultivation in Acres.	Total Malguzari Area in Acres.	Money Value of the Gross Agricultural Produce of all kinds at average Market Rates of the Year.	Net Malguzari Profits or Net Assets of the Land.	Land Revenue.		Proportion which Land Revenue Demand bears		Rate per Acre of Land Revenue Demand on	
					Demand of the Year.	Actual Collections of the Year.	To Gross Produce (Col. 4).	To Net Malguzari Assets (Col. 5).	Cultivated Area.	Malguzari Area.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
			Rs.	*Rs.*	*Rs.*	*Rs.*			*Rs. a. p.*	*Rs. a. p.*
1858-59 -	11,107,950	51,069,420	8,49,98,872	86,70,489	* 56,24,285 55,24,995	* 53,35,848 52,53,629	6·5	63·72	- 7 1	- 1 9
1870-71 -	13,298,559	35,650,663	11,34,84,245	1,12,63,260	* 59,25,557 58,37,584	* 59,23,983 58,36,010	5·14	51·83	- 7 -	- 2 8
1871-72 -	13,270,663	35,661,578	10,45,65,673	1,13,20,691	* 59,23,288 58,35,315	* 59,21,573 58,33,600	5·58	51·72	- 7 -	- 2 7

* Inclusive of Sambalpúr

J. W. Neill, Officiating Secretary

II.—Excise Revenue.

YEAR.	On Spirits.				Fermented Liquors.		Unfermented Liquors.			Drugs other than Opium and Ganja.		Opium.		Ganja.		License Fees.		Fees, Forfeiture, and Miscellaneous Items.	Total Excise Revenue.
	Imported.	Rate of Duty.	Locally Manufactured.	Rate of Duty.		Rate of Duty.		Rate of Duty.		Rate of Duty.		Rate of Duty.		Rate of Duty.		For Sale of Imported Liquors.	For Sale of Country Liquors.		
		Rs	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs*		*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*R*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1858-59 -	–	–	-	From 1 rupee to 8 annas per gallon.	–	–	661	Farmed.		–	–	62,031	Farmed.	39,903	Farmed.	64	8,15,529	–	9,18,18
1870-71 -	–	–	4,05,479		–	–	45,507			–	–	1,63,701		72,118		3,096	3,09,691	6,583	10,06,17
1871-72 -	–	–	4,39,243		–	–	42,185			–	–	1,71,316		70,713		3,715	3,26,107	4,955	10,58,234

Chief Commissioner's Office, Central Provinces,
Nagpur, December 1872.

J. W. Neill, Officiating Secretary.

III.—Forests.

Statement of the Receipts of the Forest Department, Central Provinces, for the years 1870-71 and 1871-72.

Receipts.	1870-71.	1871-72.
	Rs.	*Rs.*
I.—Sale of Timber brought to depôts - - -	2,49,138	*15,997
II.—Ditto removed by purchasers - - - -	25,580	43,105
III.—Duty on foreign timber - - - - -	—	—
IV.—Permit fees - - - - - - - -	2,77,926	2,66,906
V.—Grazing dues - - - - - - - -	41,385	68,946
VI.—Sale of fruits - - - - - - -	38,972	38,087
VII.—Sale of confiscated timber - - - - -	2,525	565
VIII.—Fees and forfeitures - - - - - -	1,325	452
IX.—Miscellaneous receipts - - - - -	21,268	13,705
Total - - - *Rs.*	6,58,119	4,47,764

* The finance figures show 1,09,364 rupees in excess, which is on account of an adjustment of previous years.

J. W. Neill,
Officiating Secretary.

IV.—Assessed Taxes, Central Provinces.

Year.	Income Tax. Amount. Above 500 and below 750.	Above 750 and below 1,000.	Above 1,000 and below 1,500.	Above 1,500 and below 2,000.	Above 2,000 and below 10,000.	Above 10,000 and below 1,00,000.	Above 1,00,000.	Total.	Rate per Cent.	Tributes and Contributions from Native States (Feudatories)
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs*	*Rs.*	*Rs. a. p.*	*Rs.*
1858-59 -	–	–	–	–	–	–	–	53,429	–	89,495
1870-71 -	1,08,699	60,785	66,880	51,350	1,71,091	63,403	21,854	*5,44,062	3 2 –	1,35,661
1871-72 -	–	24,987	–	41,236	59,897	22,723	6,455	†1,55,298	1 – 8	1,35,661

* 87,046 rupees for deductions from official incomes.

† 27,790 rupees for deductions from official incomes.

J. W. Neill,
Officiating Secretary.

V.—Local Rates and Taxes.

CESSES ON THE LAND REVENUE.

—	Road Fund.				Village Chaukidari.				School Fund.				District Dak.				Patwari Fund.			
	Amount.	Rate per cent. on Land Revenue demand.	Rate per cent. on Gross Produce (Column 4 of Statement I).	Rate per cent. of Net Assets of Land (Column 5 of Statement I).	Amount.	Rate per cent. on Land Revenue demand.	Rate per cent. on Gross Produce (Column 4 of Statement I).	Rate per cent. on Net Assets of Land (Column 5 of Statement I).	Amount.	Rate per cent. on Land Revenue demand.	Rate per cent. on Gross Produce (Column 4 of Statement I).	Rate per cent. on Net Assets of Land (Column 5 of Statement I).	Amount.	Rate per cent. on Land Revenue demand.	Rate per cent. on Gross Produce (Column 4 of Statement I).	Rate per cent. on Net Assets of Land (Column 5 of Statement I).	Amount.	Rate per cent. on Land Revenue demand.	Rate per cent. on Gross Produce (Column 4 of Statement I).	Rate per cent. on Net Assets of Land (Column 5 of Statement I).
	Rs.	From one to three rupees.	*Rs. a. p.*	*Rs. a. p.*	*Rs.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs.*	From one to three rupees.	*Rs. a. p.*	*Rs. a. p.*	*Rs.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
1870-71 - -	1,36,539		- 1 11	1 3 5	2,758	- 7 -	- - 7	- 3 7	1,26,593		- 1 9	1 2 -	32,472	- 4 -	- - 5	- 4 7	1,10,411	5 - 5	- 4 7	2 8 -
1871-72 - -	1,36,706		- 2 1	1 3 4	1,140	- 3 3	- - 3	- 1 5	1,26,513		- 1 11	1 1 11	32,469	- 8 -	- - 6	- 4 7	1,10,685	5 - 6	- 4 8	2 5 2

OTHER TAXES.

—	On Houses.			On Trades and Professions (Pandhri).		Tolls on Roads and Ferries.	Market Dues.	Nazul Fund.	Pound Receipts.	Miscellaneous.	Fees on Dák Bungalows.	Sale of Nazul Land.	Fisheries.	Latrine Cess.	Water Rate.	Grazing Dues.	Proceeds from Gardens.	On Piece Goods and Metals.
	Amount.																	
	On Private Houses.	On Government Buildings.	Rate per cent. on Rental.	Amount.	Rate per cent. on Average Income.													
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs. a. p.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1870-71 - -	19,274	-	-	2,71,213	1 - 7	39,510	16,042	16,733	22,728	19,282	786	1,048	616	32,995	737	715	10,580	2,21,106
1871-72 - -	22,081	-	-	2,12,623	1 - 7	61,797	15,038	11,95	24,386	14,022	603	564	595	31,732	376	650	4,277	3,00,917

OCTROI ON CONSUMPTION

—	On Food and other Necessaries.	On other Merchandize.	On Cattle.	Total of all Local Rates and Taxes.
	Rs.	*Rs.*	*Rs.*	*Rs.*
1870-71 - -	81,181	19,972	10,411	11,93,702
1871-72 - -	1,18,122	37,915	11,357	12,76,521

J. W. Neill,
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V (*a*).—Municipal Rates and Taxes and Charges, Central Provinces.

Year.	INCOME.													CHARGES.							
	Rate on Houses.			Octroi on Consumption.				Fisheries.	Latrine Cess.	Water Rate.	Market Dues.	Grazing Dues.	Miscellaneous.	Total of Municipal Rates and Taxes of all Kinds.	For Collection.	For Police.	For Local Improvements.	For Establishment and Plant.	For Conservancy.	For Education and Dispensary.	Miscellaneous.	Total Charges of all Kinds.
	Amount.																				
	On Private Houses.	On Government Buildings.	Rate per cent. on Annual Rental.	On Piece Goods and Metals	On Food and other Necessaries.	On other Merchandize.	On Cattle.														
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1870–71	19,274	–	–	2,21,106	81,181	19,972	10,411	616	32,995	737	16,042	715	17,470	4,20,519	21,543	89,678	1,41,588	36,960	1,01,031	28,593	52,507	4,71,900
1871-72	22,081	–	–	3,00,917	1,18,122	37,915	11,357	595	31,732	376	15,038	650	13,672	5,52,455	28,194	88,211	2,40,267	32,089	1,12,440	37,858	36,978	5,76,037

J. W. Neill,
Officiating Secretary.

Appendix, No. 15.

BENGAL.

ACT No. X. of 1871.

PASSED BY THE LIEUTENANT-GOVERNOR OF BENGAL IN COUNCIL.

(*Received the assent of His Honor on the* 19*th July* 1871, *and of the Governor General on the* 12*th August* 1871.)

AN ACT to provide for Local Rating for the Construction and Maintenance of Roads and other means of Communication.

Preamble.

WHEREAS it is expedient to make provision for the construction and maintenance of roads and other means of communication within the territories of the Lieutenant-Governor of Bengal, and for that purpose to authorise the levy of a district road cess on immovable property situated therein, and also to constitute local committees for the assessment of the same, and for the management of the proceeds thereof; It is hereby enacted as follows:—

PART I.—PRELIMINARY.

Commencement of Act.

I. This Act may be called "The District Road Cess Act, 1871."

It may extend to all the territories subject to the Lieutenant-Governor of Bengal which are not included within the limits of the town of Calcutta, or of any place or town to which the provisions of the "District Municipal Improvement Act," or the "District Towns Act, 1868," respectively passed by the Lieutenant-Governor of Bengal, shall have been extended.

And it shall commence and take effect in any district or districts situated in the said territories to which the said Lieutenant-Governor shall extend it by any order published in the "Calcutta Gazette," and thereupon this Act shall commence and take effect in such district or districts on the day which shall be in such order provided for the commencement thereof.

Power to fix cess year.

II. The Lieutenant-Governor shall, by an order published in the "Calcutta Gazette," fix the date from which all the cesses leviable under this Act in any district shall take effect therein, and the cess year in such district shall run from that date.

Interpretation.

III. In this Act the words in this section mentioned shall have the meanings therein attributed to them respectively, except where, from the context, a contrary intention appears:

"House."

"House" includes any shop or warehouse or place of business or factory, or other building or buildings within the same inclosure.

"Land."

"Land" means land which is cultivated, uncultivated, or covered with water.

"Estate."

"Estate" means:—

1. Any land or share in land subject to the payment to Government of an annual sum in respect of which the name of a proprietor is entered on the register known as the general register of all revenue-paying estates, or in respect of which a separate account may, in pursuance of Section X. or Section XI. of Act XI. of 1859, have been opened;
2. Any land or share in land entered in the register of revenue-free tenures;
3. Any land the revenue or rent of which may be payable directly to the collector or any person specially appointed by him to collect the same;
4. Any land acquired under any rules issued by or under authority of Government for the sale, grant, or clearance of waste lands.

"Tenure."

"Tenure" includes every interest in land, whether rent-paying or not, save an estate as above defined, and save the interest of a cultivating ryot.

"Collector."

"Collector" includes any person vested with the powers of a collector.

"District."

"District" means the portion of territory throughout which any person vested with the powers of a collector is authorised to exercise such powers.

"Immovable property."

"Immovable property" includes lands, houses, and all benefits to arise out of land and things attached to the earth, or permanently fastened to anything which is attached to the earth; but does not include crops of any kind.

"Holder

"Holder of an estate or tenure" means all or any of the holders thereof; and where two or more persons are jointly holders thereof, they shall be jointly and severally liable under this Act. "Holder of an estate or tenure."

"Cultivating ryot" means a person cultivating land and paying rent therefor not exceeding 100 rupees per annum. "Cultivating ryot."

"Annual value of land" means the total rent which is paid, or if no rent is actually paid, would be reasonably expected to be payable during the year by all the cultivating ryots thereof, or by other persons in actual use and occupation thereof. "Annual value of land."

IV. From and after the commencement of this Act in any district within the said territories subject to the Lieutenant-Governor of Bengal, all immovable property situated therein shall be liable to the payment of a district road cess, to be applied to the construction and maintenance of roads and other means of communication within the said district, and to be assessed thereto by the District Committee in manner as hereinafter is provided, and such road cess shall be recoverable from the several owners and occupiers of such property in the proportions and in the manner as are hereinafter provided. All immovable property to be liable to a road cess.

Part II.—Road Cess on Land.

Valuation.

V. Upon the commencement of this Act in any district, the Collector shall cause a proclamation to be issued, requiring every holder of any estate or tenure of which the annual Government revenue or rent shall exceed 100 rupees, severally to lodge at the Collector's office within one month a return of all lands comprised in his estate or tenure in the form of Schedule (A) hereto annexed, and containing the particulars in such form set forth. The Collector shall cause such proclamation to be published by affixing a copy thereof in some conspicuous place in the office of such Collector, in every civil court, in every police station, and in the office of every sub-divisional officer within the district. Proclamation to make return of lands to be issued.

VI. The Collector shall, so soon as may be after the publication of such proclamation, cause a notice to be served in the form in Schedule (A) for every such estate, and also a notice for every such tenure which may have been named in any return lodged in pursuance of the provisions of this Act, or may have been entered in any register in the Collector's office; and all holders of such estates and of such tenures who shall, without sufficient cause being shown to the satisfaction of the Collector, refuse or omit, for the space of three months after service of such notice, to lodge in the office of the Collector such return as hereinbefore mentioned, shall be severally liable to a fine which may extend to 50 rupees for every day after the expiration of such three months until such return shall be furnished, or until the value of the lands comprised in their respective estates and tenures shall have been ascertained and fixed by the Collector as hereinafter is provided. It shall be lawful for the Collector, upon sufficient grounds for so doing being proved to his satisfaction, from time to time to extend the period for lodging any such return. Notice to return lands. Penalty.

VII. From and after the expiry of three months from the service of any such notice, or any extension of such time under the provisions of the section next preceding, every holder of an estate or tenure in respect of which such notice shall have been served, shall be precluded from suing for or recovering any rent in respect of any land or tenure which shall be proved not to have been included in the return lodged by him, or in respect of which no return shall have been lodged as aforesaid or valuation made by the Collector, and from recovering rent for tenures subsequently created or in excess of the sum mentioned in such return without proof of the creation of such tenure or enhancement subsequent to such lodgment. No rent to be recovered till return is made.

VIII. Whenever the revenue annually payable in respect of any estate, or the rent annually payable in respect of any tenure shall not exceed the sum of 100 ruprees, the Collector may, without issuing any notice for such estate or tenure, determine the annual value of the land comprised therein to be in a permanently settled estate or tenure a sum not exceeding three times, and in a temporarily settled estate or tenure a sum not exceeding twice the amount of the annual revenue or rent payable therefor; and when the acreage thereof has been ascertained, to be at such rate per acre as to him may seem fit. When the land comprised in any estate or tenure has been valued by the Collector under this section, the annual value of any portion of such land which is comprised within a subordinate tenure shall be taken to be a sum equal to the rent thereof increased by half the same multiple or fraction of such rent as that by which the annual value of the whole of such land determined as aforesaid exceeds the revenue or rent payable for the same; or shall be at the same rate per acre as the whole of such land: Provided that the holder of any such estate or tenure may, within one month from the posting of the valuation roll in respect thereof under Section XVII., and the holder of such subordinate tenure may within one month from the date of the first demand made on him for payment of road cess, lodge a return in the form in Schedule (A) contained in regard to such estate or tenure or subordinate tenure, and thereupon the annual value of the land comprised therein shall be fixed at the amount entered in such return, subject to the provisions of Sections XII. and XIV. Or the Collector may, if he think fit, Valuation of small estates and tenures.

Appendix, No. 15.

fit, cause a notice to be served in respect of any such estate or tenure in form in Schedule (A) contained, and thereupon all the provisions of this part shall apply in the same way as they would have applied if the annual Government revenue or rent thereof had exceeded 100 rupees.

Return of plantations, &c.

IX. Whenever any lands have been acquired under any rules issued by or under the authority of the Government for the sale, grant, or clearance of waste lands, or are held directly from Government, and are used for the cultivation of tea, coffee, or cinchona, the Collector shall, in lieu of the notice to be served under Section VI., but at the time in the manner and under the penalties therein prescribed, cause a notice to be served calling on the holder of such lands to lodge a return in the form in Schedule (B) hereto annexed, and containing the particulars in such form set forth, and the annual value of such lands shall be fixed at 10 rupees in respect of every acre therein entered as cultivated.

Fines how to be levied.

X. Fines under Section VI. of this Act, and all costs of recovery thereof, may be levied by an order in writing of the Collector, and such order shall have the force of a decree of a civil court in a suit in which Government is the plaintiff and the person liable to pay is the defendant; and such order may be enforced by attachment and sale of moveable property in manner provided by Act VIII. of 1859 for the enforcement of decrees for money; and the procedure under the said Act in respect of the following matters, that is to say, sales in execution of decrees, claims to attached property, and execution of decrees out of the jurisdiction of the courts by which they were passed, shall apply to every execution issued for levying the moneys mentioned in such order, save that all the powers and duties conferred and imposed by the said Act upon the court shall be executed by the Collector by whom such order has been made, or to whom a copy thereof has been transmitted for execution according to the provisions of the said Act, Section CCLXXXVI. Or the Collector may, if he see fit, after recording his opinion to that effect, cause a notice in form contained in Schedule (C) to be served for the estate or tenure for which default has been made, and thereupon every payment of rent save to the Collector or some person by him thereunto appointed made after such service, until further order of the Collector, shall be null and void; and the Collector may recover by any process of law in that behalf for the time being in force the rent then or thereafter to become due from any occupier or tenure holder on the said estate or tenure until the amount of such fine or fines with all costs shall be satisfied, whereupon the said notice shall be ordered to be revoked; and the receipt of the Collector in respect of all sums so recovered shall be to the extent of such sums a valid discharge in respect of rent due by such occupier or tenure holder.

If returns not furnished, Collector to make valuation.

XI. The Collector may, after the expiration of four months from the service of any notice mentioned in Section VI. or Section IX., ascertain and fix, by such ways and means as to him shall seem expedient, the annual value of the lands mentioned in such notice of which no return required by such notice shall theretofore have been lodged; and all expenses incurred in making such valuation shall be recovered with all costs of recovery thereof in manner as is provided by Section X. for the recovery of fines.

If return of certain lands is untrue, Collector to make valuation.

XII. Whenever the Collector may deem that any return required by Section VI. or Section IX. of lands for which no rent is payable by cultivating ryots to the person making such return is untrue or incorrect, he may, by such ways and means as to him shall seem expedient, ascertain and fix the annual value of such lands; and in case the annual value of such lands so determined by him shall exceed by one-fifth the value stated in such return, the expense of such valuation shall be paid by the person by whom such return shall have been lodged and may be recovered in manner as is provided by Section X. for the recovery of fines, and in all other cases shall be defrayed from the district road fund established under this Act.

Person returned as cultivating ryot may be served with notice.

XIII. It shall be lawful for the Collector, whenever he may think fit, to cause a notice in the form in Schedule (A) to be served on any person holding any lands or possessing any interest therein, although such person may have been mentioned in any return as a cultivating ryot; and thereupon such person shall be bound to make a return in the form in Schedule (A) contained, and the provisions contained in Section VI. with regard to fines and extension of time for lodging a return shall be applicable to him. If no return is made, the Collector may proceed to ascertain the annual value of the lands held by such person, and in case it appears that the annual value of the land is greater than the rent which he pays, the expense of such valuation shall be borne by such person and may be recovered with all costs of recovery thereof in manner as is provided by Section X. for recovery of fines, and in all other cases shall be defrayed from the said district road fund.

False returns

XIV. If the Collector shall see ground for believing that any return made under this Act other than a return mentioned in Section XII. is untrue and incorrect, he may prosecute the maker of such return under Section 177 of the Indian Penal Code. And if the magistrate convict the person so prosecuted under the said section, the Collector may proceed to make a valuation of the lands mentioned in such return by such ways and means as to him shall seem expedient.

Power of Collector in making valuation.

XV. For the purpose of making any valuation of lands directed by this Part, the Collector shall exercise the powers vested in collectors by Section 19, Clause 1, Section 23, Clause 1, and Section 24, Clause 1, of Regulation VII. of 1822 of the Bengal Code, except so far as the said clauses authorise any inquiry into rights or interests attaching to such lands.

XVI. The

XVI. The Collector shall cause to be prepared from the returns so furnished to him, and from the valuations made by him under this Part, a valuation roll of each estate within his district, and of the tenures therein comprised, noting thereon the amount of revenue annually payable to Government on which the deduction specified in Section XXI., Clause 1, of this Act is to be calculated, and shall, on the application of any holder of an estate or tenure, or cultivating ryot, within his district, cause to be furnished to him a copy of so much of the said roll and of the returns as relate to the lands included within his estate or tenure, or ryotee holding, on being paid for the same at such rate as the Lieutenant-Governor of Bengal shall from time to time determine.

Valuation rolls to be prepared.

XVII. On the completion of every roll prescribed under this Part, the Collector shall cause a copy thereof to be posted up at the mâl cutcherry of the estate, and of every tenure to which such roll refers, and if no mâl cutcherry be found, then on some conspicuous place on the said estate and tenure.

Publication of such rolls.

XVIII. Every person who shall deem himself to be aggrieved by any valuation to be made by any Collector, under the provisions of Section XII., may, within one month after the posting up of a copy of such roll as above mentioned, appeal to the Commissioner of the division against such valuation, and the decision of such Commissioner shall be final and conclusive.

Appeals against valuation.

XIX. Every order for the levy of a fine or of expenses passed by a Collector under this Act shall be appealable to the Commissioner of Revenue within one month from the service of the first process for the levy of such fine or expenses. Pending such appeal, and until the order of the Commissioner which shall be final, all process for such levy shall be discontinued.

Orders for levy of fine appealable.

Assessment and Payment.

XX. From and after the commencement of this Act in any district, all lands in such district shall be liable to the payment of district road cess at such rate not exceeding one-half of an anna in the rupee of the annual value of such lands as the district committee in manner hereinafter provided shall determine.

Maximum rate.

XXI. (1.) Every holder of an estate shall yearly pay the entire amount of the road cess calculated on the annual value of the lands comprised in such estate, at the rate at which the road cess shall have been assessed as hereinafter provided, less a reduction to be calculated at one-half of the said rate for every rupee of the revenue entered in the valuation roll of such estate as payable in respect thereof.

Mode of payment of road cess by zemindar.

(2.) Every holder of a tenure shall yearly pay to the holder of the estate or tenure within which the land held by him is included, the entire amount of the road cess calculated on the annual value of the land comprised in his tenure at the rate at which the road cess shall have been assessed as hereinafter provided, less a deduction, to be calculated at one-half of the said rate for every rupee of the rent paid by him for such tenure.

By holder of tenure.

(3.) Every cultivating ryot shall pay to the person to whom his rent is payable one-half of the said road cess calculated upon the rent payable by him, or upon the annual value, ascertained under the provisions of Section XIII., of the land held by him.

By cultivating ryot.

XXII. When the rate of road cess to be levied in any district shall have been determined for any year by the District Committee, in manner as hereinafter provided, the Collector shall cause to be served on the holder of every estate within the district a notice showing the amount of road cess payable by such holder, and specifying the date from which such road cess shall take effect. And thereupon the said holder shall pay the amount of such road cess to the said Collector, by equal instalments, on the several days fixed for the payment of the instalments of the Government revenue due in respect of his estate, if revenue be payable thereon; and if no revenue be payable thereon, then upon such days as shall be for that purpose appointed by any order of the Lieutenant Governor, made under the provisions hereinafter contained.

Time of payment of road cess by zemindars.

XXIII. If any instalment of such road cess, or part thereof, payable to the Collector, shall not be paid, the person making default shall at any time within three years next after the same has become payable, be liable to pay the amount of the arrear, and such amount may be levied by an order in writing of the Collector, and the provisions contained in Section X. shall apply to such order; or the Collector may, if he sees fit, after recording his opinion to that effect, cause a notice in form in Schedule (C) contained to be served for the estate or tenure for which default has been made, and thereupon every payment of rent, save to the Collector or by some person by him thereunto appointed, made after such service shall be null and void; and the Collector may recover by any process of law in that behalf for the time being in force the rent then or thereafter to become due from any occupier or tenure-holder on the said estate, until the said amount, with all costs, shall be realised; whereupon the said notice shall be ordered to be revoked; and the receipt of the Collector in respect of all sums so recovered shall be to the extent of such sums a valid discharge in respect of rent due by such occupier or tenure-holder. The claim of the Collector for arrears of road cess due from any estate or tenure for which a notice has been

Road cess how to be recoverable.

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served under this section shall have priority over any other demand, or claim, or lien subsisting thereupon.

Times of payment from subordinate tenures.

XXIV. The payment for road cess by the holder of a tenure, or by a cultivating ryot, shall be made in the proportion of the instalments of rent payable in respect of such tenure or ryotee holding; and if there be no rent payable in respect thereof, then by two equal half-yearly instalments, upon such days as shall be for that purpose appointed by any order of the Lieutenant-Governor, made under the provisions hereinafter contained.

Recovery by holders of estates or tenures.

XXV. Every holder of an estate or tenure to whom any sums may be payable under the provisions of this Act, may recover the same in the same manner and under the same penalties as if the same were arrears of rent due in respect of the land in respect of which such sums may be payable. And any shareholder in an estate or tenure who may have paid the road cess payable in respect of such estate or tenure, may recover from his co-sharers such sums as may be payable in respect of their shares as arrears of rent; or may take credit for such sums in any adjustment of accounts between himself and his co-sharers.

Payment for certain lands for which no rent is paid.

XXVI. All lands held without payment of rent other than lands mentioned in Section IX., and not being estates entered on the register of revenue-free tenures of the district, shall, for the purposes of this Act, be deemed to form a part of the tenure within the local boundaries of which they may be included, and if they be not included within the local boundary of any tenure, then to be a part of the estate within the local boundaries of which they are included, and if they be not included within the local boundaries of any estate, then to be a part of such conterminous estate as the Collector, in whose district such conterminous estate is situated, shall, by an order under his seal, appoint. And road cess in respect of such lands shall be payable by the holder of the estate or tenure of which they are deemed to form a part, and shall be recoverable under the provisions of Section XXIII. or Section XXV. as the case may be. Or such lands may, if the Collector shall see fit, be entered on a separate register to be kept for the purposes of this Act by the Collector, and thereupon road cess shall be payable thereon and shall be recoverable in respect thereof as if the same were an estate.

Remuneration for collecting road cess for certain lands for which no rent is paid.

XXVII. It shall be lawful for the person to whom any sum shall, under the provisions of the section next preceding, have been directly paid by the holder of any tenure or tenures for which no rent is paid, to retain one-fourth thereof as and for his remuneration for costs and risk of collecting the same.

PART III.—ROAD CESS ON MINES, RAILWAYS, &c.

Maximum rate on railways, &c.

XXVIII. From and after the commencement of this Act in any district, every mine, quarry, tramway, or railway, or other immovable property not included within the provisions of Part II. and Part IV. of this Act, situated therein, shall be liable to the payment of road cess at such rate not exceeding one-half anna on every rupee of the annual net profits of such mine, quarry, tramway, or railway, or other property as aforesaid as the district committee may as hereinafter provided determine to be the rate in the rupee leviable in respect of the annual value of land under Part II.: Provided that no railway or tramway, the property of the Government of India, nor any railway nor tramway of which the dividend is guaranteed by Her Majesty's Secretary of State for India in Council, or by the Governor General of India in Council, shall be liable to road cess under the provisions of this Act without the consent of the said Governor General of India in Council first had and obtained.

Notice to return profits.

XXIX. At the time, in the manner, and under the penalties provided by Section VI. of this Act, the Collector shall cause a notice to be served upon the owner, chief agent, manager, or occupier of any property assessable under this Part: such notice shall be in the form provided by Schedule (D) of this Act, and shall require such owner, chief agent, manager, or occupier to send in to the office of the Collector a return of the annual net profits of such property calculated on the average of the annual net profits thereof for the last three years for which accounts were made up. It shall be lawful for the Collector, upon sufficient grounds for so doing being proved to his satisfaction, from time to time to extend the period for lodging any such return.

When property lies in different districts

XXX. Whenever any property assessable under this Part lies in two or more districts under the Lieutenant-Governor of Bengal, the notice to furnish a return under Section XXIX. of this Act shall be served on the owner, chief agent, manager, or occupier of such property by or through the Collector of the district where such owner, chief agent, manager, or occupier may reside or have his chief place of business, and one return for the whole of such property shall suffice.

When property is partly in and partly beyond the limits of the Bengal territories.

XXXI. Whenever any property assessable under this Part lies partly within and partly outside the territories subject to the Lieutenant-Governor of Bengal, the return sent in under Section XXIX of this Act shall state the total annual net profits calculated as aforesaid accruing from such property, and also the proportion of such profits which may reasonably be calculated to accrue in the territories subject to the Lieutenant-Governor of Bengal.

XXXII. If

XXXII. If such return be not furnished within the period of three months or any extension thereof from the date on which such notice was served, or if the Collector shall deem that any return made in pursuance of such notice is untrue or incorrect, the Collector shall proceed to ascertain and determine, by such ways or means as to him shall seem expedient, the annual net profits of such property calculated as aforesaid, and all expenses incurred in making such valuation shall be borne by the person by whom, or the property in respect of which, the default occurred, and shall be recoverable, with all costs of recovery thereof, in manner as is provided by Section X for recovery of fines.

If return not furnished or incorrect, Collector to make valuation.

XXXIII. So soon as the Collector shall have ascertained and determined the annual net profits as aforesaid of any such property, he shall cause to be served upon the owner, chief agent, manager, or occupier of such property, a notice informing him of the amount of the annual net profits so ascertained and determined by him. Any person who, having made a return under Section XXIX, may deem himself aggrieved by any valuation made by the Collector under the next preceding section may, within one month from the service of such notice, appeal to the Commissioner of the Division, and the decision of the Commissioner on such appeal shall be final.

Notice of valuation. Appeal.

XXXIV. If the Collector be unable to ascertain the annual net profits as aforesaid of any property assessable under this Part, he may by such ways or means as to him shall seem expedient, ascertain and determine the value of such property, and shall thereupon determine six per centum on such value to be the annual net profits thereon. The expenses incurred under this section shall be borne by the person by whom, or the property in respect of which, the default occurred, and shall be recoverable with all costs of recovery thereof in manner provided by Section XXXII.

Annual net profits.

XXXV. Whenever any property assessable under this Part lies in two or more districts, the Lieutenant-Governor of Bengal shall from time to time determine out of the total annual net profits stated in the return, or in the valuation of such profits accruing in the territories subject to him, and ascertained in any manner as aforesaid, the proportions in which such property shall be assessed in each of the said districts respectively.

Determination of proportion of profits when property in different districts.

XXXVI. When the rate of road cess to be levied in the district upon property assessable under this Part shall have been determined for any year by the district committee in manner as hereinafter provided, the Collector shall cause to be served on the owner, chief agent, manager, or occupier of every such property a notice showing the amount of road cess payable in respect of such property and specifying the date from which such cess shall take effect. And such amount shall be payable by such owner, chief agent, manager, or occupier, to the Collector in two equal instalments, the first on the expiry of six months, the second on the expiry of nine months after the date fixed as hereinbefore provided for the commencement of the cess year. Every occupier of such property, who shall have paid in excess of half of such amount shall be entitled to deduct such excess from the next instalment of rent payable in respect of such property; and every owner who has paid in excess of half of such amount shall be entitled to recover such excess from the occupier thereof; provided that in no case shall an occupier deduct from his annual rent more than half of the rate of the road cess on every rupee thereof. If any instalment of cess which has become payable under this section shall not be paid to the Collector, the amount thereof may thereupon, at any time within three years next after the same has become payable, be recovered with all costs under the provisions contained in Section X for the recovery of fines, so far as the same are applicable.

Notice of road cess and recovery thereof.

XXXVII. The total road cess payable in respect of property assessable under this Part, owned by the same person in two or more districts, shall be payable to the Collector of the district where the owner, chief agent, manager, or occupier may reside or have his chief place of business, and shall be by him transmitted to the Collectors of the districts in respect of which such cess shall be payable, in the proportion in which such Collectors shall be severally entitled thereto.

How distributed when property in different districts.

PART IV.—ROAD CESS ON HOUSES.

Mode of Assessment and Levy thereof.

XXXVIII. From and after the commencement of this Act in any district, all houses within such district, of any of the classes mentioned in Schedule (E) save as hereinafter is provided, shall be liable to the payment of road cess from such date.

Maximum rate.

XXXIX. The said cess shall be payable by the occupiers of the houses respectively liable thereto, according to the rates to be determined by the district committee in manner as hereinafter provided, not exceeding the rates set forth in Schedule (E) annexed to this Act; provided that every occupier who shall have paid the cess due in respect of the house which he occupies, may deduct one-half of the sum so paid from the next instalment of rent which may become payable by him in respect of the said house.

Rate thereof.

XL. No person by whom any road cess is payable under the provisions of Part II. or Part III. of this Act, shall be liable to pay road cess in respect of any house occupied by him unless such person shall carry on some trade or profession therein, the profits of which are not derived from the property in respect of which he pays cess under the provisions of either

Certain houses exempt.

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either of the said Parts. And no house occupied exclusively as a place of worship shall be liable to road cess under this Act.

Valuation.

XLI. The value of the houses liable to such cess shall be determined, in places and villages to which the provisions of Act XX. of 1856, or of "The Village Chowkeedaree Act, 1870," passed by the Lieutenant-Governor of Bengal in Council, shall have been extended, by the punchayets of such places and villages respectively; and in all other places and villages by assessors to be respectively appointed thereto by the Collector. The Collector shall, as soon as conveniently may be after this Act has come into force in his district, send written notices to such assessors and punchayets respectively, requiring them forthwith to determine the value of the said houses. Every punchayet and assessor shall severally prepare and deliver to the Collector within two months of the receipt of such notice a valuation roll, which roll shall be in such form as the Lieutenant-Governor shall prescribe under the provisions of Section XCVII. of this Act.

Collector may value in certain cases.

XLII. In case any punchayet or assessor who by the provisions hereinbefore contained, is charged with the duty of making any valuation under this Part, shall fail to prepare and deliver to the Collector such valuation roll within the time aforesaid, the Collector shall appoint some person to make such valuation, and to prepare and deliver to him such roll; and the valuation made by such person shall have the like force and effect as if the same had been made by the punchayet or assessor aforesaid.

Publication of valuation.

XLIII. Every punchayet or assessor, or other person appointed under the provisions of the next preceding section, shall cause the said valuation roll to be published by posting copies thereof, in the language of the district, in some conspicuous position in the place or village to which it relates, and, in the case of any union, in some conspicuous position in each village comprised within such union; and shall thereupon forward copy of such roll to the Collector.

Revision of valuation.

XLIV. The Collector may, within two months of the receipt of the said copy, cause the said valuation to be tested by a Superintendent. The valuation fixed by the punchayet or assessor or other person as aforesaid thereto appointed by the Collector shall be final, except in cases where the said Superintendent shall alter the same, and such altered valuation shall be published as in the next preceding section is provided. Any person who may deem himself aggrieved by such altered valuation may appeal within one month of the publication thereof to the Collector, and the order of the Collector thereon shall be final.

Levy of road cess where punchayets exist.

XLV. The road cess payable in respect of any house situate in any place or village to which the provisions of either of the Acts mentioned in Section XLI. shall have been extended, shall be levied from the occupiers thereof half-yearly in two equal instalments, the first becoming due on the expiry of six, and the second on the expiry of nine months after the date fixed as hereinbefore provided for the commencement of the cess year in the district in which such place or village is situated, by such person and by such ways and means as if the same were a rate or tax payable under the provisions of the Act extended to such place or village; provided that the limitation of six months prescribed in Section XLVII. of Act XX. of 1856, shall in respect to the said road cess on houses, be extended to one year.

Road cess on houses in other places how to be paid.

XLVI. In every place other than those to which the provisions of Act XX. of 1856, or of "the Village Chowkeedaree Act, 1870," shall have been extended, the road cess which may be payable in respect of any house therein shall be payable to the assessor of such place by the occupier thereof by two equal instalments. The provisions of Section XLV. with regard to time of payment and limitation shall apply to instalments payable under this Section.

How to be levied.

XLVII. Any instalment of road cess due under this Part, if not paid on or before the tenth day after it has become due and payable, may be levied in the manner prescribed for the levy of an arrear of village Chowkeedaree tax in Sections XXV. to XXXIII. inclusive, of the Village Chowkeedaree Act, 1870, and for the purposes of such levy the said assessor shall exercise the powers of a punchayet under Section XXV. and of the collecting member of such punchayet under Section XXVI. of the said Act.

Sums to be transmitted when recovered.

XLVIII. Every sum in respect of road cess on houses which shall by any person be recovered under any of the provisions aforesaid, shall be with all convenient speed transmitted by him to the Collector, or to such person as the Collector may appoint to receive the same.

PART V.—LOCAL COMMITTEES.

Constitution of District Committees.

Constitution of district committee.

XLIX. In and for any district to which this Act shall have been extended, the Lieutenant-Governor shall from time to time appoint, or cause to be elected under such rules in regard to qualification, election, and discharge as may by him be prescribed, for such period not exceeding two years as to him may seem fit, any number of the road cess payers of such district, their managers or agents, to be members of a district committee for carrying out the purposes of the Act.

L. The

L. The Lieutenant-Governor may, from time to time, discharge any one or more of the members of the committee so appointed, who shall desire to be discharged, or refuse or become incapable to act, or whom for any cause which he may deem sufficient, he may think it expedient to remove. Removal of members.

LI. In addition to the members appointed or elected as aforesaid, the Lieutenant-Governor shall have power to direct, by any writing signed by him, that all persons holding the offices in such writing specified shall be *ex officio* members of the committee for any district in which they exercise the said offices, and in which this Act shall have come into force. Appointment of *ex officio* members.

LII. The number of members of a district committee holding salaried offices under the Government shall not be more than one-third of the total number of the said committee. Number of *ex officio* members.

Their Mode of Transacting Business.

LIII. The Collector of the district shall be the chairman of the district committee, and the vice-chairman shall be elected by the said committee. Chairman and vice-chairman of committee.

LIV. The committee shall have an office within the district in and for which they shall have been appointed, where they shall meet for the transaction of business at least once in every quarter of a year. Committee to have an office.

LV. The chairman, or, in his absence, the vice-chairman, shall preside at every meeting of the committee. In the absence of both the chairman or vice-chairman, the members present shall elect a president for the occasion. Chairman at meetings.

LVI. The Chairman, or in his absence, vice-chairman, may, whenever he thinks fit, and shall, upon a requisition made in writing, and signed by not less than one-third of the members, convene a meeting. Special meeting.

LVII. At least ten days' notice shall be given of every meeting. Every notice shall state the business to be transacted at the meeting proposed to be called; and no business other than that so stated shall be transacted at such meeting. Notice of meeting.

LVIII. The quorum necessary for the transaction of business at a meeting shall be one-third of the total number of members forming the committee at the time of the meeting. Quorum.

LIX. If at the time appointed for the meeting, or such time not exceeding one hour thereafter, as the majority of the members present shall think fit, a quorum is not present, the meeting shall stand adjourned till some future day, to be appointed by the chairman or vice-chairman of the committee, and ten days' notice of such adjourned meeting shall be given. The members present at such adjourned meeting shall form a quorum, whatever their number may be. Adjourned meeting.

LX. All questions which may come before the committee at any meeting shall be decided by a majority of votes of the members present. Every member shall have one vote. In case of equality of votes, the president shall have a casting vote. Voting: casting vote.

LXI. The minutes of the proceedings of every meeting shall be recorded in a book to be kept for that purpose in the office of the committee, and any person resident in, or owning land in the district, may at all reasonable times inspect and examine such book without payment of any fee, and may obtain a certified copy of any extract therefrom on payment of such fees as the Lieutenant-Governor may direct. Minute book to be kept.

LXII. All correspondence between the committee and the Local Government shall pass through the Commissioner of the division, who in all things under this Act shall be subject to the control and supervision of the Lieutenant-Governor. The committee shall furnish him with any information he may call for connected with the duties imposed upon them by this Act. Correspondence between committee and local Government.

Their Functions.

LXIII. The first meeting of a district committee shall be convened by the chairman at such time as he shall think fit, and shall proceed to the election of a vice-chairman. Election of a vice-chairman.

LXIV. The committee at a subsequent meeting, to be convened by the chairman at such time as he shall think fit, may appoint, on the nomination of the chairman, and may suspend or dismiss, as they may think fit, such officers, engineers, clerks, and servants, as may seem to them to be necessary for carrying out the purposes of this Act, and may pay to such officers, engineers, clerks, and servants, such salaries and allowances as they may from time to time determine: Provided that the aggregate salaries and allowances of such officers, engineers, clerks and servants for any one year shall not, except with the sanction of the Commissioner of the Division, exceed one-fourth of the entire income of the committee for the said year. Appointment of officers by committee.

LXV. No member, officer, or servant of any committee shall be in any wise concerned or interested in any contract or work made with or executed for such committee; and if any such member, officer, or servant, be so concerned or interested, he shall be incapable of afterwards Penalty on members and officers being concerned in contracts.

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afterwards continuing to be a member of such committee, or holding or continuing in any office or employment under such committee, and shall be liable on conviction thereof to a fine of 500 rupees. Provided that nothing in this section shall apply to any person by reason only of his being a shareholder in any company incorporated by Act of Parliament or by Royal Charter or otherwise, or registered under any Act for the registration of joint-stock companies, passed by the Parliament of the United Kingdom, or by any Indian Legislature, which may enter into any contract with such committee, or execute any work for such committee, if such person shall, at or before the time of any such contract being made or tendered for, declare to such committee the extent of his interest in such company, and if an officer or servant of the committee obtain the sanction of such committee to his continuing to be an officer or servant.

Statement of roads to be prepared.

LXVI. The vice-chairman, within three months after his election, shall cause to be prepared a general statement of the roads, bridges, rivers, khals, and canals other than those on which tolls of any kind are collected the proceeds of which are not paid to the district road fund, and other than canals constructed for purposes of irrigation, to be brought within the operation of this Act within the three years then next ensuing, and the committee shall, at some meeting to be held within one month after the submission of such statement, or at any adjourned meeting, take such statement into consideration, and may pass any statement relating thereto which they may think fit.

Statement to be forwarded to Commissioner.

LXVII. The committee shall thereupon forward the statement which shall be so passed to the Commissioner of Revenue of the division.

Supplemental statement.

LXVIII. The vice-chairman may in any subsequent year cause to be prepared a supplemental statement of the kind mentioned in Section LXVI., and every such supplemental statement shall be subject to the provisions of the two sections next preceding with respect to the statement therein mentioned.

Collector to submit annual statement to committee.

LXIX. The Collector shall, at such date as the district committee shall fix, prepare and deliver to the district committee a statement showing under separate heads the estimated proceeds, for the cess year then next ensuing, of the several road cesses at the maximum rates hereinbefore provided, and also of any sum and of any sources of revenue for the said period which the Lieutenant Governor shall have assigned to the said district.

Annual estimate to be prepared.

LXX. The committee shall at some meeting to be held in such month as the Lieutenant Governor shall determine prepare an estimate of the income and expenditure of the committee for the cess year then next ensuing, together with specifications and estimates of the works to be performed during such year, such works being a portion of, or included in, the works mentioned in the statement for the time being in force. In making such estimate the committee shall first determine the amount to be appropriated to office establishment and charges, next the amount to be appropriated to the repair of roads, bridges, rivers, khals and canals then existing, and afterwards the amount to be appropriated to the construction of new roads or canals; provided that no portion of the district road fund of any one district shall, save with the previous sanction of the Lieutenant-Governor, be appropriated for the construction, repairs, maintenance, or improvement of roads, bridges, rivers, khals, or canals, within any other district.

Commissioner may revise estimate.

LXXI. Every such estimate shall be forwarded by the vice-chairman to the Commissioner, and the Commissioner may approve such estimate or may return such estimate for revision in such respects as he may point out, or may alter or vary the total amount thereby proposed to be expended: Provided always that it shall not be lawful for the Commissioner to alter or vary any estimate which shall have been approved by not less than two-thirds of the members of the committee present at the meeting at which such estimate shall have been adopted.

Limit of estimate.

LXXII. The total amount in and by any estimate proposed to be expended in any one cess year shall not exceed the proceeds estimated to be at the disposal of the committee for that year of the several road cesses hereinbefore directed to be imposed within the district at the maximum rates at which they are respectively leviable, together with any sum and the annual proceeds of any source of revenue which shall have been placed by the Lieutenant-Governor at the disposal of the committee.

Supplemental estimate.

LXXIII. Whenever any estimate shall have been altered or revised by the Commissioner as hereinbefore is provided, the committee shall cause a supplemental estimate to be prepared, and in case the amount proposed to be expended shall have been increased by such alteration or revision, shall at a meeting provide for the expenditure of such increased sum, within the limits in the next preceding section specified; and in case such sum shall have been similarly diminished, shall therein determine the works proposed in the original estimate which are to be altered or abandoned.

Calculation of annual road cess.

LXXIV. When and so soon as the amount for any one cess year proposed to be expended shall have been determined as hereinbefore is provided, the committee shall at a meeting, after deducting therefrom the amount which may be placed at their disposal as aforesaid, together with the estimated proceeds of any sources of revenue assigned to them, determine the several rates of cess under this Act required to produce the residue, and such rates shall be the rates at which the several cesses shall be respectively leviable for the ensuing year.

LXXV. So

LXXV. So soon as the said rates shall have been determined as aforesaid, the committee shall inform the Collector thereof, and the Collector shall cause a proclamation to be issued in his district declaring the same. Such proclamation shall be published in manner as in Section V. is directed. And the said rates shall be reported by every Collector to the Lieutenant-Governor, who shall forthwith cause the same to be published in the "Calcutta Gazette." Proclamation and publication of cesses.

Branch Committees.

LXXVI. In any district to which this Act shall have been extended, the Lieutenant Governor of Bengal shall, in addition to a district committee, form as many branch committees as he shall think fit, for carrying out the purposes of this Act, and shall appoint a chairman and vice-chairman thereof respectively, and shall define the portion of such district within which any branch committee shall exercise the powers conferred and discharge the duties imposed upon them by this Act. The said Lieutenant Governor shall from time to time appoint, or cause to be elected under such rules in regard to qualification, election, and discharge, as may by him be prescribed, for such period not exceeding two years as to him may seem fit, to be members of a branch committee, any number of the road cess payers of the portion of the district for which such branch committee shall be formed. Branch committees.

The provisions in Sections L. to LII. and LIV. to LXI. respecting district committees shall apply, so far as the same are suitable, to such branch committees. Sections which apply to them.

LXXVII. Every such branch committee shall be, except as hereinafter provided, subordinate to the district committee, and shall forward to the district committee such statements, suggestions, and estimates as it may think fit, and the district committee shall consider and have regard to such statements, suggestions, and estimates in framing the statements and estimates hereinbefore directed. And such branch committee may from time to time select any member thereof to be an additional member of the said district committee, who shall thereupon, for the space of one year, become a member thereof. Branch committees' statements.

LXXVIII. It shall be competent to the Lieutenant-Governor in each year to assign to any branch committee so much of the road fund levied for that year in the district for portion of which such branch committee is appointed as he may think fit, not exceeding the total estimated proceeds of all cesses leviable within the said portion of the district; and further, to allot to the said branch committee so much of the income of the fund from other sources as he shall think fit. Funds of the branch committee.

LXXIX. In any case where the Lieutenant-Governor of Bengal may declare that a branch committee shall have the full powers of a district committee within the said portion of the district, the district committee shall cease to exercise powers under Section LXIV., LXV., LXVI., LXX., and LXXIII., within such portion of the district; and such powers, together with the powers specified in Sections LXVII. and LXVIII., shall then vest in the branch committee; and in any case where the Lieutenant-Governor of Bengal may declare that a branch committee shall have the powers of a district committee for specified works or specified purposes only, the powers of the district committee in respect of such works and such purposes only shall cease within the said portion of the district; and such power shall then vest in the branch committee. Powers of the branch committee.

LXXX. Every branch committee so vested with powers as in the next preceding section provided shall prepare an estimate in regard to their annual income and expenditure similar to that required by Section LXX. to be prepared by the district road committee. Estimate.

LXXXI. The provisions of Sections LXXI., LXXII., and LXXIII. shal apply to such estimate; provided that the aggregate amount to be expended by the branch committee in any year shall not exceed the aggregate of the fund placed at their disposal for that year. Limit of estimate.

Part VI.—District Road Fund.

LXXXII. The district road fund under this Act shall consist of the amount produced by the several road cesses, and of all sums levied or recovered as fines or penalties, or otherwise under this Act, and of all sums, and the proceeds of all sources of revenue assigned by Government thereto. Constitution of district road fund.

LXXXIII. The Lieutenant Governor shall, on or before the date fixed as that from which the several road cesses under this Act shall take effect in any district, assign to the district committee appointed therein all such sums as may have been collected within the said district during the financial year then last completed, on account of any road cess payable otherwise than under the provisions of this Act, and such sums shall by the said committee be added to the district road fund. Road cess not under this Act.

LXXXIV. The district road fund shall be lodged with the Collector, and the Collector shall keep a separate account thereof, and shall cause to be prepared an annual statement of such account, showing in detail therein all receipts and disbursements during the cess year. After the appointment of any branch committee in a district the Collector shall in like manner keep a separate account of the fund placed at its disposal. Collector to prepare annual statement of the district road fund.

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Payments on account of the district road fund.

LXXXV. All payments on account of the district road fund shall be made by the Collector out of the said fund upon cheques signed by the vice-chairman for sums under 100 rupees, or by the chairman and vice-chairman for sums above that amount. When the vice-chairman is absent, or from any cause incapacitated to sign cheques, the chairman may sign cheques on behalf of the vice-chairman.

Collector's monthly account.

LXXXVI. The Collector shall forward to the vice-chairman of every committee in every month an account of his receipts and disbursements on account of the district road fund for the previous month.

Accounts of committee.

LXXXVII. Every committee shall keep regular and detailed accounts of the monies received or applied by them under the provisions of this Act and of their application, and such accounts shall be, at all convenient seasons, open to the inspection of all members of the committee.

Annual account current and examination thereof.

LXXXVIII. The vice-chairman of every committee shall, in every year, prepare a detailed account current of the receipts and expenditure of the district road fund during the previous cess year, and such account shall within one month of the submission thereof be examined by the said vice-chairman, together with three members of the committee appointed in its behalf by the committee. Such members shall have power to call for all vouchers and papers they may require, and may amend, correct, and pass the said account.

The account so passed shall be submitted to a meeting of the said committee to be convened to consider the same within one month from the receipt thereof.

Annual report to be submitted to Commissioner.

LXXXIX. Within one month after the account of the next preceding cess year shall have been examined as aforesaid, the committee shall submit to the Commissioner a copy of such account, and a report of the work done and in progress in such year, and such account and report shall be published at the expense of the district road fund in a "Calcutta Gazette," together with such remarks thereto as may have been received from the Commissioner.

Application of the district road fund.

XC. The district road fund shall be applied in paying the necessary expenses for carrying out the provisions of this Act, including establishment and charges incurred by the Collector. In the payment of the staff and establishment appointed under the provisions hereinbefore contained. In the construction, repair, improvement, and maintenance of roads, bridges, rivers, khals, and canals other than those on which tolls are collected, the proceeds of which are not paid to the district road fund and other than canals constructed for purposes of irrigation.

Part VII.—General Provisions.

General valuation to be in force for five years.

XCI. Every valuation under Part II. and Part IV. shall remain in force and effect for the term of five years from the date fixed as hereinbefore provided for the several cesses leviable in pursuance thereof to take effect and until a new valuation and assessment shall have been completed.

Power after five years to make new valuation.

XCII. After the expiration of the said five years the Collector may cause a new valuation roll under Part II., or under Part IV., or under both, to be prepared, and for that purpose may cause such proclamations and notices to be issued and served, and such returns to be made as are hereinbefore directed, and shall have such powers and authorities as are in the said Parts respectively conferred.

New valuation under Part III.

XCIII. New valuations under Part III. shall be made by the Collector every year, and the Collector may for that purpose cause such notices to be issued and served, and such returns to be made, and shall have such powers and authorities, as are in the said Part mentioned and conferred: Provided that whenever any return made under Section XXIX. of this Act shall be accepted by the Collector for any year, the owner, chief agent, manager or occupier of such property may, if he see fit, declare in writing at the time of such acceptance that the annual net profits set forth in such return shall, for the purposes of this Act, be the annual net profits for the five years then next ensuing. And if the Collector shall agree to accept such declaration, no new valuation shall be made for such property until the said five years shall have expired, or until a general revaluation be made under the next preceding section.

Evidence.

XCIV. Every return filed by or on behalf of any person in pursuance of the provisions of this Act shall be signed by him or his authorised agent, and shall be admissible in evidence against him, but shall not be admissible in his favour.

Service of notice.

XCV. Every notice in and by this Act required to be served, may be served:—

1. By delivering the same to the person to whom it is directed, or on failure of such service, by posting the same on some conspicuous part of the house in which the said person resides, or by delivering the said notice to any agent authorised to appear generally for the person to whom such notice is directed; or,

2. By sending a registered letter containing such notice directed to the said person, at his usual place of abode, or to the place where he may be known to reside; or,

3. By

3. By posting a copy of the notice at the mâl cutcherry of the estate or tenure; or if no such mâl cutcherry be found, on some conspicuous place on the said estate or tenure to which such notice relates, and by delivering, in the case of estates paying their annual revenue by four instalments, another copy thereof to the agent who shall have paid an instalment of revenue next after the preparation of such notice. In all cases where two or more persons are holders of an estate or tenure, service of notice under this clause shall be deemed to be good and sufficient service on each and all of such persons. Appendix, No. 15.

XCVI. The costs of service of all notices by this Act required to be served shall be defrayed from the district road fund. Cost of service.

XCVII. It shall be lawful for the Lieutenant Governor of Bengal, by an order published in the *Calcutta Gazette*, to make such rules for the performance of the duties of the district and branch committees, and of all persons employed under this Act, and in regard to the appointment, election, qualification and discharge of such persons, and otherwise for carrying out the purposes of this Act, and to prescribe such forms for the notices, returns, valuation rolls, estimates, account books, reports, and statements required by the provisions hereinbefore contained, and for which forms are not hereby given, as to him shall seem meet, and to fix the dates for payment of instalments under Sections XXII. and XXIV. and by any other order, to be in like manner published, to alter, vary, or revoke any such rules or forms, or to substitute others in lieu thereof; and all such rules and forms shall, so far as they are not inconsistent with the provisions of this Act, have the same force and effect as if they had been inserted herein. Lieutenant-Governor empowered to prescribe forms and rules.

SCHEDULE (A).

No. 1.—Form of Return Prescribed by Section V.

Amount of Government revenue in case of an estate; or of rent in case of a tenure: *Rs. a. p.*

Part I.

District Mehal No.

Details of Lands in the Actual Occupation and Cultivation of the Person submitting the Return:—

1. Pergunnah in which Land is Situated.	2. Name of Village in which Land is Situated.	3. Area of Land.	4. Deduct Area of Land Situate within any Municipal Boundary.	5. Annual Value of Remaining Land.

Part II.

District Mehal No.

Details of Lands held by Cultivating Ryots paying direct to the Person submitting the Return:—

1. Pergunnah in which Situated.	2. Name of Village in which Situated.	3. Name of Ryot.	4. Annual Rent.	5. Deduct Rent of Land included in any Municipality.	6. Balance of Net Rent Assessable to to Road Cess.

Appendix, No. 15.

PART III.

District Mehal No.

Details of the Tenure-holders paying to the Person submitting the Return:—

1. Name of Tenure Holder and Person paying Rent for him borne on the Books of Holder of Estate or Tenure.	2. Name of Village, Pergunnah, and District in which such Persons Reside.	3. Name of Village in which Tenure is Situated.	4. Annual Rent Paid by Tenure Holder.

PART IV.

District Mehal No.

Details of lands for which no rent is paid included in the estate or tenure of the person submitting the return so far as may be known to him:—

1. Pergunnah in which situated.	2. Name of Village in which situated.	3. Name of Holder.	4. Name of Village in which Lands are situated.	5. Estimated Annual Value.

I, *X. Y. Z.*, do declare that the statements contained in the above return are true to the best of my knowledge, information, and belief.

(signed) _____

N. B.—This return must be signed by the holder or his authorised agent.

No. 2.—FORM of NOTICE upon an ESTATE or TENURE under Section VI.

District of

NOTICE UNDER DISTRICT ROAD CESS ACT, 1871.

The holders of estate or tenure (*description of the land to be filled in*) in the district of , and all others interested therein are hereby required to lodge in the office of the Collector of the said district a return, in the form hereunto annexed, of all lands comprised in such estate or tenure and the rents paid therefor. Such return must be signed by such holder or his authorised agent and be so lodged within the space of three months from the service of this notice, (unless within the said three months you obtain from the Collector an extension of the said space of three months) under a penalty of a daily fine of fifty rupees for every day after the expiry of such period or extension thereof until such return shall be presented. Take notice, further, that no rents due in respect of the said estate can be recovered by suit after such period until such returns be so lodged.

(signed) *A. B.*,

Collector.

Collector's Office,

Dated

Appendix, No. 15.

SCHEDULE (B.)

FORM of NOTICE under Section IX.

District of

NOTICE UNDER DISTRICT ROAD CESS ACT, 1871.

The owner, chief agent, manager or occupier of situated in the district of is hereby required to lodge in the office of the Collector of the district of , a return in the form hereunto annexed, showing the amount of land under cultivation at the date of this return in the said . Such return must be signed by him and be lodged within the space of three months from the service of this notice (unless within the said three months you obtain from the Collector an extension of the said space of three months), under penalty of a daily fine of fifty rupees for every day after the expiry of such period or extension thereof until such return shall be presented.

Annexed Form of Return.

District

Details of lands acquired under any rules for the sale, grant, or clearance of waste lands, or held direct from Government and used for the cultivation of tea, coffee, or cinchona, under the control of the persons submitting the return.

1. Districts	2. Pergunnahs	3. Name of Owner, Agent, Manager, or Occupier.	4. Entire Area of Land.	5. Area of Lands under Cultivation in Acres.	6. Aggregate Value, at 10 rupees per Acre of Land in Column 5.
In which the Lands lie.					

I, *X. Y. Z.*, do declare that the statements contained in the above return are true, to the best of my knowledge, information, and belief.

(signed)

N.B.—This return must be signed by the owner, chief agent, manager, or occupier.

SCHEDULE (C.)

FORM of NOTICE under Sections X. and XXIII.

District of

NOTICE UNDER DISTRICT ROAD CESS ACT, 1871.

The occupiers and tenure-holders on estate or tenure (*description of the land to be filled in*) are hereby prohibited, until further order of the Collector, from making any payment of rent now or hereafter to become due from them in respect of any land comprised within such estate or tenure, except to the Collector of the said district, or to (*name of person*), hereby appointed to receive the same. The Collector will grant receipts for all sums paid, and such receipts will, under the provisions of the above Act, be a valid discharge, to the extent of such sums, in respect of rent due, or hereafter to become due, as above stated, by the holder of such receipt. All payments, except to the Collector, until further order, will be null and void.

(signed) *A. B.*,
Collector.

Appendix, No. 15.

SCHEDULE (D).

FORM of NOTICE to be Served under Section XXIX.

District of

NOTICE UNDER THE DISTRICT ROAD CESS ACT, 1871.

The owner, chief agent, manager, or occupier of the
situated in the district of is required to lodge in the office of the Collector of the District of , a return in the form hereunto annexed, showing the net profits of the calculated on the average of the profits of the last three years, for which accounts have been made up. Such return must be signed by him, or his authorised agent, and be lodged within the space of three months from service of this notice, unless within the said three months you obtain from the Collector an extension of the said space.

(signed) *A. B.*,
Collector.

Collector's Office,
Dated

Annexed Form of Return.

DISTRICT.

Detail of yearly profit of mines, quarries, railways, and tramways, in the possession or under the control of the person submitting the return.

1. Districts,	2. Pergunnahs.	3. Name of Holder or Manager.	4. Annual Net Profits per Annum on the average of the last three years, for which Accounts have been made up.
In which the Property lies.			

I, *X. Y. Z.*, do declare that the statements contained in the above return are true to the best of my knowledge, information, and belief.

Signed

N. B.—This return must be signed by the owner, chief agent, manager or occupier.

SCHEDULE (E).

ANNUAL RATES OF ROAD CESS ON HOUSES.

Section XXXVIII.

Dwelling houses estimated to be of the present value of—

	Rs.		*Rs.*	*Yearly cess.*
Not less than	100	but less than	500	*Rs.* 1 –
„ „	500	„	1,000	3 –
„ „	1,000	„	2,000	4 8
„ „	2,000	and upwards		3 –

for every 1,000 rupees, or part thereof of estimated present value.

Shops and buildings used for purposes of trade, whose estimated present value is more than 25 rupees and less than 100 rupees, to pay a yearly tax of one rupee.

Appendix, No. 15.

BOMBAY.

ACT No. I. of 1871.

Passed by the Council of the Governor of Bombay.

[Received the assent of the Governor of Bombay on the 29th April 1871, and of the Governor General on the 8th June 1871, and published by the Governor of Bombay on the 1st July 1871.]

AN ACT to provide for the Cost of Police employed in Towns and Suburbs where Act XXVI. of 1850 is in force.

WHEREAS it is expedient that the maintenance of the police employed in towns and suburbs where Act XXVI. of 1850 is in force should be defrayed from the Municipal Funds; it is hereby enacted as follows:— Preamble.

I. In any town or suburb in the territories subordinate to the Presidency of Bombay the Municipal Commissioners shall, upon the requisition of Government, annually set apart and pay to Government, out of the funds raised under Act XXVI. of 1850, or other Act for the time being in force, such sum as Government may deem necessary for the maintenance of the police of every description employed for the protection of life and property in such town or suburb; provided always that such sum shall not exceed twenty rupees per centum of the gross Municipal Revenue of such town or suburb during the year preceding that in which such requisition shall be made. Municipal Commissioners to set apart a sum from the funds for the maintenance of police. Proviso.

II. All sums payable under this Act shall be paid by the Municipal Commissioners at such times, and to such persons, as Government shall from time to time direct. Sums payable under this Act to be paid by the municipal commissioners at such times, and to such persons, as Government shall direct.

III. Nothing in this Act applies to the City of Bombay. Act not to apply in the City of Bombay.

IV. This Act shall be taken to have come into force as from the first day of April 1871. Commencement of the Act.

BOMBAY.

ACT No. II. of 1871.

Passed by the Council of the Governor of Bombay.

[Received the assent of the Governor of Bombay on the 29th April 1871, and of the Governor General on the 8th June 1871, and published by the Governor of Bombay on the 1st July 1871.]

AN ACT for imposing Duties on certain of the Non-agricultural Classes in the Territories subordinate to the Presidency of Bombay.

WHEREAS it is expedient to impose duties on certain of the non-agricultural classes in the territories subordinate to the Presidency of Bombay; it is enacted as follows:— Preamble.

I. In this act unless there be something repugnant in the subject or context, Interpretation clause.

"Collector" means the chief officer charged with the administration of a district in revenue matters, by whatever designation such officer is called. "Collector."

"Sub-collector" means any officer or class of officers authorised by Government to exercise the powers and perform the duties conferred and imposed on a sub-collector by this Act. "Sub-collector."

"Household" means the members of one family living together in the same house or in any portion of a house held as a separate tenement "Household."

II. Nothing in this Act applies to non-commissioned officers and privates of Her Majesty's forces, or of Her Majesty's Indian forces who are not in Civil employment. Exemptions.

III. Nothing in this Act applies to the City of Bombay. Act not to apply to the City of Bombay.

IV. Nothing in this Act applies to towns and suburbs required under any law for the time being in force to provide for the cost of the police employed therein: Provided that the quartering of additional police under Bombay Act VII. of 1867 in any town or suburb shall confer no right to exemption under this section. Act not to apply to townsand suburbs required to provide for the cost of the police employed therein.

Government empowered to exempt any class of persons. Government may modify such order for exemption. Orders under this section to be published in the "Government Gazette."

V. Government may from time to time by order, wholly or partially exempt from the operation of this Act, any tribe or class of persons, and may from time to time modify or revoke such order. All orders, modifications, and revocations of orders made under this section shall be published in the *Government Gazette.*

Person carrying on a trade to pay a duty according to schedule annexed.

VI. Every person being a head of a household, or occupying a separate tenement, and not assessed to the cess leviable under the provisions of (Bombay) Act III. of 1869 on every rupee of land revenue, or who, being so assessed, carries on any profession, trade, or calling (whether on behalf of himself or of any other person) other than the cultivation of land, shall be required as hereinafter provided to pay a duty fixed by Government not exceeding the duties specified in the schedule hereto annexed.

Persons required to pay duty to be assessed under different classes.

VII. Every person required to pay such duty shall be assessed under one of the three classes specified in the said schedule according to the means of livelihood possessed by himself or the household of which he is the head. Subject to rules to be made by Government as hereinafter provided and to the control of the collector, the sub-collector shall decide the class, if any, under which any person shall be assessed.

List of persons liable to pay duty to be made by the sub-collector. List to state profession, trade, &c.

VIII. The sub collector shall, on or before the first day of July 1871, and the first day of April of every subsequent year, make a list of the persons liable to pay duty under this Act, and such list shall state the profession, trade, or calling of each person therein named, and the class under which he is assessed.

List to be filed in the office of the sub-collector.

Such list shall be filed in the office of the sub-collector, and on request shall be exhibited for inspection without fee to every person chargeable under this Act.

Service of notice by the sub-collector; contents of the notice.

IX. The sub-collector shall cause a notice to be served on every person chargeable under this Act, stating :—

(1) the name and calling of the person chargeable ;

(2) the year for which the duty is to be paid ;

(3) the amount to be paid ;

and requiring him within one month from the date of the service to pay such amount.

Amount of duty to be paid to the sub-collector, who shall give a receipt.

X. Such amount shall be paid to the sub-collector, who shall give a receipt for such payment to the person making the same.

Proviso.

Provided that if such person has more than one place of residence, the duty shall be levied at and payment made to the sub-collector for the place or district at or in which such person ordinarily resides.

Receipt by whom to be signed.

Every such receipt shall be signed by the sub-collector granting it, or by such other officer as he shall from time to time empower in this behalf.

What the receipt shall specify.

XI. Every such receipt shall specify :—

(1) the name and calling of the person by or on whose behalf the duty is paid ;

(2) the year for which the duty is paid ;

(3) the amount paid, and the date of payment ;

and shall be admissible as *primâ facie* proof of all matters contained therein.

Petition by person objecting to the amount at which he is assessed.

XII. Any person objecting to the amount at which he is assessed, or denying his liability to be assessed, may within 15 days from the date of service of notice under section nine, apply by petition to the sub-collector to have the assessment reduced or cancelled.

Sub-collector to fix a day for the hearing of the petition.

XIII. The sub-collector shall fix a day and place for the hearing of the petition, and on the day and at the place so fixed, or on the day and at the place, if any, to which he has adjourned such hearing, shall hear such petition and pass his order thereon. Such order may be in favour of petitioner, or it may simply reject the petition, or it may reject the petition and enhance the rate of duty to that of a higher class, in which case the amount shall be specified in the order.

If the order be in favour of the petitioner the sub-collector shall at once refund the fee on the petition.

If the order reject the petition, the petitioner shall, within one week from the passing of the order, pay the amount found to be due.

Collector empowered to call for proceedings of any sub-collector, and to pass orders on them.

XIV. It shall be lawful for the Collector, whenever he thinks fit, to call for the proceedings of any sub-collector in his district, and pass such order thereon as to him shall seem right.

Date of payment of duties.

XV. Duties imposed by this Act shall be payable on the first day of July in the year 1871, and on the first day of April in every subsequent year.

XVI. In

XVI. In any case of default in the payment of duty under this Act, the sub-collector may after the expiration of one month from the date of service of notice, as provided in section nine, recover from the defaulter a sum not exceeding double the amount of the duty payable.

Recoveries how to be made in case of default.

Every such sum shall be recoverable as an arrear of land revenue.

Provided that where any person has presented a petition under section twelve, such sum shall not be recoverable from him unless within one week from the passing of the order on such petition he fails to pay the amount (if any) required by such order.

Proviso

On recovery from the defaulter of the amount for which he is liable under this section, the sub-collector shall forthwith grant him a receipt without any further payment in the form and manner hereinbefore provided.

XVII. Except as hereinbefore provided, every order made under this Act shall be final and conclusive; and no suit shall be entertained in any civil court to set aside or modify any assessment or order made under this Act.

Order made under the Act to be final.

XVIII. All or any of the powers and duties conferred and imposed by this Act on a Collector or sub-collector may be exercised and performed by such officers or persons as Government shall from time to time appoint in this behalf.

Powers of a collector or sub-collector may be performed by such officers as shall be appointed by Government.

XIX. Service of any notice under this Act shall be made by delivering or tendering a copy thereof under the signature of the sub-collector. Whenever it may be practicable, the service of the notice shall be on the person therein named.

Service of notice.

When such person cannot be found, the service may be made on any adult male member of his family residing with him; and if no such adult male member can be found, the serving officer shall affix the copy of the notice on the outer door of the house in which the person therein named ordinarily dwells or carries on business.

XX. Government may, from time to time,

Government may prescribe forms for notices, and make rules.

(*a*) Prescribe forms for the notices and lists hereinbefore mentioned:

(*b*) Make rules consistent with this Act for the guidance of officers in matters connected with its enforcement.

SCHEDULE.

Persons in Class I. shall be assessed at an annual duty not exceeding *Rs.*	6	–	–
Persons in Class II. at an annual duty not exceeding - - -	3	–	–
Persons in Class III. at an annual duty not exceeding - - -	1	8	–

MADRAS.

THE MADRAS LOCAL FUNDS ACT, 1871.

ARRANGEMENT OF SECTIONS.

Preamble.

Section.

1. Interpretation clause.
   Landholder.
   Tenant.
   President.
   House.
   Official year.
2. Madras Acts VI. of 1863, III. of 1866, and II. of 1868, to have no effect in places to which this Act is extended.
3. Application of Act.

Appointment and Functions of Local Fund Boards.

4. Appointment of local fund boards.
5. Appointment of president and *ex officio* members.
6. Appointment of vice president of the board.
7. President of board empowered to sue and be sued, to hold property, and enter into contracts.
8. Public streets, &c., vested in the local fund board.
9. Property vested in School Commissioners under Madras Act VI. of 1863, to be transferred to the local fund board.
10. Existing hospitals, schools, choultries, &c., to be vested in the local fund board.
    Transfer of funds.
    Proviso.
11. Saving of Revenue Board's powers in regard to charitable endowments. Power to transfer them to local fund board.
12. Board to have and use a seal.
13. Board may, with consent of owners, take over and repair certain roads or streets.
14. Power to purchase and sell lands.
15. The Governor in Council may declare any land to be needed for a public purpose, &c.
16. Member of board not to be personally liable for contracts, &c., but only for wilful misapplication, &c., of money.
17. Penalty on member of board or their servant being interested in contracts.

Mode of Transacting Business.

18. Local fund board to meet for the transaction of business.
19. Who to preside at meetings of the local fund board.
20. Casting vote.
21. Minutes of proceedings of board to be kept, and to be open for inspection.
22. Quorum.
23. Executive power of board vested in the president.
24. President to appoint officers for the purposes of this Act.
25. Officers already employed by Government for similar purposes to be continued in office.

Purposes to which the Funds Raised under this Act shall be Applied.

26. Purposes to which the funds raised under this Act are to be applied.
27. Contribution to other circles and to municipalities.
28. Appointment of officers to superintend operations of local fund boards.
29. Collector to submit annual estimates of receipts and charges.
30. Estimate of annual expenditure.
31. Government to pass orders on estimate.
32. Submission of annual reports and audit of local fund accounts.
33. Saving of power of Government to appoint local committees for schools, &c.

Constitution of Local Funds.

34. What shall constitute the local fund.
35. Fund where to be lodged and how to be drawn against.

Rates, Tolls, and Taxes Leviable under this Act.

36. Levy of rates, tolls, and taxes.
37. Rate to be fixed by notification of Government.

Section.

Rates on the Rent Value of Land.

38. Annual rent value of lands how to be fixed.
    I. Lands held unde ryotwary settlement.
    II. Inam lands.
    III. Lands held on any tenure other than ryotwary.
39. Local rate how to be calculated when revenue or rent is paid in kind.
40. Holders of land, on other than ryotwary tenure, to furnish lists of their lands to Collector.
41. Penalty for failing to furnish such lists.
42. If list be not furnished, Collector may fix the annual rent value of such landholder's lands.
43. Power of Collector to summon parties, &c., to ascertain correctness of the lists, or to fix annual rent value when such lists have not been furnished.
44. Collector to assess landholder in accordance with list submitted by him, if he is satisfied with it, or amend the same if dissatisfied with it.
45. Appeal to Board of Revenue.
46. Rate to be entered in puttahs of ryotwary lands.
47. Payment of local rate by landholder.
    Power to landholder to recover one-half of the rate from tenant.
48. Remission of one-half of local rate in case of lands held on other than ryotwary tenure, on the amount of peshcush or other revenue payable to Government.
49. Arrear of local rate how to be recovered.
50. Powers and liabilities of landholders under the Act, in regard to the collection of local rates from their tenants.

Tax on Houses.

51. Levy of tax on houses.
52. Rate book to be kept and to be open to inspection.
53. Completion of rate book to be notified.
54. Amendment of rate book.
55. Appeals.
56. Notice of appeals.
57. Remission of rate on account of vacant houses.
58. Exemption from payment of house rate on the ground of poverty.
59. Notice of demand for house rate.
60. Inventory. Distress.
61. Rate paid by, or recovered from, occupier of house to be deducted from rent thereof.

Tolls on Carriages, &c.

62. Tolls on carriages, &c., to be levied as provided for.
63. Tolls to be levied on carriages, carts, and animals entering the circle.
64. In case of non-payment of toll, vehicle, &c., may be seized.
65. Troops, military stores, police, &c., exempt from toll.
66. The board may compound with persons living outside the circle for a payment in lieu of tolls.
67. Police to assist toll collectors.
68. Table of tolls to be exhibited.

General Provisions.

69. Bar of suits in civil courts.
70. Duties imposed by this Act on the Collector may be done by any other officer appointed for that purpose.
71. Delegation of the powers of Government under this Act.
72. Publication of notifications in the District Gazette.
73. Service of notice.
74. Illegal collection of rates, taxes, or tolls.
75. Offender may be detained in custody or compelled to give security if fine be not paid.
76. Imprisonment where no sufficient distress can be had.
77. Prosecutions under the Act.
78. Short Title.

Schedules.

Schedule A.—Tax on houses.

„ B.—Maximum rates of tolls payable on carriages, &c., passing along roads within the circle.

„ C.—Notice of demand.

Appendix, No. 15.

ACT No. IV. of 1871.

PASSED BY THE GOVERNOR OF FORT ST. GEORGE IN COUNCIL.

[Received the Assent of the Governor on the 2nd March 1871, and of the Governor General on the 28th March 1871.]

AN ACT to provide Funds for Expenditure on objects of local Public Utility and Improvement, and to constitute Local Boards for the due administration of such Funds.

Preamble.

WHEREAS it is necessary that the funds available for the construction, repair, and maintenance of roads and communications in the Presidency of Madras should be increased, and that funds should also be raised by means of local rates for the diffusion of education and for other objects of public utility calculated to promote the health and the comfort or convenience of the inhabitants of places not included within the limits of any municipality; it is hereby enacted as follows:—

Interpretation clause.

1. The following words and expressions, wherever they occur in this Act, shall have the meaning hereby assigned to them:—

Landholder.

The term "landholder" shall include all persons holding under a Sunnud-i-Milkeut-Istimrar, all other zemindars, poligars, shrotriemdars, jaghirdars, and inamdars, and all persons farming the land revenue under Government; also all holders of land under Ryotwar Settlement, or in any way subject to the payment of land revenue direct to Government, and all other registered holders of land in proprietary right.

Tenant.

The term "tenant" shall include all persons who occupy land under a landholder, whether personally or by an agent, and whether they pay rent to such landholder or otherwise.

President.

The term "President" shall denote the president of any board appointed under this Act.

House.

The term "house" shall include any shop or warehouse.

Official year.

The words "official year" shall mean the year beginning on the 1st day of April or such other date as may hereafter be fixed by the Governor in Council by notification in the "Fort St. George Gazette."

Madras Acts VI. of 1863, III. of 1866, and II. of 1868, to have no effect in places to which this Act is extended.

2. The Madras Education Act No. VI. of 1863, the Madras District Road Cess Act No. III. of 1866, and the Madras Act II. of 1868 (an Act to enable landholders in certain localities to levy tolls upon roads and bridges constructed by them at their own expense and also on roads and bridges constructed at the expense of the State, the repair and maintenance of which may be undertaken by such landholders), shall, in every circle to which this Act shall be extended, cease to have effect, except as to any assessment made, or as to any act done, or as to any liability incurred, or as to any money due, or as to any proceedings commenced in such circle, before this Act shall have effect therein.

Application of Act.

3. It shall be lawful for the Governor in Council, by notification in the "Fort St. George Gazette," from time to time to declare any district or part of a district to be a circle within the meaning of this Act, and the Act shall come into force in such circle on the date fixed in such notification; provided that it shall not be applicable to the town of Madras, or to any town to which the provisions of the Towns Improvement Act of 1865, or of any Act which shall have been subsequently passed for regulating the municipal administration of towns in the Presidency of Fort St. George, shall have been extended, except to the extent hereinafter specified in Section 27 of this Act.

APPOINTMENT AND FUNCTIONS OF LOCAL FUND BOARDS.

Appointment of local fund boards.

4. In any circle to which the operation of this Act shall have been extended, the Governor in Council shall appoint a Local Fund Board for the administration of the funds raised for any or all of the several purposes of this Act. Such board shall consist of three or more persons being owners or occupiers of land in such circle, or carrying on business therein, or residing in such circle. The persons so appointed shall continue in office for three years, or until their successors shall have been appointed, and shall be eligible for re-appointment. The Governor in Council may from time to time accept the resignation of any of the members of a board appointed under this Act, or may remove any such member for misconduct or neglect of duty, add to their number, or fill up vacancies among them.

Appointment of president and *ex officio* members.

5. In addition to the number to be appointed as aforesaid, the collector of the district shall be *ex officio* member and president of each Local Fund Board appointed within the district under this Act, and it shall further be competent to the Governor in Council to appoint as members of each local fund board any officers in the service of Government; provided that not more than one-half of the whole number of members of any one Local Fund Board shall be persons holding salaried offices in the service of Government.

Appointment of vice president of the board.

6. The Governor in Council shall from time to time appoint one of the members of each Local Fund Board to be Vice-President of such board.

President of local fund board empowered to sue and be sued, to hold property, and enter into contracts.

7. The Local Fund Board shall sue and be sued in the name of their President by the description of "The President of the Local Fund Board of the Circle in the district of ;" and, in such name so described, the board shall be competent to hold property, moveable and immoveable, to them and their successors as a body corporate, and to convey the same, and to enter into all necessary contracts for the purposes of this Act.

Public streets, &c., vested in the local fund board.

8. All public roads or streets in any circle (not being private property) existing at the time this Act comes into operation, or which shall afterwards be made, and the pavements, stones, and other materials thereof, and also all erections, materials, implements and other things provided for such roads or streets, shall vest in the Local Fund Board of the circle. But it shall be competent to Government from time to time by notification to exclude any road or street from the operation of this Act, and to cancel such notification, wholly or in part.

Property vested in School Commissioners under Madras Act VI. of 1863, to be transferred to the local fund board.

9. All lands, houses, and other property in any circle, which, at the time this Act comes into operation in such circle, shall be vested in the School Commissioners appointed under the Madras Education Act, shall vest in the Local Fund Board of the circle; and all claims and demands which any person might have preferred against such School Commissioners in their official capacity may be preferred against the Local Fund Board.

Existing hospitals, schools, choultries, &c., to be vested in the local fund board.

10. All or any hospitals, dispensaries, schools, choultries, markets, tanks and wells, not being private property, and not governed by Regulation VII. of 1817 of the Madras Code, and all medicines, furniture, and other articles appurtenant thereto, not being private property, which, at the time this Act comes into operation in any circle, shall be found therein, may, by notification of the Governor in Council, be vested in the Local Fund Board of the circle; and thereupon all endowments or funds belonging to such hospitals, dispensaries, schools, or choultries shall be transferred to and vest in the Local Fund Board in trust to hold and apply the same to the purposes to which such endowments and funds were lawfully applicable at the time of such transfer:

Transfer of funds to the local fund board.

Proviso.

Provided always that no such notification shall be issued until one month after the intention of Government to transfer such property shall have been notified in the "District Gazette" in English and in the vernacular language or languages of the district.

Saving of Revenue Board's powers in regard to charitable endowments.

11. Nothing in this Act contained shall be deemed to affect the duties and powers vested in the Board of Revenue in respect of charitable endowments by the said Regulation VII. of 1817. But it shall be competent to the Board of Revenue, with the written consent of the Government and of the Local Fund Board, to make over to the Local Fund Board the

Power to transfer them to local fund board.

management and superintendence of any such endowment; and thereupon all powers and duties which attach to the Board of Revenue in respect thereof shall attach to the Local Fund Board as if such Local Fund Board had been specially named in the said Regulation.

Board to have and use a seal.

12. The Local Fund Board shall have and use a common seal, and shall have their name engraven thereon in legible characters in the English language, and also in the vernacular language of the district. All contracts entered into in respect of any sum exceeding 20 *Rs.* shall be in writing, and shall be sealed with the common seal of the board, and, on their behalf, in the presence of at least two members of the board, one of whom shall be the president or the vice-president, who shall certify the same by affixing their signatures as witnesses at the foot of the instruments. All such contracts shall be varied or discharged in a similar manner.

Board may, with consent of owners, take over and repair certain roads or streets.

13. It shall be lawful for the board to agree with the person or persons in whom the property in any road or street is vested, to take over the property therein, and, after such agreement, to declare, by notice in writing put up in any part of such road or street, that the same has become a public road or street. Thereupon such road or street, shall vest in the board, and shall thenceforth be repaired and kept up out of the local fund.

Power to purchase and sell lands.

14. The board may agree with the owners of any land for the purchase thereof for the purposes of this Act, and may sell any land which has vested in them, either together or in parcels, and the proceeds of such sale shall be applied for the purposes of this Act.

The Governor in Council may declare any land to be needed for a public purpose, &c.

15. When the board may be unable to agree with the owners of any land for the purchase thereof, the governor in council may, upon the representation of the board, and after such inquiry as may be thought proper, declare that the land is needed for a public purpose, and may order proceedings to be taken for obtaining possession of the same for the Government, and for determining the compensation to be paid to the parties interested, according to any law now or hereafter to be in force for the acquisition of land for public purposes. On payment by the board of the compensation awarded, such land shall vest in them in trust for the purposes of this Act.

Member of board not to be personally liable for contracts, &c., but only for wilful misapplication, &c., of money.

16. No member of the board shall be personally liable for any contract made, or expense incurred, by or on behalf of the board; but the funds from time to time in the hands of the board shall be liable for, and chargeable with, all contracts and expenses duly incurred as aforesaid. Every member shall be liable for any misapplication of money entrusted to the board to which he shall have been a party, or which shall have happened through, or have been facilitated by, his neglect of his duty; and he shall be liable to be sued for the same as for money due to the Government.

17. No

17. No member of the local fund board, or servant of the board, shall be interested, directly or indirectly, in any contract made with the board. And if any such person be so interested, he shall thereby become incapable of continuing in office or in employment, and shall be liable to a fine not exceeding 500 rupees, which shall be paid into and credited to the local fund: Provided always, that no person, by being a shareholder in, or member of, any incorporated or registered company, shall be disqualified from acting as a member of the local fund board by reason of any contract entered into between such company and the board. Nevertheless, it shall not be lawful for such shareholder or member to act as a member of the board in any matter relating to any contract entered into between the board and such company.

Penalty on member of board, or their servant, being interested in contracts.

Mode of transacting Business.

18. Each local fund board shall meet for the transaction of business upon such days and at such place as they may arrange, and as often as a meeting shall be called by the president or the vice-president. And all questions which may come before them at any meeting shall be decided by majority.

Local fund board to meet for the transaction of business.

19. In the absence from any meeting of the president and vice-president, the board shall choose some one of their number to preside.

Who to preside at meetings of the local fund board.

20. In every case of equality of votes, the presiding member shall have a second or casting vote.

Casting vote.

21. Minutes of the proceedings of the board at each meeting shall be drawn up and fairly entered in a book to be kept for that purpose, and shall be signed by the member who presided at such meeting. And the said minutes shall, at all reasonable times and without charge, be open at the office of the board to the inspection of any person who pays a rate or tax under this Act on behalf of himself or of any other person.

Minutes of proceedings of board to be kept and to be open for inspection.

22. No business shall be transacted at a meeting unless at least three members be present.

Quorum.

23. The resolutions of the local fund board shall be carried into effect by the president, in whom the entire executive power of the board shall be vested, and who shall be directly responsible for the due fulfilment of the purposes of this Act.

Executive power of board vested in the president.

24. The president may from time to time appoint all such officers as the board shall think necessary and proper to assist in the execution of this Act, and may from time to time remove any such officers and appoint others in their place, and out of the funds applicable to the purposes of this Act may pay such salaries to the said officers respectively as the board shall think reasonable: Provided that it shall be competent to the Government to pass such orders as they may deem proper in respect of the number of officers to be appointed under this section, and the rates of salary to be assigned to them; and such orders shall be binding on the board, and shall be carried out by them as far as the funds at their disposal will permit.

President to appoint ministerial officers for the purposes of this Act.

25. All persons in the employ of the Government, who, at the time this Act comes into operation in any district, shall be performing any executive or ministerial duties in carrying out the purposes specified in this Act, shall continue to discharge such duties under the orders of the Government, unless and until the Government shall otherwise direct.

Officers already employed by Government for similar purposes to be continued in office.

Purposes to which the Funds Raised under this Act shall be Applied.

26. The funds raised under the powers of this Act shall, subject to such rules as the Governor of Fort Saint George in Council may from time to time prescribe, be applicable to the following purposes in the circle to which they are raised:—

Purposes to which the funds raised under this Act are to be applied.

I. The construction, repair, and maintenance of roads and communications.

II. The diffusion of education, and, with this object in view, the construction and repair of school houses, the maintenance of schools either wholly or by means of grants-in-aid, the inspection of schools, and the training of teachers.

III. The construction and repair of hospitals, dispensaries, lunatic asylums, choultries, markets, tanks, and wells, the payment of all charges connected with the objects for which such buildings have been constructed, the training and employment of vaccinators and medical practitioners, the sanitary inspection of towns and villages, the cleansing of the roads, streets, and tanks, and any other local works of public utility calculated to promote the health, comfort, or convenience of the people.

27. It shall be competent to any local fund board appointed under this Act, with the sanction or upon the direction of the Government, to contribute out of the local funds belonging to any circle towards the expenses incurred in any other circle constituted under this Act, or in any municipal corporation constituted under any Act which may now or hereafter be in force within the Madras Presidency, where such expenditure is incurred for any of the purposes described in the last preceding section, and is calculated to benefit the inhabitants of the contributing circle: Provided always that, where such contribution has

Contribution to other circles and to municipalities.

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not been originally recommended by such local fund board, it shall not be obligatory upon them until the proposal to make such contribution shall have been submitted to them by the Government, and they shall have had the opportunity of offering their opinions thereon.

Appointment of officers to superintend operations of local fund boards.

28. It shall be competent to the Government to appoint from time to time such officers as may be required for the purpose of inspecting or superintending the operations of the local funds boards created by this Act, and to assign to them such salaries as the Governor in Council shall think reasonable; and the expense incurred by reason of such appointments shall be defrayed in rateable proportions out of the local funds of the several circles.

Collector to submit annual estimate of receipts and charges.

29. The collector of the district shall annually render to the local fund boards of each circle within his district an estimate of the probable gross receipts and charges of collection of the rates, taxes, and tolls levied under this Act in the same circle.

Estimate of annual expenditure.

30. The local fund board shall, at such time or times and in such form as the Governor in Council shall direct, furnish, for the sanction of the Governor in Council, a statement or estimate showing the probable receipts and the expenditure which it is proposed by the board to incur during the next official year, and the items in respect of which it is proposed to incur such expenditure, and may also furnish a supplemental estimate providing for any modifications which they may deem it advisable to make in the distribution of the amount to be raised and expended in the official year then current for the purposes of this Act.

Government to pass orders on estimate.

31. It shall be lawful for the Governor in Council to pass such orders as he shall think fit upon the original or supplemental estimate so submitted to him, and such orders shall be binding upon the board, and shall be carried out by them so far as the means at their disposal will permit.

Submission of annual reports and audit of local fund accounts.

32. The board shall, at such time or times and in such form as the Governor in Council shall direct, furnish an annual report of their proceedings, and statements in detail of all the works executed and measures carried out by them, and of all sums received and expended by them. The local fund accounts shall be audited by such officer and in such manner as the Governor in Council shall direct. The annual report shall be published, both in English and in one of the vernacular languages of the district, in the "District Gazette."

Saving of power of Government to appoint local committees for schools, dispensaries, &c.

33. Nothing in this Act contained shall be deemed to affect the power of Government to appoint local committees for the management of schools, dispensaries, and other institutions maintained or aided out of the funds raised under this Act: Provided that such committees shall act in subordination to the local fund board under such rules as the Governor in Council shall prescribe.

Constitution of Local Funds.

What shall constitute the local fund.

34. The ocal fund shall consist of all unexpended balances of funds raised under Madras Acts VI. of 1863 and III. of 1866, of the proceeds of the rates, taxes, and tolls hereinafter authorised, of the sale proceeds of all property vested in the local fund board which may be sold under their orders, of all fines or penalties levied under the authority of this Act, of all contributions received from other circles or municipal corporations, and of all other sums of money which under the sanction of the Government may be received by the local fund board in trust for the purposes of this Act: Provided that the said unexpended balances of funds raised under the said Madras Education Act (No. VI. of 1863), and the District Road Cess Act (No. III. of 1866), shall be applied only to the purposes to which such funds were lawfully applicable at the date of the coming into operation of this Act: Provided also that the local fund of each district shall remain liable for the repayment of all advances made by Government for the purposes of Madras Act III. of 1866 (the District Road Cess Act) in such district, which may not have been discharged out of the collections made under that Act.

Proviso.

Fund where to be lodged and how to be drawn against.

35. The local fund shall be lodged in such bank or Government Treasury as the president, under the orders of Government, may direct. All expenses incurred by him shall be paid out of such fund; and all orders or cheques upon the said fund shall be signed by the president, or, in his absence, by any officer authorised by him for the purpose, whose signature shall be a sufficient authority to such bank or Government Treasury for the payment thereof.

Rates, Tolls, and Taxes leviable under this Act.

Levy of rates, tolls, and taxes.

36. It shall be lawful for the Government, subject to the restrictions hereinafter mentioned, to levy for the purposes of this Act in any circle to which this Act shall have been applied, all or any one or more of the following rates, tolls, and taxes; that is to say,—

I. A rate or cess not exceeding one anna in the rupee on the annual rent value of all occupied land on whatever tenure held.

II. A tax

II. A tax on houses not exceeding the rates laid down in Schedule A. to this Act annexed.

III. Tolls upon carriages, carts, or animals passing along roads within the circle not exceeding the rates laid down in Schedule (B.) to this Act annexed.

Provided that the tax on houses shall not be imposed except in villages, or groups of villages or townships, in which a school supported by a Government grant-in-aid already exists, or in which the inhabitants are prepared to establish a school under such rules as may at the time be in force in respect of educational grants-in-aid, or in which the Government shall determine to establish a school: Provided also that the net proceeds of all tolls, and not less than two-thirds of the rate or cess actually levied on the annual rent value of occupied land, shall be applied to the first of the purposes specified in Section 26 of this Act.

Rate to be fixed by notification of Government.

37. The exact amount of the said rates, tolls, and taxes, and the date from which they shall be payable in each circle, shall be fixed from time to time by notification by the Governor in Council; but it shall be competent to the said Governor in Council to sanction a reduction or remission of the amount of any rate, toll, or tax authorised in such notification, in the case of particular persons or classes of persons, either on the ground of poverty, or on the ground of inequality in the incidence of taxation, or for any other reason which may appear to the Government to be satisfactory.

Rate on the Rent Value of Land.

Annual rent value of lands how to be fixed.

38. The rent value of land shall be calculated for the purposes of this Act in the following manner:—

Lands held under a ryotwary settlement.

I. In the case of lands held direct from the Government under a ryotwary settlement, the assessment payable to Government for the land, together with any water rate which may be payable for its irrigation, shall be taken to be the annual rent value of such lands.

Inam lands.

II. In the case of Inam lands, or lands held wholly or partially free from assessment, the full assessment which such lands would bear if they were not Inam, together with any water rate which may be payable for their irrigation, shall be taken to be the annual rent value; and such full assessment and water rate, if not already fixed and known, shall be determined by the collector of the district under the general orders of the Board of Revenue.

Lands held on any tenure other than ryotwary.

III. In the case of lands held on any other tenure, the annual rent payable to the landholder by his tenants shall, for the purposes of this Act, be taken to be the annual rent value of the lands held by such tenants; and the rent ordinarily payable to the landholder for lands of similar quality leased out by him in the neighbourhood shall be taken to be the annual rent value of lands occupied by the owner himself, or by any person holding the same from him free of rent, or at a favourable rent.

Local rate how to be calculated when revenue or rent is paid in kind.

39. When revenue or rent is paid in kind, the local rate shall be calculated on the rates of rent established or paid for neighbouring lands of a similar description and quality.

Holders of land, on other than ryotwary tenure, to furnish lists of their lands to collector.

40. It shall be lawful for the collector, with the sanction of the Board of Revenue, to require every landholder, holding under any tenure other than ryotwary, to furnish him with a list of his lands, whether occupied by tenants or by himself, specifying, in each case, the annual rent value of the lands so occupied.

Penalty for failing to furnish such lists.

41. If such landholder shall fail to furnish to the collector of the district, or to such other officer as he may appoint, the list referred to in the last preceding section, within six months after requisition made in the "District Gazette," or otherwise, such landholder shall be liable to a fine not exceeding 50 rupees, for each day's delay until the list be furnished, or until the annual rent value of such landholder's lands shall have been fixed by the collector as provided in the next following section. Such fine shall be credited to the local fund.

If list be not furnished, collector may fix the annual rent value of such landholder's lands.

42. If no such list be furnished by the landholder within one month from the expiration of the six months aforesaid, the collector of the district shall be empowered to fix, for the purposes of this Act, the annual rent value of such landholder's lands, both those occupied by his tenants and those occupied by himself.

Power of collector to summon parties, &c., to ascertain correctness of the lists, or to fix annual rent value when such lists have not been furnished.

43. The collector of the district shall be empowered to take steps for ascertaining the correctness of the lists referred to in Section 40, or for fixing the annual rent value as provided in the last preceding section where such lists have not been furnished, in the manner provided in the Madras Act III. of 1869, anything in Regulation XXIX. of 1802 to the contrary notwithstanding, and may depute any of his officers to make such inquiries as may be necessary.

Collector to assess landholder in accordance with list submitted by him, if he is satisfied with it, or amend the same if dissatisfied with it.

44. If the collector is satisfied with the list submitted by a landholder under Section 40 of this Act, he shall assess him in accordance with it for the local rate due on his estate; but if the collector be dissatisfied with the list, he shall, after making the inquiries referred to in Section 43, amend the same, and shall supply such landholder with a copy of such amended list, which, for the purposes of this Act, shall be taken to contain the annual rent value of his lands for the purposes of this Act.

Appeal to Board of Revenue.

45. An appeal shall lie to the Board of Revenue from decisions of collectors under the last preceding section of this Act, provided such appeal be preferred within three months from the date of the collector's decision; and the orders of the board on such appeals shall be final.

Rate to be entered in puttahs of ryotwary lands.

46. In the case of land held on ryotwary tenure, the amount of the local rate shall be entered in the puttah of the landholder.

Payment of local rate by landholder.

47. Every landholder shall pay to the collector, or other officer empowered by him to receive it, the local rate due under this Act upon his lands, whether occupied by his tenants or by himself, on or before such dates and in such instalments as the collector, under the general orders of the Board of Revenue, may declare by a notification in the Gazette of the district: Provided that every landholder is hereby empowered to collect and recover from his tenants one-half of the local rate payable under this Act in respect of the land held by such tenants.

Power to landholder to recover rate from tenant.

Remission of one-half of the local rate in case of lands held on other than ryotwary tenure.

Proviso.

48. Every holder of land coming within the meaning of Clause 3 of Section 38 of this Act shall be entitled to a remission of one-half of the local rate payable under this Act on so much of the whole annual rent value of his land as is equal to the amount of the peshcush or permanent assessment, or other revenue payable by him to Government in respect of such land: Provided always that the amount recoverable from such landholder from his tenants under the proviso to Section 47 of this Act shall be calculated upon the whole amount which would have been payable to Government if no such remission had been allowed.

Arrear of local rate how to be recovered.

49. When the whole or any portion of an instalment of local rate shall not be paid by a landholder on the date fixed by the collector under Section 47 of this Act, the sum remaining unpaid shall be deemed an arrear; and it shall be lawful for the collector, or other officer empowered by the collector in that behalf, to proceed to recover the arrear with interest and costs of process under the provisions of Madras Act II. of 1864; and the local rate is hereby declared to be included among the cesses referred to in Section 52 of that Act.

Power of landholders under the Act for the collection of local rates from their tenants

50. All landholders are hereby declared to have the same powers, and to be liable to the same penalties, in the collection of the portion of the local rate recoverable under the proviso to Section 47 from their tenants and other occupants of their lands, as may be prescribed in any Act or regulation which now is, or hereafter may be, in force for the collection of rent due to a landholder.

Tax on Houses.

Levy of tax on houses.

51. Whenever it shall be determined by the Government to levy a tax on houses in any village, or group of villages, or township, the tax shall be levied in the manner prescribed by Sections 52 to 61 of this Act inclusive.

Rate book to be kept and to be open to inspection.

52. The collector of the district, or such other revenue officers as the collector shall authorise in that behalf, shall prepare lists of all houses rateable under this Act, in each village, group of villages, or township, and shall enter the same in rate books which shall contain the name of the owner or occupier of the house, the class under which it is rated, the amount of rate due, and the date at which the rate is payable; and every person claiming to be the owner or occupier of such house, or the agent of such person, shall be at liberty to inspect the same at all reasonable hours and to make extracts therefrom without the payment of any fee.

Completion of rate book to be notified.

53. As soon as the rate books are prepared, the said collector, or other revenue officer authorised as aforesaid, shall give public notice thereof, and of the place or places where they may be inspected.

Amendment of rate book.

54. It shall be lawful for the said collector, or other revenue officer authorised as aforesaid, from time to time, to add to or amend the rate book, by inserting therein the name of any person liable to be rated, or by inserting any property liable to the rate, or by altering the classification of such property; and, in the case of every such amendment, notice thereof shall be given to the person interested in such amendment.

Appeals.

55. Every person aggrieved by any rate fixed under Section 52 or 54 of this Act shall be at liberty to appeal to the revenue officer in charge of the division of the district in which the village, or group of villages, or township is situated. The appeal shall be preferred within 30 days from the date of the publication or service respectively of the notice mentioned in the preceding sections.

Notice of appeals.

56. Every such appeal shall be in writing, and shall be left at the office of the appellate authority, whose decision upon such appeal shall be final.

57. When

57. When any house shall have been vacant for 60 or more consecutive days during any year, the collector of the district, or other revenue officer authorised as aforesaid, shall remit so much as may be proportionate to the number of days the said house may have remained unoccupied; provided that the owner of such house, or his agent, shall have given to such officer notice in writing of the vacancy thereof, and that the amount of rate to be remitted shall be calculated from the date of the delivery of such notice.

Remission of rate on account of vacant houses.

58. It shall be lawful for the collector of the district, or other revenue officer in charge of the division in which the building is situated, to exempt from payment, on the ground of poverty, the owner or occupier of any house rateable under this Act: Provided also that no building ordinarily used as a place of public worship, or as a public choultry, or as a hospital or dispensary, and no building exclusively used for charitable purposes, shall be liable to any rate.

Exemption from payment of house rate on the ground of poverty.

59. Where any house rate shall remain unpaid 10 days after the same is due, it shall be lawful for the collector, or other revenue officer authorised as aforesaid, to serve upon the owner or occupier of the house, or upon both, a notice in writing in the form given in Schedule (C.) to this Act, or to the like effect. If such person shall not, within seven days from the service of such notice of demand, pay the sum due, or show sufficient cause for non-payment of the same, such sum, with all costs, may be levied by distress and sale of all goods and chattels found on the premises, or of all goods and chattels of the owner, wherever the same may be found within the limits of the district.

Notice of demand for house rate.

60. The distraining officer shall make an inventory of the goods seized, and if the amount due is not paid within seven days after seizure, the goods shall be sold, and the surplus, if any, after paying the rate and the costs of distress and sale, shall be returned to the person in possession of the goods at the time the seizure was made.

Inventory, distress

61. Whenever any house rate shall have been paid by the occupier, or recovered from him by seizure and sale of his property, it shall be lawful for him to deduct the amount so paid or recovered from the next and following payments of rent.

Rate paid by or recovered from occupier of house to be deducted from rent thereof.

Tolls on Carriages and Animals passing along Roads within the Circle.

62. If it shall be determined by the Government to levy, for the purposes of this Act, tolls on carriages, carts, and animals passing along roads within any circle, such tolls shall be levied as provided in Sections 63 to 68 of this Act.

Toll on carriages, &c., to be levied as provided for.

63. It shall be lawful for the Governor in Council by notification to declare that tolls not exceeding the rates mentioned in Schedule (B.) annexed to this Act shall be levied upon all carriages, carts, and animals passing along any roads within the circle specified in such notification. The collector of the district may thereupon construct toll-bars, gates, and gate-keepers' stations at such places as the Governor in Council may sanction, and may place the collection of such tolls under the management of such persons as may appear to him proper, or may, with the permission of the Governor in Council, lease out the same, and shall frame bye-laws, in manner hereinafter provided, for the guidance of such toll collectors; and all persons employed in the management and collection of such tolls shall be liable to the same responsibilities as would attach to them if employed in the collection of any assessment or tax under this Act: Provided that no more than one payment of toll shall be demanded for, and in respect of, any carriage, cart, or animal in any one period of 24 hours counted from midnight to midnight.

Tolls to be levied on carriages, carts, and animals entering the circle.

64. In case of non-payment of any such toll on demand, the officer appointed or duly authorised to collect the same may seize any carriage or animal on which it is chargeable, or any part of its burden of sufficient value to defray the toll. If any toll, together with the cost arising from such seizure and custody, remains undischarged for 48 hours, the collector, or other revenue officer authorised by him in that behalf, may sell the property seized, for discharge of the toll and of all expenses occasioned by such non-payment, seizure, custody, and sale. Any balance that may remain shall be returned, on demand, if made within six months, to the owner of the property, and, if unclaimed after such period, shall be credited to the local fund. After seizure of the property as aforesaid, the collector, or other officer authorised as aforesaid, shall forthwith issue a notice that, after the expiration of two days, exclusive of Sunday, he will sell, at such place as may be stated in the notice, the property by auction: Provided that if, at any time before the sale has actually begun, the person whose property has been seized shall tender to the officer empowered to sell the property the amount of all the expenses incurred and of the toll payable by him, the property seized shall forthwith be released.

In case of non-payment of tolls, vehicle, &c., may be seized.

65. No tolls shall be paid for the passage of troops on their march, or of military or Government stores and equipages, or of military or police officers on duty, or of any person or property in their custody; but no other exemption from payment of the tolls levied under this Act shall be allowed, except as provided in the following section.

Troops, military stores, police, &c., exempt from toll.

66. It shall be lawful for the local fund board to compound with any person for a sum to be paid annually or half-yearly, in lieu of all tolls payable under the provisions of this Act, either generally in respect of all roads within the circle, or specially in respect of any particular road, and to issue licenses for such carriages, carts, or animals; and while such licenses

The board may compound with person living outside the circle for a payment in lieu of tolls.

Appendix, No. 15.

licenses shall remain in force such carriages, carts, and animals shall be exempt from all tolls as aforesaid, either generally upon all the roads within such circle, or specially upon any particular road, as may be provided by the license: Provided always that such composition shall include all the carriages, carts, and animals possessed by the person compounding.

Police to assist toll collectors.

67. In all cases of resistance to the lawful authority of the toll collectors, all police officers shall be bound to assist the toll collectors when required, and for that purpose shall have the same power which they have in the exercise of their ordinary police duties.

Table of tolls to be exhibited.

68. A table of the tolls authorised to be taken at any toll gate or station, legibly written or painted in English words and figures, and in the vernacular language of the district, shall be put up in a conspicuous place near such gate or station.

General Provisions.

Bar of suits in civil courts.

69. It shall not be competent to any civil court to entertain any suit regarding the amount of any rate or tax levied under this Act.

Duties imposed by this Act on the collector may be done by any other officer appointed for that purpose.

70. Every act which is hereby directed to be done by the collector of the district may be done by any other officer whom the Governor in Council may authorise by notification to that effect.

Delegation of the powers of Government under this Act.

71. Every act which is hereby directed to be done by the Government may be done by any authority whom the Governor in Council may authorise by notification to that effect, subject to such orders as the said Governor in Council shall from time to time prescribe.

Publication of notifications in the "District Gazette."

72. Every notification of the Governor in Council referred to in this Act shall be published in the Gazette of the district to which such notification applies, both in English and in the vernacular language or languages of the district.

Service of notice.

73. Every notice which is directed by this Act to be given to any person shall be served personally upon the person to whom such notice is addressed, or, if he cannot be found, it may be left with some servant or adult member of his family, or, in default of any such, it may be affixed upon the door of his last known place of residence.

Illegal collection of rates, taxes, or tolls.

74. Every person, other than persons appointed or duly authorised to collect the rates, taxes, or tolls under this Act, who shall levy or demand any rate, tax, or toll, and also every person who shall unlawfully and extortionately demand or take any other or higher rate, tax, or toll than the lawful rate, tax, or toll, or, under colour of this Act, seize or sell any property, knowing such seizure and sale to be unlawful, or who, in cases where he shall be entitled to recover from any person any portion of the tax paid by himself under this Act, shall demand or claim any higher portion than he is entitled to recover, or who shall in any manner unlawfully extort money or any valuable thing from any person under colour of this Act, shall be deemed to have committed the offence of cheating or extortion, as the case may be, and shall be liable to such punishment as is prescribed for those offences respectively by the Indian Penal Code.

Offender may be detained in custody, or compelled to give security, if fine, &c., be not forthwith paid.

75. In case any fine, forfeiture, or penalty imposed under or by virtue of this Act shall not be forthwith paid, the magistrate may order the offender to be apprehended and detained in safe custody until the return can be conveniently made to the warrant of distress, unless the offender shall give security to the satisfaction of the magistrate for his appearance at such place and time as shall be appointed for the return of the warrant of distress.

If no sufficient distress can be had, or there be not sufficient property, whereupon the fine, &c., can be levied, the offender, if not a European British subject, may be imprisoned.

76. If, upon the return of such warrant, it shall appear that no sufficient distress can be had whereon to levy such fine, and the same shall not be forthwith paid, or in case it shall appear to the satisfaction of the magistrate, by the confession of the offender or otherwise, that he has not sufficient property whereupon such fine or sum of money could be levied if a warrant of distress were issued, the magistrate may, by warrant under his hand, commit the offender, provided he is not a European British subject, to prison, there to be imprisoned, according to the discretion of the magistrate, for any term not exceeding two calendar months when the amount of fine shall not exceed 50 rupees, and for any term not exceeding four calendar months when the amount shall not exceed 100 rupees, and for any term not exceeding six calendar months in any other case; the commitment to be determinable in each of the cases aforesaid on payment of the amount.

Prosecutions under this Act.

77. Every prosecution under this Act may be instituted before any magistrate who has jurisdiction over the offender, except in cases otherwise provided for.

Short title.

78. This Act may be cited as "The Madras Local Funds Act."

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SCHEDULE (A.)—Section 36.

Tax on Houses.

	Rs.	a.	p.	
On every house classed in the 1st Class - - -	5	–	–	per annum.
„ „ 2nd „ - - -	3	–	–	„
„ „ 3rd „ - - -	2	–	–	„
„ „ 4th „ - - -	1	–	–	„
„ „ 5th „ - - -	–	8	–	„
„ „ 6th „ - - -	–	4	–	„

SCHEDULE (B.)—Section 36.

Maximum Rates of Tolls payable on Carriages and Animals passing along Roads within the Circle.

	Rs.	a.	p.
On every four-wheeled carriage on springs - - - -	–	8	–
„ Two „ „ - - - - - -	–	4	–
„ Jatka, hackery on springs, or cart drawn by men, buffaloes, bullocks, horses, ponies, asses, or mules, laden -	–	4	–
„ Ditto - - ditto - - - not laden -	–	2	–
„ Buffalo or bullock, laden - - - - - - -	–	1	–
„ Horse, laden or ridden - - - - - - -	–	2	–
„ Ditto, not laden or ridden - - - - - -	–	1	–
„ Pony or ass, laden or ridden - - - - - -	–	1	–
„ Elephant - - - - - - - - - -	1	–	–
„ Camel - - - - - - - - - -	–	4	–

SCHEDULE (C.)—Section 59.

Notice of Demand.

Take notice that the collector of the district demands from you the sum of due from you to the local fund of circle for your house in for the year 18 , and that if the sum due is not paid into the office of at or if sufficient cause for the non-payment is not shown to him or to within seven days from the service of this notice, a warrant of distress will be issued for the recovery of the same with costs.

Date. Signature of the collector.

MADRAS.

THE TOWNS IMPROVEMENT ACT, 1871.

ARRANGEMENT OF SECTIONS.

Preamble.
Section.
1. Short Title.
2. Interpretation.
The Commissioners.
Building.
Town.
Land.
Horse.
Street.
Owner.
Official year.
3. Madras Acts X. of 1865, VI. of 1863, and III. of 1866 to have no effect in places to which this Act is extended.
All the property and rights of action of the Commissioners appointed under Madras Acts X. of 1865 and VI. of 1863, vested in the Commissioners appointed under this Act.
4. Actions, &c., by or against late Commissioners not to abate.
5. For purposes of this Act, the Governor in Council may define limits of town, &c., and create unions of places.
6. Act not to take effect in any town until it shall have been extended thereto.

Establishment of Municipal Commissions and constitution of Municipal Funds.

7. Appointment and removal of Commissioners.
8. Ex-officio Members.
9. Election of Commissioners by the ratepayers.
10. Appointment of President and Vice-President.
11. Commissioners to have and use a common seal.
12. Commissioners empowered to sue and be sued, to hold property, and enter into contracts.
13. Public streets, &c., vested in the Commissioners.
14. Commissioners may, with consent of owners, take over and repair certain streets.
15. Existing hospitals, schools, choultries, &c., vested in the Commissioners.
16. Saving of Revenue Board's powers in regard to charitable endowments.
17. What shall constitute the Municipal Fund.
18. Power to purchase and sell lands.
19. The Governor in Council may declare any land to be needed for a public purpose, &c.
20. No Commissioner to be personally liable for contracts, &c., but only for wilful misapplication, &c., of money.
21. Penalty on Commissioners and others being interested in contracts.

Mode of transacting business and appointing Municipal Servants.

22. Commissioners to keep an Office for the transaction of business.
23. Who to preside at Meetings of the Commissioners.
24. Casting vote.
25. Minutes of Proceedings of Commissioners to be kept, and to be open for inspection.
26. Quorum.
27. The President or one of the Vice-Presidents to exercise, with certain exceptions, the powers of the Commissioners.
28. Appointment of Overseers, Clerks, and Subordinate Officers.

Purposes to which Funds raised under this Act shall be applied, and how estimates of income and expenditure shall be framed.

29. Purposes to which the Funds raised under this Act shall be appropriated.
30. Contribution to extra Municipal expenditure.
31. Appointment of officers to superintend operations of Municipalities.
32. Annual estimate of expenditure to be submitted to the Governor in Council.
33. Government to pass orders on estimate.
34. An annual Report of Proceedings, &c., to be submitted.

Section.
35. Saving of power of Government to appoint Local Committees for schools, &c.
36. Disposal of sums collected.
37. Mode of drawing money.

Rates, Taxes, Tolls, and Fees leviable under this Act.

38. Rates, taxes, tolls, and fees leviable.
39. No tax for period for which payment has been made under Madras Acts X. of 1865, VI. of 1863, and III. of 1866.

Rates to be levied on Houses, Buildings, and Lands under this Act.

40. Rates on houses, &c., to be levied as provided for.
41. Rates on houses, &c., how to be levied.
Exemption from assessment in case of certain houses, &c.
42. Annual value to be assessed by the Commissioners.
43. Value assessed, owner's name, &c., to be entered in a book.
44. Valuation now standing in the book of the Commissioners to be taken as the first under this Act, till new one be made..
45. Owner or occupier how to be designated if his name be unknown.
46. Returns may be required for the purposes of valuation.
Power to enter houses, &c.
47. Public notice of valuation and assessment to be given.
48. After revision, amendments to be authenticated by signature of two Commissioners.
Further alteration or amendment of assessment.
49. New lists need not be prepared every year.
50. Remission on account of vacant houses.
51. Bill to be presented.
52. Notice of demand.
Warrant of distress.
53. Rate due from owner may be recovered from occupier and deducted by him from his rent.
54. Inventory and notice of sale.
55. Sale.
Fees.
56. Distress not unlawful for want of form.

Tax on Arts, Professions, Trades, and Callings.

57. Tax on arts, &c., to be levied as provided for.
58. Persons exercising certain professions, trades, and callings in the town to pay a tax in respect thereof.
59. Commissioners to classify all persons liable by this Act to be taxed.
60. Persons chargeable under one designation only.
61. Commissioners to prepare a list of all persons to be taxed under this Act.
Appeal.
62. Penalty for trading without having paid the trade tax.

Taxes on Carriages, Horses, and other Animals.

63. Taxes on carriages, &c., to be levied as provided for.
64. Taxes on carriages, horses, &c.
Exemption from tax on carriages and animals.
65. Owners of carriages, &c., to take out license.
66. On payment of the tax, a license to be given.
67. Penalty for keeping a carriage, &c., without having a license.
68. Carriages kept for hire to bear a registration number.
69. The Commissioners may compound for carriages with livery stable-keepers and others.
70. Carriages, &c., within the town, although owned by persons not residing therein, liable to the tax.
71. List of persons licensed under Section 66 to be entered in a book.
72. Power to enter premises.

Registration of Carts and other Vehicles without springs.

73. Registration of carts, &c., to be made as provided for.
74. Registry and numbering of carts, &c.
75. Fee for registration.
76. Penalty for not registering a cart or other vehicle.

Tolls payable for Carriages and other Vehicles and for Animals entering the Town.

Section.
77. Tolls for carriages, &c., to be levied as provided for.
78. Tolls to be levied on carriages, carts, and animals entering the Municipal limits.
79. In case of non-payment of toll, vehicle, &c., may be seized.
80. Troops, military stores, police, &c., exempt.
81. The Commissioners may compound with persons living outside the Municipal limits for a payment in lieu of tolls.
82. Police to assist toll collectors.
83 Illegal collection of tolls.
84. Table of tolls to be exhibited.

Appeals.

85. Hearing of appeals.
Assessment when to be final.
86. Limitation of appeal.
87. Assessment, &c., not to be impeached if the directions of the Act are, in substance, complied with.

Registration of Births and Deaths.

88. Commissioners to keep a Register of Births and Deaths and to appoint Registrars.
89. Every Registrar to be resident in the town or district; list of Registrars to be published, &c.
90. Commissioners to have Register Books prepared, and to furnish extracts, as prescribed.
91. Registrar to inform himself of, and register births and deaths.
92. Information of birth how to be given.
93. Information of death how to be given.
94. Penalties.
95. Person giving information to sign the register.

General Conservancy Clauses.

96. Places of deposit for filth.
97. Occupiers of houses to remove night soil, &c., to carts of Commissioners.
Proviso.
98. All rubbish collected to be the property of Commissioners.
99. Dust boxes in streets.
100. Depositing dirt in streets, &c.
101. Allowing sewage to flow on streets.
102. Removal of night soil.
103. Penalty on occupier of a house not removing filth.
104. Filthy houses.
105. Common necessaries.
106. Licensed public necessaries.
107. Construction of privies.
108. Sewers and drains, &c., under control of the Commissioners.
109. Sewers, &c., to be constructed under the direction of the Commissioners.
110. Branch drains, privies, &c., under control of Commissioners.
111. Penalty for making drains, &c., contrary to Commissioners' orders.
112. Throwing rubbish into sewers.
113. Inspection of drains, privies, and cesspools.
114. All public streams, &c., to be under direction and control of the Commissioners.
115. Bathing places, &c.
116. Fouling water by bathing, &c.
117. Power to require unwholesome tanks on private premises to be cleansed or drained.
118. Stagnant pools in open places.
119. Dangerous places to be repaired or enclosed.
120. Houses, &c., in a ruinous or dangerous state.
121. Occupier may retain or recover cost of works executed at his expense from owner, and one owner may enforce contribution from other owners.
122. Sale of materials of ruinous houses, &c.
123. License for slaughter-houses.
124. Provision of market and slaughter-houses.
125. No new market to be established.
126. Inspection of markets and slaughter-houses.
127. Sale of unwholesome food and drink.
128. Inspection of weights and measures.

Section.
129. Penalty for establishing certain offensive or dangerous trades.
130. Licenses to be granted.
131. License for continuing offensive trades already existing.
132. Case of such trades to be brought to magistrate's notice.
133. No burial or burning place henceforth to be formed without leave of Commissioners.
134. Commissioners may order certain burial or burning grounds to be closed.
135. Burial places, &c., to be provided.
136. Cart-stands and halting places for vehicles and cattle.
137. Provision and inspection of cart-stands or halting places for vehicles and cattle.
138. Future obstructions in the streets.
139. Removal of existing obstructions.
Proviso.
140. Taking up or altering pavements, &c., without authority.
141. Private persons laying out new streets.
142. Erection of new huts.
143. Power as to existing huts.
144. Buildings may be set forward for improving line of streets.
145. Buildings projecting beyond line of streets, when taken down, to be set back.
146. Name of streets.
147. Numbers on houses.
148. Roofs and external walls of huts not to be made of inflammable material.
149. Power to trim hedges and trees bordering on roads.
150. Power to remove noxious vegetation, &c.
151. Power to enter and cleanse buildings.
152. Penalty for failure to obtain renewal of licenses under Sections 106, 123, 125, 130, 133, and 136.
153. Licenses.
154. Powers of the police.
155. Duties of police.

General Provisions.

156. Publication of Notifications under this Act.
157. Damage to the Commissioners' property to be made good in addition to penalty.
158. Offender may be detained in custody, or compelled to give security, if fine, &c., be not forthwith paid.
159. If no sufficient distress can be had, or there be not sufficient property whereupon the fine, &c., can be levied, the offender, if not a European British subject, may be imprisoned.
160. Service of notice.
161. Commissioners may sue in competent court instead of distraining, or on failure of distress.
162. Power to make compensation out of the Municipal Fund.
163. Commissioners empowered to make bye-laws.
Proviso.
164. Damages, costs, or expenses how recoverable.
165. Confirmation and publication of bye-laws.
166. Bye-laws, until repealed or altered, to have like effect as if inserted in Act.
167. Bye-laws under Act X. of 1865 to continue in force until abrogated.
168. No action to be brought against the Commissioners, or their officers, until after one month's notice of cause of action.
169. Commissioners may direct prosecutions.
170. Prosecutions under this Act.

SCHEDULES.

A. Table of Fees payable upon Distraints under this Act.
A I. No. 1, Notice of Demand.
No. 2, Distress Warrant.
No. 3, Form of Inventory and Notice.
B. Arts, Professions, Trades, and Callings liable to be taxed.
C. Vehicles and Animals liable to taxation, with the maximum Rates of Taxation.
D. Maximum Rates of Tolls payable on entering the Municipal limits.

Appendix, No. 15.

ACT No. III. of 1871.

Passed by the Governor of Fort St. George in Council.

Received the Assent of the Governor on the 2nd March 1871, and of the Governor General on the 28th March 1871.

AN ACT to make better provision for the conservancy and improvement of towns in the Presidency of Fort Saint George; for the diffusion of education therein, and for other objects of public utility calculated to promote the health, comfort, or convenience of the inhabitants of the said towns.

Preamble.

WHEREAS it is expedient to make better provision for the conservancy and improvement of towns in the Presidency of Fort Saint George, for the diffusion of education therein, and for other objects of public utility calculated to promote the health, comfort, or convenience of the inhabitants of the said towns; it is enacted as follows:—

Short Title.

1. This Act may be cited as the "Towns Improvement Act, 1871."

Interpretation.

2. The following words and expressions in this Act shall have the several meanings hereby assigned to them, except where a different intention shall appear from the context; that is to say:—

"The Commissioners."

The expression "The Commissioners" shall mean the persons appointed by the Government, or elected by the ratepayers to conduct the affairs of any town under this Act, and shall include *ex-officio* Commissioners under this Act.

"House."

The word "House" shall include any hut, shop, or warehouse.

"Town."

The word "Town" shall include any village, hamlet, suburb, station, bazaar, or place, the limits of which shall be defined as in this Act provided, and shall also include any number of the same when declared to be united as in this Act provided.

"Land."

The word "Land" shall include fields, plantations, and gardens.

"Horse."

The word "Horse" shall include ponies and mules.

"Street."

The word "Street" shall mean any road, street, square, court, alley, or passage, whether a thoroughfare or not, over which the public have a right of way, together with such land (not being private property), whether covered or not by any pavement, pyall, verandah, or other erection or structure, as may be between the roadway and the main wall of any house or houses adjacent thereto, and also the roadway over any public bridge or causeway, within the town; and the expression "in or near any street" shall designate any place within the town. Provided that nothing in this section shall be taken to interfere with any easement enjoyed by any person in respect of such land at the date of the passing of this Act.

"Owner."

The word "Owner" shall mean the person, for the time being, receiving the rent of the land or premises, whether paid in money or in kind, or in charge of the animal or thing, in connection with which the word is used, whether on his own account, or as agent or trustee for any other person, or who would so receive the rent if such land or premises were let to a tenant. Provided that no person receiving the rent of land or premises as agent for another person shall be liable to make any outlay by this Act required to be made by the owner of such land or premises, in excess of the amount of the funds, or of the value of the produce belonging to the owner, which he may have in his possession; nor shall he be subject to any penalty, if he can prove that he has made the outlay required to the extent of such funds.

"Official year."

The words "Official year" shall mean the year beginning on the first day of April, or such other date as may hereafter be fixed by the Governor in Council by notification in the "Fort Saint George Gazette."

Madras Acts X. of 1865, VI. of 1863, and III. of 1866 to have no effect in places to which this Act is extended.

3. Madras Act No. X. of 1865 (The Towns Improvement Act, 1865), the Madras Education Act (No. VI. of 1863), and the Madras District Road Cess Act (No. III. of 1866) shall, in every town to which this Act shall be extended, cease to have effect, except as to any assessment made, or as to any act done, or as to any liability incurred, or as to any money due, or as to any proceedings commenced in such town before such Act shall have effect therein.

All the property and rights of action of the Municipal and School Commissioners appointed under Acts X. of 1865 and VI. of 1863 vested in the Commissioners appointed under this Act.

All lands, buildings, works, and hereditaments, utensils, materials, books, plans, maps, papers, effects, securities, and monies, whether derived under the said Madras Act X. of 1865, or under Madras Act VI. of 1863, and other property, moveable and immoveable, of what nature or kind soever, and all interest therein, whether vested, contingent, or in remainder, which shall on the date on which this Act shall take effect in such town, be vested in, or held in trust for, the Commissioners appointed under the said Madras Acts X. of 1865 and VI. of 1863, respectively, who shall hereafter in this Act be designated the late Commissioners, or which would have been vested in, or held in trust for, such Commissioners but for the passing of this Act, and all such estate and interest of and in the same, respectively, as shall then be or would have been in, or in trust for, the said Commissioners or any of them, with all rights of way and other rights and easements now used and enjoyed by the said Commissioners, shall, on and from the date when this Act comes into operation in such town, be vested in the Commissioners appointed under this Act and their successors; and all persons who shall then owe any money to the late Commissioners, or to any person on their behalf, shall pay the same to the Commissioners appointed under this Act, or as they shall direct: and all monies which shall be then due, and owing by, or recoverable from, the late Commissioners, shall be paid by or be recoverable from the Commissioners: and all contracts, agreements, mortgages, bonds, covenants, and securities

securities made or entered into before this Act comes into operation, to, with, or in favour of, or by, or for the said late Commissioners, or any of them, or any person on behalf of such late Commissioners, and all rights of action and suit arising out of contract or otherwise, shall take effect, and may be proceeded on and enforced, as far as circumstances will admit, in favour of, by, against, and with reference to, the Commissioners in such manner as the same would have taken effect, and might have been proceeded on and enforced in favour of, by, against, and with reference to, the said late Commissioners, or any of them, if this Act had not been passed.

Actions, &c., by or against Commissioners, not to abate, &c.

4. No action, suit, prosecution, or other proceeding whatsoever, commenced or carried on either by or against the late Commissioners previously to the coming into operation of this Act, shall abate or be discontinued or prejudicially affected by this Act, but shall continue and take effect both in favour of and against the Commissioners, in the same manner in all respects as the same would have continued and taken effect in relation to the late Commissioners, or any of them, if this Act had not been passed: and all decrees and orders made, and all fines and penalties imposed and incurred respectively, previously to the coming into operation of this Act, shall and may be enforced, levied, recovered, and proceeded for; and all administrative proceedings commenced previously to the coming into operation of this Act shall and may be continued, proceeded with, and completed in such or the like manner as if this Act had not been passed, the Commissioners under this Act being, in reference to the matters aforesaid, in all respects substituted for the late Commissioners.

For purposes of this Act, the Governor in Council may define limits of town, &c., and create unions of places.

5. For the purposes of this Act, the Governor in Council may, from time to time, by notification, define the limits of any town, village, hamlet, suburb, station, bazaar, or place not being within the limits of the town of Madras; and may, from time to time, by such notification, declare to be united for the purposes of this Act, any number of such towns, villages, hamlets, suburbs, stations, bazaars, or places, or any parts thereof; and may declare who shall be deemed inhabitants, within the meaning of this Act, or of any such town; and by what name such town shall be designated.

Act not to take effect in any town until it shall have been extended thereto.

6. The provisions of this Act shall not take effect in any town for the first time defined or declared to be united as aforesaid, until three months after the Governor in Council, by notification, shall have signified that this Act is to be extended thereto.

Establishment of Municipal Commissions and Constitution of Municipal Funds.

Appointment and removal of Commissioners.

7. In any town to which the operation of this Act shall have been extended, the Governor in Council shall appoint not less than three persons, being owners of lands or buildings in such town, or carrying on business therein, or residing in such town, to be Commissioners for carrying out in such town the purposes of this Act. The persons so appointed shall continue in office three years, or until their successors shall have been appointed, and shall be eligible for re-appointment. The Governor in Council may, from time to time, accept the resignation of any of such Commissioners, or may remove any of such Commissioners for misconduct or neglect of duty, add to their number, and fill up vacancies occurring among them.

Ex-officio Members.

8. In addition to the Commissioners to be appointed as aforesaid, the collector of the district and revenue officer in charge of the division of the district in which the town is situate shall be *ex-officio* Commissioners of every town in their respective jurisdictions, to which this Act shall be extended; and it shall further be competent to the Governor in Council to appoint as a Commissioner of any such town, any officer in the service of Government holding a salaried office in the district in which the town is situate; provided that not more than one-half of the whole number of Commissioners shall be persons holding salaried offices in the service of Government, unless such persons be elected to be Commissioners under the provisions of section 9 of this Act.

Election of Commissioners by the ratepayers.

9. If at any time it shall appear to the Governor in Council to be advisable that a certain number of the Commissioners of any town shall be appointed by election by the ratepayers, it shall be competent to the said Governor in Council to take measures for the election of such Commissioners by the ratepayers, subject to such rules and orders as may be passed by the Government. The persons so elected shall continue in office three years, or until their successors have been elected, and shall be eligible for re-election. The Governor in Council may, from time to time, accept the resignation of any of the Commissioners so elected, or may remove any of such Commissioners for misconduct or neglect of duty.

Appointment of President and Vice President.

10. The collector of the district shall *ex-officio* be President of the Commissioners for all towns within the district under his charge, and the Governor in Council shall, from time to time, appoint one of the Commissioners of each town to be Vice President. Provided that if at any time it shall appear to the Governor in Council to be advisable that in any town the Vice President shall be appointed by election by the Commissioners, it shall be competent to the said Governor in Council to authorise the election of such Vice President by the Commissioners.

Commissioners to have and use a common seal.

11. The Commissioners shall have and use a common seal, and shall have their name engraven thereon in legible characters in the English language, and also in the vernacular language of the district. All contracts entered into in respect of any sum exceeding 20 rupees

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rupees shall be in writing, and shall be sealed with the common seal of the Commissioners and, on their behalf, in the presence of at least two of the Commissioners, one of whom shall be the President, or, in the absence of the President, the Vice President, who shall certify the same by affixing their signatures as witnesses at the foot of the instruments. All such contracts shall be varied or discharged in a similar manner.

Commissioners empowered to sue and be sued, to hold property, and enter into contracts.

12. The Commissioners of each town shall sue and be sued in the name of their President, by the description of "The President of the Commissioners of ——————;" and in such name so described, they shall be competent to hold property, moveable and immoveable, to them and their successors as a body corporate, and to convey the same, and to enter into all necessary contracts for the purposes of this Act.

Public streets, &c., vested in the Commissioners.

13. All public streets, in any town (not being private property), existing at the time this Act comes into operation, or which shall afterwards be made, and the pavements, stones, and other materials thereof, and also all erections, materials, implements, and other things provided for such streets, shall vest in, and belong to, the Commissioners and their successors. But it shall be competent to Government, from time to time, by notification, to exclude any road or street from the operation of this Act, and to cancel such notification, wholly or in part.

Commissioners may, with consent of owners, take over and repair certain streets.

14. It shall be lawful for the Commissioners to agree with the person or persons in whom the property in any street is vested, to take over the property therein, and, after such agreement, to declare, by notice in writing, put up in any part of such street, that the same has become a public street. Thereupon such street shall vest in the Commissioners and their successors, and shall thenceforth be repaired and kept up out of the Municipal Fund.

Existing hospitals, schools, choultries, &c., to be vested in the Commissioners.

15. All or any hospitals, dispensaries, schools, choultries, markets, tanks, and wells, not being private property, and not governed by Regulation VII. of 1817 of the Madras code, and all medicines, furniture, and other articles appurtenant thereto, not being private property, which, at the time this Act comes into operation in any town, shall be found therein, may, by notification of the Governor in Council, be vested in the Commissioners; and thereupon all endowments or funds belonging to such hospitals, dispensaries, schools, or choultries, shall be transferred to, and vest in, the Commissioners as trustees, to hold and apply the same to the purposes to which such endowments and funds were lawfully applicable at the time of such transfer. Provided always that no such notification shall be issued until one month after the intention to transfer such property shall have been notified by the Governor in Council in the district Gazette, in English, and in the vernacular language of the district.

Saving of Revenue Board's powers in regard to charitable endowments.

16. Nothing in this Act contained shall be deemed to affect the duties and powers vested in the Board of Revenue in respect of charitable endowments, by Regulation VII. of 1817. But it shall be competent to the Board, with the written consent of the Government and of the Commissioners, to make over to the Commissioners the management and superintendence of any such endowment; and thereupon all powers and duties which attach to the Board of Revenue in respect thereof shall attach to such Commissioners, as if they had been specifically named in the said regulation.

What shall constitute the Municipal Fund.

17. All monies, rents, and profits received by the Commissioners of any town, by virtue of this or any other Act, and all fines, fees, and penalties, paid or levied under this Act, and all other monies which, under sanction of Government, may be transferred to such Commissioners, shall be credited to, and shall constitute, a fund which shall be called the Municipal Fund of such town, and shall, together with all property of every nature or kind which may become vested in the said Commissioners, be under their control, and shall be held by them and their successors in trust for the purposes of this Act.

Power to purchase and sell lands.

18. The Commissioners may agree with the owners of any land for the purchase thereof, for the purposes of this Act, and may lease out or sell any land belonging to the municipality and not required for such purposes, either together or in parcels; and the rent of such land, or the proceeds of such sale shall be applied for the purposes of this Act.

The Governor in Council may declare any land to be needed for a public purpose, &c.

19. When the Commissioners may be unable to agree with the owners of any land for the purchase thereof, the Governor in Council may, upon the representation of the Commissioners, and after such inquiry as may be thought proper, declare that the land is needed for a public purpose, and may order proceedings to be taken for obtaining possession of the same for the Government, and for determining the compensation to be paid to the parties interested, according to any law now or hereafter to be in force for the acquisition of land for public purposes. On payment by the Commissioners of the compensation awarded, such land shall vest in them and their successors in trust for the purposes of this Act.

No Commissioner to be personally liable for contracts, &c., but only for wilful misapplication, &c., of money.

20. No Commissioner shall be personally liable for any contract made, or expense incurred, by or on behalf of the Commissioners; but the funds, from time to time, in the hands of the Commissioners, shall be liable for, and chargeable with, all contracts and expenses duly incurred as aforesaid. Every Commissioner shall be personally liable for any misapplication of money entrusted to the Commissioners, to which he shall have been a party, and he shall be liable to be sued for the same.

Penalty on Commissioners and others being interested in contracts.

21. No Commissioner or servant of the Commissioners shall be interested, directly or indirectly, in any contract made with the Commissioners. And if any such person be so interested, he shall thereby become incapable of continuing in office or employment, and shall

shall be liable to a fine not exceeding 500 rupees. Provided always that no person, by being a shareholder in, or member of, any incorporated or registered company, shall be disqualified from acting as a Commissioner by reason of any contract entered into between such company and the Commissioners. Nevertheless, it shall not be lawful for such shareholder or member to act as a Commissioner in any matter relating to any contract entered into between the Commissioners and such company.

Mode of transacting Business and appointing Municipal Servants.

Commissioners to keep an office for the transaction of business.

22. The Commissioners shall keep an office where they shall meet for the transaction of business at least twice in every month upon such days, and at such times as they may arrange, and as often as a meeting shall be called by the President, or, in his absence, by the Vice President. And all questions, which may come before them at any meeting shall be decided by a majority.

Who to preside at meetings of the Municipal Commissioners.

23. In the absence from any meeting of the President and Vice President, the Commissioners shall choose some one of their number to preside.

Casting vote.

24. In every case of equality of votes, the presiding member shall have a second or casting vote.

Minutes of Proceedings of Commissioners to be kept, and to be open for inspection.

25. Minutes of the proceedings of the Commissioners at each meeting shall be drawn up and fairly entered in a book to be kept for that purpose; and shall be signed by the member who presided at such meeting, or, in his absence, by some one of those present. And the said minutes shall be published in the district Gazette in English and in one of the vernacular languages of the district, and shall, at all reasonable times and without charge, be open at the office of the Commissioners to the inspection of any person who pays a rate or tax under this Act, on behalf of himself or of any other person.

Quorum.

26. No business shall be transacted at a meeting unless at least three Commissioners be present.

The President or one of the Vice Presidents to exercise, with certain exceptions, the powers of the Commissioners

27. In any case of emergency, the President, or, in his absence, the Vice President, shall exercise all the powers vested by this Act in the Commissioners. Provided that it shall not be lawful for the President or the Vice President to exercise any power which it is by this Act expressly declared shall be exercised by the Commissioners at a meeting.

Appointment of overseers, clerks, and subordinate officers.

28. The President shall, from time to time, appoint all such overseers, clerks, and subordinate officers and servants, as he may think necessary and proper to assist in the execution of this Act, and may, from time to time, remove any of such persons and appoint others in their places. And, out of the Municipal Fund, he shall pay, or cause to be paid, such salaries to the said persons respectively as may be determined by the Commissioners at a meeting; or, in case of absence on leave, such portion thereof as may appear to the Commissioners to be reasonable. He shall also take from every tax collector such security for the sums collected by him as he may think proper.

Purposes to which the Funds raised under this Act shall be applied, and how Estimates of Income and Expenditure shall be framed.

Purposes to which the funds raised under this Act shall be applied.

29. The funds raised under this Act shall, subject to such rules and restrictions as the Governor in Council may, from time to time, prescribe, be applicable within the towns in which they are raised, to the following purposes; that is to say: —

I. The construction, repair, and maintenance of streets and bridges.

II. The diffusion of education, and, with this view, the construction and repair of school-houses, the establishment and maintenance of schools, either wholly or by means of grants-in-aid, the inspection of schools, and the training of teachers.

III. The construction and repair of hospitals, dispensaries, lunatic asylums, choultries, markets, tanks, and wells, the payment of all charges connected with the objects for which such buildings have been constructed, the training and employment of medical practitioners and vaccinators, the sanitary inspection of towns and villages, the application of the Indian Contagious Diseases Act, the registration of births and deaths, the cleansing of the streets and tanks, and any other local works of public utility calculated to promote the health, comfort, or convenience of the people.

Contribution to extra municipal expenditure.

30. It shall be competent to the Commissioners, with the sanction or upon the direction of the Government, to contribute a portion of the municipal funds towards the expenses incurred in any other municipality under this Act, or in any circle constituted under the Local Funds Act, where such expenditure is incurred for any of the purposes described in the last preceding section, and is calculated to benefit the inhabitants of the contributing town. Provided always that, where such contribution has not been originally recommended by the Commissioners, it shall not be obligatory upon them until the proposal to make such contribution shall have been submitted to them by the Government, and they shall have had the opportunity of offering their opinions thereon.

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Appointment of officers to superintend operations of municipalities.

31. It shall be competent to the Government to appoint, from time to time, such officers as may be required for the purpose of inspecting or superintending the operations of the municipalities created by this Act, and to assign to them such salaries as the Governor in Council shall think reasonable; and the expense incurred by reason of such appointments shall be defrayed in rateable proportions out of the funds of the several municipalities established under this Act.

Annual estimate of expenditure to be submitted to the Governor in Council.

32. The Commissioners shall, at such time or times and in such form as the Governor in Council shall direct, furnish, for the sanction of the Governor in Council, a statement or estimate showing the probable receipts and the expenditure which it is proposed by the Commissioners to incur during the year commencing on the first day of April then next, and the items in respect of which it is proposed to incur such expenditure, and may also furnish a supplemental estimate providing for any modifications which they may deem it advisable to make in the distribution of the amount to be raised and expended in the official year then current for the purposes of this Act.

Government to pass orders on estimate.

33. It shall be lawful for the Governor in Council to pass such orders as he shall think fit upon the original or supplemental estimate so submitted to him, and such orders shall be binding upon the Commissioners, and shall be carried out by them so far as the means at their disposal will permit.

An annual report of proceedings, &c. to be submitted.

34. The Commissioners shall, at such time or times and in such form as the Governor in Council shall direct furnish an Annual Report of their proceedings and statements in detail of all the works executed by them, and of all sums received and expended by them. All the municipal accounts shall be audited by such person and in such manner as the Governor in Council shall direct. The Annual Report shall be published in the "District Gazette."

Saving of power of Government to appoint Local Committees for schools, dispensaries, &c.

35. Nothing in this Act contained shall be deemed to affect the power of Government to appoint local committees for the management of schools, dispensaries, and other institutions maintained or aided out of the funds raised under this Act; provided that such committees shall act in subordination to the Commissioners under such rules as the Governor in Council shall prescribe.

Disposal of sums collected.

36. All sums collected under this Act, and all funds appropriated by Government for the purposes of this Act, shall be paid into the nearest Government Treasury of the district, or, with the sanction of Government, into any branch of the Bank of Madras which may be established in or near to the town, and shall be credited to an account to be called the Municipal Fund of the town where they have been raised. Provided always that it shall be competent to the Commissioners, with the sanction of Government, to invest any sums not required for immediate use either in the Government Savings Bank or in Government Securities, or in any other form of security which may be approved of by Government.

Mode of drawing money.

37. All orders for payment of money from the municipal fund shall be signed by the President, or, in his absence, by the Vice President, or, in the absence of the Vice President, by any two of the Commissioners.

Rates, Taxes, Tolls, and Fees leviable under this Act.

Rates, taxes, tolls, and fees leviable.

38. It shall be lawful for the Commissioners, with the approval of the Governor in Council, to levy, for the purposes of this Act, rates and taxes which may consist of a rate on houses, buildings, and lands, according to the annual value thereof; or of a tax upon arts, professions, trades, and callings; or of taxes on carriages, horses, and other animals as described in Schedule C. to this Act annexed; or of fees on the registration of carts; or of a toll upon carriages, carts, and animals entering the municipal limits. It shall be lawful for the Commissioners, with the approval of the Governor in Council, to raise the funds required for the purposes of this Act, from all or any one or more of the above sources as they shall decide. And the Commissioners may exempt, in whole or in part, from the payment of any rate or tax under this Act, any person who, by reason of poverty, may be unable to pay the same, and, with the sanction of the Government, may exempt from the payment of any rate or tax any class of persons whom the said Commissioners may deem it expedient to exempt from such payment.

No tax for period for which payment has been made under Acts X. of 1865, VI. of 1863, and III. of 1866.

39. No tax, rate, toll, fee, or assessment, shall be payable under this Act for any period for which payment shall have been made on the same account under Madras Act X. of 1865, or on account of any rate or cess under Madras Acts VI. of 1863 and III. of 1866, respectively.

Rates to be levied on Houses, Buildings, and Lands, under this Act.

Rates on houses, &c., to be levied as provided for.

40. If it shall be determined by the Commissioners, with the approval of the Governor in Council, to levy, for the purposes of this Act, rates on houses, buildings, and lands, according to the annual value thereof, such rates shall be levied as provided in Sections 41 to 56 of this Act.

Rates on houses, &c., how to be levied.

41. The annual rate shall be imposed by assessing a per-centage which shall not exceed seven and a-half per centum on the annual rent for which the houses, buildings, and lands liable to the rate might reasonably be expected to be let: Provided that it shall be at the option of the Commissioners, in lieu of such rate, to levy upon any lands unappropriated to any

any building or premises, or upon any native huts with their appurtenances, a fixed annual rate not exceeding rupees four for every eighty square yards occupied by them respectively. Any rate levied under this section shall be due and payable by the owner of the said houses, buildings, and lands respectively, from and after the end of the first quarter of the official year. The Commissioners shall exempt from assessment any house, building, or land, the annual value whereof is less than six rupees, if the same be the sole rateable property of the owner. No building ordinarily used as a place of public worship, or as a public choultry, hospital, or dispensary, and no building exclusively used for charitable purposes, shall be liable to any rate.

Exemption from assessment in the case of certain houses, &c.

42. The annual value at which lands, houses, buildings, or huts are to be assessed shall be fixed by the Commissioners; and such lands, houses, buildings, and huts shall be assessed upon the value so fixed. Provided that the value of a house or building so fixed shall not include the value of any machinery or furniture contained therein.

Annual value to be assessed by the Commissioners.

43. The annual value assessed by the Commissioners as hereinbefore provided, shall be entered in a book to be kept at the office of the Commissioners, wherein shall also be written in distinct columns the name of the owner of the property, or if the occupier, and not the owner, is the person liable to pay the rate, the name of the occupier, the designation of the property, either by name or number, sufficient to identify the same, together with the name of the street or division in which such property is situate, and the amount of the rate assessed thereon.

Value assessed, owner's name, &c., to be entered in a book.

44. The annual value at which lands, houses, buildings, or huts are assessed, at the date of this Act coming into operation, shall stand as entered in the book kept at the office of the Commissioners under (Madras) Act X. of 1865, and shall be taken to be the first valuation made under this Act, until such time as the Commissioners shall have caused a new valuation to be made under Section 42 of this Act.

Valuation now standing in the book of the Commissioners to be taken as the first under this Act, till new one be made.

45. When the name of the owner or occupier is not known, it shall be sufficient to designate him in the said book, and also in any notice or other proceeding under this Act, as the "owner" or the "occupier" of the property on which the rate is assessed, without further description.

Owner or occupier how to be designated, if his name be unknown.

46. The Commissioners may require the respective owners or occupiers of houses, buildings, or lands to furnish them with returns of the measurements, and of the rent or annual value thereof; and they, or any person appointed by them for that purpose, at any time between sunrise and sunset, may enter, inspect, and measure any such houses, buildings, or lands, after having given 48 hours' previous notice of their intention to the occupier thereof. When the valuation of the houses, buildings, or lands shall have been completed, the Commissioners shall cause lists, containing the valuation and rate assessed, to be made out, and shall give public notice thereof and of the place where the lists or copies thereof may be inspected; and every person claiming to be the owner or occupier of property included in the assessment, or the agent of such person, shall be at liberty to inspect such lists, and to make extracts therefrom, without the payment of any fee.

Returns may be required for the purposes of valuation.

Power to enter houses, &c.

47. The Commissioners shall, at the same time, give public notice of a day and hour, not being less than one month from the publication of such notice, when they will proceed to revise the said valuation and assessment; and in all cases in which any property is for the first time assessed, or the assessment is increased, shall give special notice thereof to the owners or occupiers of such property. All appeals against such valuation and assessment shall be made at or before the time fixed in the notice.

Public notice of valuation and assessment to be given.

48. After the appeals have been inquired into, and after the revision of the valuation and assessment has been completed, the amendments made in the lists shall be authenticated by the signature of not less than two of the Commissioners, who shall, at the same time, certify under their signatures that no valid objection has been made to the valuation and assessment in the said lists, except in the cases in which amendments have been made as shown therein, and subject to such amendments as may thereafter be duly made, the rate so assessed shall be deemed to be the rate for the whole year for which the assessment shall be made. Provided always that the President or Vice President may, at any time, amend the said lists by inserting therein the name of any person whose name ought to be so inserted, or by inserting any property liable to the rate, after giving notice to such person as may be interested in the making of the amendment, of a day, not being less than fifteen days from the date of the service of such notice, when such amendment is to be made; and, in all cases in which any property is inserted as liable to the rate, the amendment shall be considered to have been made at the expiration of 15 days from the time when the person interested first received notice thereof; and any person interested in such amendment may appeal to the said Commissioners, by application in writing left at their office three days before the day fixed in the notice for such amendment.

After revision, amendments to be authenticated by signature of two Commissioners.

Further alteration or amendment of assessment.

49. It shall not be necessary to prepare new lists or to fix the per-centage of annual rate every year; but the Commissioners may adopt the annual rate and the valuation and assessment contained in the lists for the preceding year (with such alterations as may, in particular cases, be deemed necessary), as the annual rate, valuation, and assessment for the year following. Provided that public notice of such valuation and assessment shall be given in the manner prescribed in Section 47 of this Act.

New lists need not be prepared every year.

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Remission on account of vacant houses.

50. When any house shall have been vacant for 60 or more consecutive days during any year, the Commissioners shall remit so much of the rate of that year as may be proportionate to the number of days the said house may have remained unoccupied; provided that the owner of such house, or his agent, shall have given to the Commissioners notice in writing of the vacancy thereof, and that the amount of rate to be remitted shall be calculated from the date of the delivery of such notice.

Bill to be presented.

51. When any sum is due for or on account of any rate or tax leviable under sections 41 to 47 of this Act, the Commissioners shall cause to be presented to the person liable to the payment thereof a bill for the amount. Such bill shall contain a statement of the period and a description of the property for which the charge is made.

Notice of demand.

Warrant of distress.

52. If the bill be not paid by the person liable to pay the same within 10 days from the presentation thereof, the Commissioners may cause to be served upon such person a notice of demand in form No. 1 in Schedule A. I to this Act annexed, or to the like effect; and, if such person shall not, within seven days from the service of such notice of demand, pay the sum due or show sufficient cause for non-payment of the same, such sum, with all costs, may be levied by distress and sale of the moveable property, wherever found within the limits of the municipality, of the defaulter, under a warrant in form No. 2 in Schedule A. I to this Act annexed or to the like effect, to be issued for that purpose by the Commissioners. For every notice of demand under this section, which the Commissioners shall cause to be served upon any person, a fee not exceeding one rupee, the amount of which shall be fixed by the Commissioners, shall be paid by such person. Such fee shall be added to the amount of the rate or rent in respect of which the notice is given, and, if not duly paid, shall be levied in the same manner as such rate, rent, or tax may be levied.

Rate due from owner may be recovered from occupier and deducted by him from his rent.

53. If the sum due on account of any rate, from the owner of any house, building, or land remains unpaid, after notice of demand has been duly served, the Commissioners may demand the amount from the occupier for the time being of such house, building, or land, and, on non-payment thereof, may recover the same by distress and sale of any goods and chattels found on the premises; and in such case, the occupier may deduct from the next and the following payments of his rent, the amount which may be so paid by or recovered from him.

Inventory and notice of sale.

54. The officer charged with the execution of the warrant of distress shall make an inventory of the property seized under such warrant, and shall, at the same time, give a notice in writing in form No. 3 in Schedule A. I to this Act annexed, to the person in possession thereof at the time of the seizure, that the said property will be sold as therein mentioned.

Sale.

Fees.

55. If the warrant is not discharged or suspended by the Commissioners, the property seized shall be sold under their orders, and they shall apply the proceeds, or such part thereof as may be necessary, in discharge of the said warrant and costs and of all expenses of and incident to the custody of the property; and the surplus (if any) shall be returned on demand, if made within 12 months from the date of sale, but not otherwise, to the person in possession of the property at the time of the seizure. Any balance remaining unclaimed at the end of 12 months shall be paid to the credit of the municipal fund. The fees payable upon distraints under this Act shall be such as are set forth in the Table of Fees in Schedule A. to this Act annexed.

Distress not unlawful for want of form.

56. No distress levied by virtue of this Act shall be deemed unlawful, nor shall any party making the same be deemed a trespasser, on account of any defect or want of form in the notice, schedule, summons, notice of demand, warrant of distress, inventory, or other proceeding relating thereto, nor shall such party be deemed a trespasser *ab initio* on account of any irregularity afterwards committed by him; but all persons aggrieved by such irregularity may recover full satisfaction for any special damage sustained by them, in any court of competent jurisdiction.

Tax on Arts, Professions, Trades, and Callings.

Tax on arts, &c., to be levied as provided for.

57. If it shall be determined by the Commissioners, with the approval of the Governor in Council, to levy, for the purposes of this Act, a tax on arts, professions, trades, and callings, such tax shall be levied as provided in Sections 58 to 61 of this Act.

Persons exercising certain professions, trades, and callings in the town to pay a tax in respect thereof.

Proviso.

58. Every person, who shall within the town exercise any of the arts, professions, trades, or callings specified in Schedule B. to this Act annexed, shall cause his name to be registered in the office of the Commissioners not less than 30 days before the expiration of the current official year, and shall take out a certificate of such registration, and shall pay, in respect thereof, the rates mentioned in the said Schedule B. Such annual sum shall be payable in two equal half-yearly instalments, of which the first shall be payable on or before the 1st day of the official year, and the second on or before the 1st day of the half-year next succeeding. Provided that no person who shall prove that he has paid the tax prescribed in this section in any one municipality shall be required to pay the same for the same half-year in any other municipality, unless it shall appear that he has exercised in both municipalities within the same half-year the art, profession, trade, or calling in respect of which he has been taxed.

59. The

59. The Commissioners shall determine under which of the classes mentioned in Schedule B. to this Act annexed, every person liable to be taxed as aforesaid shall be assessed, and shall, from time to time, declare what are to be considered bazaars or public markets within the meaning of this Act.

Commissioners to classify all persons liable by this Act to be taxed.

60. A person who carries on several kinds of business, and may come under more than one of the designations in Schedule B., shall be chargeable only under one of such designations at the discretion of the Commissioners.

Persons chargeable under one designation only.

61. On or about the first day of each official year, the Commissioners shall prepare a list of the persons to be taxed under this Act for the year then commencing, which list shall state the profession, trade, or calling of each of the persons therein named, the class under which he is assessed, and the sums payable by him; and such list shall be filed in the office of the said Commissioners, and shall be open to public inspection at all reasonable times, and notice in writing shall be given to each person assessed of the class under which he is assessed, and of the amount payable by him in respect of such assessment; and he shall be at liberty to appeal against such assessment to the Commissioners, and written notice of appeal shall be left at the office of the Commissioners within one week after notice of assessment has been received, and such appeal shall be finally determined by the Commissioners at their next meeting, or at such other time as they may signify to the appellant as the time at which such appeal will be heard, provided that it shall be competent to the Commissioners to revise the list at any time in the course of the year.

Commissioners to prepare a list of all persons to be taxed under this Act.

Appeal.

62. If any person who has received notice of assessment as aforesaid, shall exercise his art, profession, trade, or calling, for the space of two months in any one official year, without having paid the tax in respect thereof as required by Section 58, he shall be liable, on conviction before a magistrate, to pay the full amount of his assessment, and a further penalty not exceeding twice the amount which would have been payable by such person in respect of such tax for the entire year, and the Commissioners shall thereupon register his name in their office, and shall grant him a certificate of such registration.

Penalty for trading without having paid the trade tax.

Taxes on Carriages, Horses, and other Animals.

63. If it shall be determined by the Commissioners, with the approval of the Government, to levy, for the purposes of this Act, taxes on carriages, horses, and other animals, such taxes shall be levied as provided in Sections 64 to 72 of this Act.

Taxes on carriages, &c., to be levied as provided for.

64. A tax, at a rate not exceeding the rates specified in Schedule C. to this Act annexed, shall be imposed upon every carriage, horse, ass, dog, bull, bullock, male buffaloe, camel, and elephant, kept within the town, and shall be payable in advance. Provided that this section shall not apply to, or include, carriages, horses, or other animals, the property of the municipal corporation, or vehicles kept for sale and not used for any other purpose, if the property of, and kept by, *bonâ fide* dealers in such vehicles.

Taxes on carriages, horses, &c.

Exemption from tax on carriages and animals.

65. The owner or person having the charge of every carriage, horse, ass, dog, bull, bullock, male buffaloe, camel, or elephant, kept within the town, shall, within one month from the date on which the approval of the Government in Section 63 mentioned, shall have been notified in the "District Gazette," and thenceforward, within 30 days from the first day of the official year and the first day of the next succeeding half-year, send to the office of the Commissioners a statement in writing signed by him, containing a description of the vehicles and animals liable to the tax, for which he desires to take out a license. The owner shall, at the same time, pay to the Commissioners the half-yearly taxes payable by him, according to the rates given in Schedule C. to this Act annexed. Any person becoming possessed, between the first day of the official year and the first day of the next succeeding half-year, or between such last-mentioned day and the first day of the next official year, of a carriage or animal so kept, shall, within 30 days of becoming so possessed, send to the office of the Commissioners a similar statement, together with the full amount payable for the then current half-year according to the said Schedule. Provided always that no person shall be liable to be taxed under this section for any carriage or animal which shall have been in his possession for 30 days only, or any less period, in any half-year.

Owners of carriages, &c., to take out license.

66. On receiving the amount of the taxes as aforesaid, the Commissioners or some person duly authorised by them in that behalf shall give to the person paying the same a license for each of the vehicles and animals for the period in respect of which the money is received. The owner of every carriage and animal aforesaid, who shall have received a license for the same, shall, at all reasonable times, during the same period, be bound, under a penalty in default thereof not exceeding five rupees, to produce such license when called upon to do so by the Commissioners or any person duly authorised in writing by them to demand its production.

On payment of the tax, a license to be given.

67. If the owner or person having the charge of any carriage or animal so kept as aforesaid shall not have duly taken out a license under the last preceding section, he shall, on conviction before a magistrate, be fined the full amount payable by him in respect of such carriage or animal, and such further sum not exceeding 20 rupees as the magistrate may direct; and the Commissioners shall thereupon give him a license for the vehicles and animals in respect of which he has been fined as aforesaid.

Penalty for keeping a carriage, &c., without having a license.

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Carriages kept for hire to bear a registration number.

68. All carriages kept for the purpose of being let out for hire by the day or trip, shall bear a registration number in such manner as the Commissioners shall direct, and any owner of such carriage, who shall fail to affix the registration number assigned to such carriage, shall be liable to a fine not exceeding 10 rupees.

The Commissioners may compound for carriages with livery stable-keepers and others.

69. The Commissioners, at their discretion, may compound for any period not exceeding one year, with livery stable-keepers and other persons keeping carriages or animals aforesaid for hire, for a certain sum to be paid for all the carriages or animals so kept by such persons, in lieu of the taxes specified in Schedule C.; and, if any person having so compounded, shall refuse to pay the sum compounded for, on the written demand of the Commissioners, such person shall, on conviction before a magistrate, be liable to a fine not exceeding three times the amount so payable.

Carriages, &c., within the town, although owned by persons not residing therein, liable to the tax.

70. Whenever the owner of a carriage or animal, as aforesaid, kept for the time being in premises situated within the town, shall not reside in the town, the tax due for such carriage or animal shall be recoverable from the person in whose premises it is for the time being kept.

List of persons licensed under Section 66 to be entered in a book.

71. The Commissioners shall, from time to time, cause to be prepared and entered in distinct columns, in a book to be kept at the office of the Commissioners, and to be opened to the inspection of any person who shall apply for leave to inspect the same, a list of the persons who, during the then current period of six months, shall have received a license under Section 66 of this Act, and of the vehicles and animals in respect of which they may have paid.

Power to enter premises.

72. It shall be lawful for the Commissioners or any persons authorised by them in writing for that purpose, at any time between sunrise and sunset, to enter and inspect any stable or coachhouse, or any place wherein they may have reason to believe that there is any vehicle or animal liable to taxation under Section 64 of this Act, for which a license has not been duly taken out; and the Commissioners may summon any person whom they have reason to believe to be liable to the payment of any tax under the last-mentioned section, or any servant of such person, and may examine such person or servant as to the number and description of the carriages, horses, or other animals, in respect of which such person is liable to be taxed. Whoever being so summoned shall, without lawful excuse, fail to appear in pursuance of the summons, and whoever hinders or obstructs the Commissioners, or any person authorised by them in writing as aforesaid, from or in entering or inspecting any such stable, coachhouse, or place, shall be liable, on conviction before a magistrate, to a penalty not exceeding 50 rupees.

Registration of Carts and other Vehicles without Springs.

Registration of carts, &c., to be made as provided for.

73. If it shall be determined by the Commissioners, with the approval of the Government, to levy, for the purposes of this Act, fees for the registration of carts and other wheeled vehicles without springs, such registration shall be made and fees levied as provided in Sections 74 to 76 of this Act.

Registry and numbering of carts, &c.

74. Every cart and other wheeled vehicle without springs kept within the town shall be registered in the office of the Commissioners with the name and residence of the owner, and shall bear the number of such registration in such manner as the Commissioners shall direct. Provided that this section shall not apply to, or include conservancy carts or other such vehicles belonging to the municipal corporation.

Fee for registration.

75. The registration of carts and other vehicles under the last preceding section, shall be made, and the numbers assigned half-yearly, upon such days as the Commissioners shall notify, and such fee, as they shall fix, not exceeding two rupees, shall be paid for each registration. Any person becoming possessed, between the first day of the official year and the first day of the next succeeding half-year, or between such last-mentioned day and the first day of the next official year, of any such cart or other vehicle which has not been registered for the then current half-year, shall, within 15 days of becoming so possessed register the same; and the Commissioners shall grant registration in every such case, on payment of the fee for the current half-year. When any registered cart or other vehicle is transferred within any half-year, it shall be registered anew in the name of the person to whom it has been transferred, and a fee, not exceeding four annas, shall be paid for every such last-mentioned registration. The register of carts and other wheeled vehicles without springs shall be open to public inspection at all reasonable times without charge.

Penalty for not registering a cart or other vehicle.

76. Whoever owns or keeps any cart or other wheeled vehicle not on springs, required by this Act to be registered, without having caused the same to be registered, under the last preceding section, or shall fail to affix thereto the registration number prescribed in Section 74, shall be liable, on conviction before a magistrate, to a fine not exceeding 10 rupees; and the Commissioners or any officer duly authorised by them may seize, or cause to be seized, any such cart, or other vehicle (provided the same be not employed at the time of seizure in the conveyance of any passengers or goods), together with the horses, bullocks, or other animals drawing the same, and may detain them; and all police officers are hereby required, on the application of the Commissioners or other officer as aforesaid, to seize and detain the same. If the person owning or keeping such cart or other vehicle shall be convicted

convicted before a magistrate under this section, and ordered to pay a fine, and if the fine be not paid, or if the vehicle seized be not claimed within 10 days, such vehicle, together with the animals seized with it (if any) may be sold by auction, by order of the Commissioners, and the proceeds applied to the payment of the fine and to the costs and charges incurred on account of the seizure, detention, and sale; and the surplus (if any), if not claimed by the owner or the person keeping such cart or other vehicle within a further period of 60 days, shall be credited to the Municipal Fund.

Tolls payable for Carriages and other Vehicles, and for Animals entering the Town.

77. If it shall be determined by the Commissioners, with the approval of the Governor in Council, to levy, for the purposes of this Act, tolls on carriages, carts, and animals entering the municipal limits, such tolls shall be levied as provided in Sections 78 to 84 of this Act. *Tolls for carriages, &c., to be levied as provided for.*

78. Tolls not exceeding the rates mentioned in Schedule D., annexed to this Act, shall be levied upon all carriages, carts, and animals entering the municipal limits; and the Commissioners may construct toll-bars, gates, and gatekeepers' stations, and may place the collection of such tolls under the management of such persons as may appear to them proper, or may lease out the same, and shall frame bye-laws, in manner hereinafter provided, for the guidance of such toll collectors; and all persons employed in the management and collection of such tolls shall be liable to the same responsibilities as would attach to them if employed in the collection of any assessment or tax under this Act. Provided that this section shall not apply to carriages, carts, and animals, licensed or registered by the Commissioners. Provided also that no more than one payment of toll shall be demanded for, and in respect of any carriage, cart, or animal in any one period of 24 hours, counted from midnight to midnight. *Tolls to be levied on carriages, carts, and animals entering the municipal limits.*

79. In case of non-payment of any such toll on demand, the officer appointed or duly authorised to collect the same, may seize any carriage or animal on which it is chargeable, or any part of its burden of sufficient value to defray the toll. If any toll, together with the cost arising from such seizure and custody, remains undischarged for 48 hours, the Commissioners may sell the property seized, for discharge of the toll, and of all expenses occasioned by such non-payment, seizure, custody, and sale. Any balance that may remain shall be returned, on demand, if made within 12 months, to the owner of the property, and, if unclaimed after such period, shall be credited to the Municipal Fund. After seizure of the property as aforesaid, the Commissioners shall forthwith issue a notice in writing that, after the expiration of two days, exclusive of Sunday, they will sell, at such place as they may state in the notice, the property by auction. Provided that if, at any time before the sale has actually begun, the person whose property has been seized shall tender to the Commissioners, or other officer appointed by them, the amount of all the expenses incurred and of the toll payable by him, the Commissioners shall forthwith release the property seized. *In case of non-payment of toll, vehicle, &c., may be seized.*

80. No tolls shall be paid for the passage of troops on their march, or of military or Government stores, or of military or police officers on duty, or of any person or property in their custody, or of conservancy carts or other such vehicles belonging to the Municipal Corporation; but no other exemption from payment of tolls levied under this Act shall be allowed. *Troops, military stores, police, &c., exempt.*

81. It shall be lawful for the Commissioners to compound with persons living outside the municipal limits for a sum to be paid annually or half-yearly, in lieu of all tolls payable under the provisions of this Act, in respect of carriages, carts, or animals entering the municipal limits; and the Commissioners shall issue licenses for such carriages, carts, or animals; and, while such licenses shall remain in force, such carriages, carts, and animals shall be exempt from all tolls, as aforesaid, upon entering the municipal limits. Provided always that such composition shall include all the carriages, carts, and animals possessed by the person compounding. *The Commissioners may compound with persons living outside the municipal limits for a payment in lieu of tolls.*

82. In all cases of resistance to the lawful authority of the toll-collectors, all police officers shall be bound to assist the toll-collectors, when required; and, for that purpose, shall have the same power which they have in the exercise of their ordinary police duties. *Police to assist toll collectors.*

83. Every person, other than persons appointed or duly authorised to collect the tolls under this Act, who shall levy or demand any toll, and also every person who shall unlawfully and extortionately demand or take any other or higher toll than the lawful toll, or, under colour of this Act, seize or sell any property, knowing such seizure and sale to be unlawful, or in any manner unlawfully extort money or any valuable thing from any person under colour of this Act, shall be deemed to have committed the offence of cheating or extortion, as the case may be, and shall be liable to such punishment as is prescribed for those offences respectively by the Indian Penal Code. *Illegal collection of tolls.*

84. A table of the tolls authorised to be taken at any toll-gate or station, legibly written or painted in English words and figures, and in the vernacular language or languages of the district, shall be put up in a conspicuous place near such gate or station. *Table of tolls to be exhibited.*

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Appeals.

Hearing of appeals.

85. Appeals against any rate, tax, or fee assessed or levied under this Act, shall be heard and determined by not less than three Commissioners, of whom the President or the Vice President shall be one; and their adjudication and the assessment, by the Commissioners, of any rate, when no appeal is made as hereinbefore provided, shall be final. And no person shall contest any assessment in any other manner than by appeal as hereinbefore provided.

Assessment when to be final.

Limitation of appeal.

86. No appeal shall lie against any assessment on any land, house, or building, unless it be preferred within one month after public notification of the assessment, as provided in Section 47 of this Act, or within one month after service of the special notice directed in the same section. And no appeal against any tax or registration fee shall lie, unless preferred within one month from the time of such tax being charged. Provided that no appeal shall be entertained, unless the amount of such assessment, tax, or fee shall be deposited with the Commissioners on or before the day on which such appeal shall be lodged.

Assessment, &c., not to be impeached if the directions of the Act are, in substance, complied with.

87. No assessment and no charge or demand of rate, tax, or fee made under the authority of this Act, shall be impeached or affected by reason of any mistake in the name of any person liable to pay the rate, tax, or fee, or in the description of any property or thing liable to the rate, tax, or fee, or any mistake in the amount of assessment, provided that the directions of this Act be, in substance and effect, complied with.

Registration of Births and Deaths.

Commissioners to keep a register of births and deaths and to appoint registrars.

88. The Commissioners shall keep in their office a register of all births and deaths in the town, and for this purpose they may divide the town into such and so many districts as they shall think fit, and shall appoint a person to be registrar of births and deaths within the town; or, in case of the division of the town into districts, for every such district they shall appoint a person to be registrar of births and deaths within such district.

Every registrar to be resident in the town or district; list of registrars to be published, &c.

89. Every registrar shall reside within the town or district of which he is registrar, and shall cause his name, with the addition of registrar of births and deaths or the town or district for which he shall be so appointed, to be placed in some conspicuous place on or near the outer door of his own dwelling-house; and the Commissioners shall cause to be printed and published a list containing the name and abode of every such registrar in the town.

Commissioners to have register books prepared, and to furnish extracts, as prescribed.

90. The Commissioners shall cause to be prepared and printed a sufficient number of register books for making entries of all births and deaths which may take place within the town, according to such forms and instructions as may from time to time be prescribed by the Governor in Council, and published in the Fort Saint George and District "Gazettes." Extracts from the register shall be furnished at such times and to such officers as the said Governor in Council may appoint.

Registrar to inform himself of and register births and deaths.

91. Every Registrar shall inform himself carefully of every birth and death which may may happen in his town or district after this Act comes into operation, and shall learn and register, as soon as conveniently may be after the event, the particulars required to be registered according to the forms prescribed as aforesaid, touching every such birth and death as the case may be, which shall not have been already registered.

Information of birth how to be given.

92. The father or mother of every child born in the town, or, in the case of the death, illness, absence, or inability of the father or mother, some person who was present at or in attendance during the childbirth, shall, within 20 days next after the day of every such birth, give information to the registrar, according to the best of his or her knowledge and belief, of the several particulars hereby required to be known and registered touching the birth of such child.

Information of death how to be given.

93. Some one of the persons present at the death or in attendance during the last illness, of every person dying in the town, or, in case of the death, illness, inability, or default of all such persons, the occupier of the building or tenement, or, in case the occupier be the person who shall have died, some inmate of the building or tenement in which such death shall have happened, shall, within 20 days next after the day of such death, give information to the registrar, according to the best of his knowledge and belief, of the several particulars hereby required to be known and registered touching the death of such person. It shall also be the duty of every person who is conducting or performing the funeral ceremonies of any person who has died within the town, when required, to furnish to the registrar, or to any person authorised by him, such information as he may possess, touching the said several particulars.

Penalties.

94. Any person whose duty it shall be to give information to a registrar under the two preceding sections, who shall refuse or neglect to give such information, shall be liable to a penalty not exceeding 20 rupees for each offence.

Person giving information to sign the register.

95. Every person by whom the information contained in any register of births or deaths, under this Act shall have been given, shall, if he can write, sign in the register his name, description, and place of abode, or, if he cannot write, shall put his mark in the register to his name, description, and place of abode.

General Conservancy Clauses.

96. The Commissioners shall provide all cattle, carts, and implements required for the removal of night soil, dung, and other filth, and shall, from time to time, appoint or provide places convenient for the deposit of such night-soil, dung, and other filth, and for keeping all cattle, carts, and implements required for the removal thereof, and for other purposes of conservancy.

Places of deposit for filth.

97. It shall be the duty of the occupier of every house within the limits of any town to which this Act shall be applied, to remove from his premises all night-soil, dung, and other filth into carts provided by the Commissioners for the purpose of carrying away the same, and at such times and in such manner as the Commissioners may direct. Provided that if the occupier of any house shall prefer to carry away the said night-soil, dung, or other filth, it shall be open to him to do so in conformity with the provisions of Section 102 of this Act.

Occupiers of houses to remove night-soil, &c., to carts of Commissioners.

Proviso.

98. All dirt, ashes, rubbish, sewage, soil, dung, and filth collected by the Commissioners from the streets, houses, privies, sewers, and cess-pools shall be held to be the property of the said Commissioners, who shall have power to sell and dispose of the same; and the money arising from the sale thereof shall form part of the Municipal Fund.

All rubbish collected to be the property of Municipal Commissioners.

99. The Commissioners may cause any number of moveable or fixed dust boxes, or other convenient receptacles wherein dust and rubbish may be temporarily deposited until removed and carried away, to be provided and placed in convenient situations, and may require the occupiers of houses in streets to cause all such matter as aforesaid to be deposited daily, or otherwise periodically, in the said receptacles. Every person, who, after such receptacles have been provided, and after such requisition, shall deposit or cause to be deposited any such matter in any street except in such receptacles, shall be liable to a penalty not exceeding 10 rupees for each offence.

Dust boxes in streets.

100. Whoever commits a nuisance, or deposits, or permits his servants to deposit any dust, dirt, dung, ashes, garden, kitchen, or stable refuse, or filth of any kind, or any animal matter, or any broken glass or earthenware, broken brick, mortar, or other rubbish, in any street or on the pavement, pyal, or verandah of any house, or on any ground between the house and the street, or any public quay, jetty, or landing place, or on any part of a river bank, whether above or below high water-mark, except in such places and in such manner and at such hours as shall be fixed by the Commissioners, shall be liable to a penalty not exceeding 10 rupees for each offence.

Depositing dirt in streets, &c.

101. Whoever allows any offensive matter from any privy or cesspool to run, drain, or be thrown into a surface drain in any street, shall be liable to a penalty not exceeding 10 rupees for each offence.

Allowing sewage to flow on streets.

102. The Commissioners shall, from time to time, fix the hours within which it shall be lawful to remove night soil or other such offensive matter, and the manner in which such night soil or other offensive matter shall be removed, and after notification of the manner and time of such removal, any person who shall not conform to such notification shall be liable to a penalty not exceeding 10 rupees for each offence.

Removal of night-soil.

103. Whoever being the occupier of a house within the limits of any town, keeps or allows to be kept for more than 24 hours or otherwise than in some proper receptacle, any dirt, dung, night-soil, filth, or any noxious or offensive matter, in or upon the roof of such house, or in or upon the roof of any out-house, or in any yard or ground attached to and occupied by the occupier of such house, shall be liable to a penalty not exceeding 10 rupees for each offence.

Penalty on occupier of a house not removing filth.

104. Whoever being the owner or occupier of any house, building, or land within any town, whether tenantable or otherwise, suffers the same to be in a filthy or unwholesome state, shall be liable to a penalty not exceeding 10 rupees, and to a further penalty not exceeding 10 rupees for every day after conviction for such offence during which the offence is continued.

Filthy houses.

105. The Commissioners shall provide and maintain, in sufficient numbers and in proper situations, common privies and urinals, and shall cause the same to be kept in proper order and to be daily cleansed.

Common necessaries.

106. It shall also be lawful for the Commissioners to grant to such persons and for such period as they think fit, licenses to keep privies for public accommodation, subject to such conditions as may be necessary for the preservation of public health and decency. Any such person holding such license and failing to observe the conditions prescribed in such license shall be liable to a fine not exceeding 50 rupees. Provided that it shall be lawful for the Commissioners, at any time, on giving one month's notice in writing to cancel any license granted under this section.

Licensed public necessaries.

107. It shall be lawful for the Commissioners to prescribe the form or construction of privy which the owner or occupier of any house or building within the limits of the town may have on his premises; and such owner or occupier shall have such privy shut out by a wall or fence from the view of persons passing by or residing in the neighbourhood; and any

Construction of privy.

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any such owner or occupier having a privy constructed in a form different from that prescribed by the Commissioners, or failing to shut it out from public view in the manner hereinbefore directed, shall be liable to a fine not exceeding 10 rupees, and to a further fine not exceeding 10 rupees a day for each day of default or breach of the provisions of this section after written notice duly given by the Commissioners to such owner or occupier.

Sewers and drains, &c., under control of the Commissioners.

108. All public sewers, drains, and other works for conservancy existing in any town at the time this Act comes into operation, or which may afterwards be made, shall be under the direction and control of the Commissioners.

Sewers, &c., to be constructed under the direction of the Commissioners.

109. All public sewers, or other works for the improvement or the conservancy hereafter required in any town, shall be constructed under the direction of the Commissioners, who shall be empowered to purchase any land necessary for such purposes from funds at their disposal; or such land shall, if necessary, be taken under the sanction of Government, under the provisions of any Act heretofore passed, or which shall hereafter be passed, for the acquisition of land for public purposes.

Branch drains, privies, &c., under control of Commissioners.

110. All branch drains, and all privies and cesspools within any town, shall be under the survey and control of the Commissioners, and shall be repaired and made efficient at the cost of the owners of the lands and buildings to which the same belong. If any such owner neglect, during eight days after notice in writing, to repair and make the same efficient in such manner as may be required by the Commissioners, the Commissioners shall cause such drain, privy, or cesspool to be made efficient, or, if necessary, removed, and the expense of such removal or repair shall be paid by the owner or occupier so making default, and shall be recoverable as a debt due to the Commissioners.

Penalty for making drains, &c., contrary to Commissioners' orders.

111. If any such drain, privy, or cesspool is constructed, after the passing of this Act, contrary to the directions and regulations of the Commissioners, or contrary to the provisions of this Act, or if any person, without the consent of the Commissioners, constructs, rebuilds, or unstops any drain, privy, or cesspool, which has been ordered by them to be demolished or stopped up, or not to be made, every person so doing shall be liable to a penalty not exceeding 50 rupees. And the Commissioners may cause such drain, privy, or cesspool to be removed, or may cause such amendment or alteration to be made therein as they think fit; and the expense thereof shall be paid by the person by whom such drain, privy, or cesspool was improperly constructed, rebuilt, or unstopped, and shall be recoverable as a debt due to the Commissioners.

Throwing rubbish into sewers.

112. Whoever throws or puts, or permits his servants to throw or put any earth, dirt, or other filth, rubbish, or night-soil into any sewer not specially appropriated for such purpose by the Commissioners, shall be liable to a penalty not exceeding 10 rupees for each offence.

Inspection of drains, privies, and cesspools.

113. The Commissioners, or any officer appointed by them for that purpose, may inspect all privies, drains, and cesspools within any town at any time between sunrise and sunset, after six hours' notice in writing to the occupier of any premises in which such privies, drains, or cesspools are situated, and may, if necessary, cause the ground to be opened where they or he think fit for the purpose of preventing or removing any nuisance arising from such privies, drains, or cesspools.

All public streams, &c., to be under direction and control of the Commissioners.

114. All public streams, channels, water-courses, tanks, reservoirs, springs, and wells in any town shall, for the purpose of this Act, be under the direction and control of the Commissioners.

Bathing places, &c.

115. The Commissioners shall have power to set apart a sufficient number of convenient tanks, or parts of rivers, streams, or channels not being private property, for the inhabitants to bathe in, and also to set apart tanks or other places for washing animals or clothes, or for any other purpose connected with the health, cleanliness, or comfort of the inhabitants.

Fouling water by bathing, &c.

116. Whoever, except as permitted by the Commissioners, bathes in any public stream, channel, water-course, tank, reservoir, spring, or well, or in any other manner fouls the water thereof, shall be liable to a fine not exceeding 10 rupees for each offence.

Power to require unwholesome tanks on private premises to be cleansed or drained.

117. It shall be lawful for the Commissioners to require, by notice in writing, the owner of any premises to cleanse any private tank, and to drain off and remove any waste or stagnant water within any such premises which may appear to be injurious to health or offensive to the neighbourhood; and if such owner refuse or neglect to comply with such requisition during eight days from the service thereof, the Commissioners, their officers and workmen may enter such premises, and do all such necessary acts for all or any of the purposes aforesaid as they shall think fit; and the expense incurred thereby shall be paid by the owner of such premises so making default, and shall be recoverable as a debt due to the Commissioners.

Stagnant pools in open places.

118. The Commissioners shall, from time to time, as they think fit, cleanse, fill up, or drain all receptacles of stagnant water, not being within any private enclosure, which shall appear to them likely to prove injurious to the health of the inhabitants, whether such receptacles be the private property of any person or otherwise.

119. If

Dangerous places to be repaired or enclosed.

119. If any house or other building, tank, well, or hole, or other place, whether on public or private ground, be, for want of sufficient repair or protection, dangerous to human beings, the Commissioners shall cause notice in writing to be given to the owner, if he be known, and resident within the limits of their jurisdiction, and also to the occupier of the premises, if any, and shall also cause notice to be put on some conspicuous part of such premises, requiring the owner, or occupier, if any, forthwith to take down, secure, repair, or protect such building, tank, well, or hole, or other dangerous place; and, if such owner or occupier do not, within three days after such notice, begin to comply with the requisition, and do not carry on the work to the satisfaction of the Commissioners, they may cause the same to be taken down, secured, repaired, or protected, so as to prevent danger therefrom; and the expense of such work shall be paid by the owner or occupier of such property so making default, and shall be recoverable as a debt due to the Commissioners.

Houses, &c., in a ruinous or dangerous state.

120. If, in any street, any house, building, or wall, or any thing affixed thereon, be deemed by the Commissioners to be in a ruinous state or likely to fall, or in any way dangerous, they shall forthwith give notice in writing to the owner, if he be known, and resident within the limits of their jurisdiction, and also to the occupier thereof, if any, requiring such owner or occupier to take down or secure the same within a fixed time; and, in default, the Commissioners shall cause such repairs to be made or such buildings to be removed; and the expense thereby incurred shall be paid by the owner of the premises so making default, and shall be recoverable as a debt due to the Commissioners.

Occupier may retain or recover cost of works executed at his expense from owner, and one owner may enforce contribution from other owners.

121. Whenever, under the provisions of this Act, any work is required by the Commissioners to be executed, or any alterations or improvements to be made in any building, premises, or place, and such work, alterations, or improvements are executed by the occupier of such house, place, or premises, or by the Commissioners, at his expense, the cost thereof may be deducted by such occupier from the next and following payments of his rent due or becoming due to such owner, or may be recovered by him in any court of competent jurisdiction. Provided always, that in case the occupier has a beneficial interest in such building, premises, or place, he shall deduct or recover such sum only as will bear the same proportion to the entire cost of such work, alteration, or improvement, as the value of the owner's interest bears to the value of the joint interest of him and the occupier. And provided also, that in case the rents issuing out of any such building, premises, or place belong to more persons than one, who are entitled to the same, either as being joint proprietors of such building, premises, or place, or as having intermediate and other interests therein, the cost of any work, alteration, or improvement as aforesaid, payable by the owner, shall be borne by such persons in proportion to their respective interests, and any one or more of such persons, who may have been compelled to pay more than a just proportion in the first instance, shall have like remedies against the others, for enforcing contribution by them, as are hereby given to the occupier as against the owner.

Sale of materials of ruinous houses, &c.

122. The materials of any such house, building, wall, or other structure, or any part of the same which may be pulled down as provided in Section 120, may be sold by the Commissioners, and the proceeds of such sale applied to the payment of the expenses incurred. Any overplus of such sale shall, on demand, be restored to the owner of such house, building, or wall, and, if unclaimed, shall, after the lapse of twelve months, be carried to the credit of the Municipal Fund.

License for slaughter houses.

123. No person shall slaughter any animal for sale within any town unless in a place specially licensed or provided for that purpose by the Commissioners; and whoever slaughters any animal for sale within any town in any place not so licensed or provided, shall be liable to a penalty not exceeding 10 rupees for each offence.

Provision of markets and slaughter-houses.

124. The Commissioners may, from time to time, provide places for the purpose of being used as markets and slaughter-houses, and may levy fees for the use of such markets and slaughter-houses.

No new market to be established.

125. After the passing of this Act no new market shall be opened in any town without the license, in writing, of the Commissioners; and every person who opens a new market without such license shall be liable to a penalty not exceeding 10 rupees for each day that such new market is opened or used.

Inspection of markets and slaughter-houses.

126. It shall be lawful for the Commissioners to provide for the inspection of all markets and slaughter-houses within any town.

Sale of unwholesome food and drink.

127. It shall be lawful for the Commissioners, or for any person appointed by them for that purpose, at all reasonable times to enter into and inspect any market, building, shop, stall, or place used for the sale of any drink, or of butcher's meat, poultry, fish, vegetables, or other articles of food, and, if it appears that any such drink, meat, poultry, fish, vegetables, or other article intended for the food of man is *unfit* for such food, to order the same to be destroyed, or to be so disposed of as to prevent its being exposed for sale or used for such food, and the owner thereof, or the person in whose possession the same is found, shall be liable to a penalty not exceeding 50 rupees.

Inspection of weights and measures.

128. It shall also be lawful for the Commissioners, or for any persons appointed by them for that purpose, to inspect the weights and measures used in markets and shops in any town, with a view to the prevention and punishment of offences relating to weights and measures, as described in chapter XIII. of the Indian Penal Code.

 129. Within

Appendix, No. 15.

Penalty for establishing certain offensive or dangerous trades.

129. Within such limits as may, for the purposes of this section, be fixed by the Commissioners, no premises shall be newly used, except under license from the Commissioners, for any of the following purposes, viz., for melting tallow, for boiling offal or blood, or as a soap-house, oil-boiling house, dyeing house, tannery, brick pottery or lime kiln, or other manufactory or place of business from which offensive or unwholesome smells arise, or as a yard or depôt for hay, straw, wood, or coal; and whoever shall, without a license, use any such premises for such purpose, shall be liable to a fine not exceeding 50 rupees, and a further fine not exceeding 20 rupees for every day after conviction for such offence during which the said offence is continued.

Licenses to be granted.

130. Licenses shall be issued by the Commissioners to all persons permitted to carry on the trades aforesaid under the preceding section, or who have carried on such trades previous to the coming into operation of this Act; and in these licenses shall be fully stated the conditions under which it shall be lawful to carry on such trades; and whoever, without such license, carries on any such trade within the town shall be liable to a penalty not exceeding 50 rupees, and to a further penalty not exceeding 10 rupees for every day after conviction for such offence during which such trade is continued.

License for continuing offensive trades already existing.

131. Where any application is made to the Commissioners for a license to continue any such trade which has been carried on previous to the coming into operation of this Act, it shall be lawful for the Commissioners to suspend the issuing of such license for a reasonable time, to admit of an application being made to, and determined by, the magistrate under the next section. Provided always that no person shall be liable to a penalty for continuing such trade without a license during the period that shall elapse between the application for such license and the final determination of the magistrate.

Case of such trades to be brought to magistrate's notice.

132. If, prior to the coming into operation of this Act, any such trade has been carried on within the limits of any town, and it is shown, to the satisfaction of the Commissioners, that such trade is a nuisance, or dangerous to the neighbourhood, the Commissioners shall bring these facts to the notice of the magistrate, for the purpose of causing such nuisance to be removed as provided in chapter XX. of Act XXV. of 1861 (The Code of Criminal Procedure).

No burial or burning place henceforth to be formed without leave of the Commissioners.

133. No burial or burning ground, whether public or private, shall be made or formed after the passing of this Act, without license, in writing, from the Commissioners; and whoever shall bury or burn, or cause, permit, or suffer to be buried or burned any corpse in any burial or burning ground made or formed without such license, shall be liable to a fine not exceeding 50 rupees.

Commissioners may order certain burial or burning grounds to be closed.

134. If, upon the evidence of competent persons, it shall appear to the Commissioners that any burial or burning ground is in such a state or position as to be dangerous to the health of persons living in the neighbourhood thereof, and also that a suitable place for interment or burning, as the case may be, exists withing a reasonable distance, and is available, the Commissioners may by notification to be affixed on some conspicuous part of the ground, appoint a time, not being less than two months, for the closing of such burial or burning ground, and whoever, after the time so appointed, buries or burns, or causes or permits to be buried or burned any corpse therein, shall be liable to a fine not exceeding 50 rupees.

Burial places, &c., to be provided.

135. The Commissioners shall, from time to time, from the funds at their disposal, and with the sanction of the Governor in Council, provide fitting places to be used as burial or burning grounds, for the use of the inhabitants of the town.

Cart-stands and halting places for vehicles and cattle.

136. No place shall be used as a cart-stand or public halting place for vehicles or cattle of any description within any town, unless licensed as a cart-stand or public halting place by the Commissioners. Whoever uses or permits to be used, for any purpose aforesaid, any place within the town not so licensed, shall be liable to a penalty not exceeding 50 rupees, and to a further penalty not exceeding 10 rupees for every day after conviction for such offence during which such use is continued.

Provision and inspection of cart-stands or halting places for vehicles and cattle.

137. The Commissioners may, from time to time, provide places for the purpose of being used as cart-stands or public halting places, and shall be authorised to levy fees for the use thereof.

Future obstructions in the streets.

138. Whoever builds any wall or erects any fence or other obstruction or encroachment in any public street, or in or over any open drain or sewer along the side of any such street after this Act shall have come into operation in any town, shall be liable to a penalty not exceeding 50 rupees, and the Commissioners shall have the power to remove any such obstruction or encroachment, and the expense of such removal shall be paid by the person who caused the same to be erected, and shall be recoverable as a debt due to the Commissioners. Nothing herein contained shall prevent the Commissioners from licensing any temporary erections in any public street on occasions of festivals and ceremonies.

Removal of existing obstructions.

Proviso.

139. The Commissioners may cause any such obstruction or encroachments erected before this Act came into operation to be removed or altered as they shall think fit. Provided that 30 days before such alteration or removal is begun, notice in writing shall be given of such intended removal or alteration to the occupier of the house or building in front of which such encroachment or obstruction exists; and the Commissioners shall make reasonable compensation to every person who suffers damage by such removal or alteration.

147. Whoever

Taking up or altering pavements, &c., without authority.

140. Whoever takes up or makes any alterations in the pavement or other material, or in the fences or posts of any public street in the town, without the consent in writing of the Commissioners, or without other lawful authority, shall be liable to a fine not exceeding fifty rupees.

Private persons laying out new streets.

141. Any person who wishes to make or lay out any new street shall give notice in writing thereof to the Commissioners, showing the intended level and width of such street; and the level and width of every such street shall be fixed or approved by the Commissioners. Any one laying out any new street without the written permission of the Commissioners shall be liable to a fine not exceeding fifty rupees, and the expense of the removal of any building erected in such new street shall be paid by the offender, and be recoverable as a debt due to the Commissioners.

Erection of new huts.

142. It shall not be lawful for any person to erect within any town any building or hut, or any range or block of buildings or huts, on any plot or parcel of ground on which no buildings or huts are standing, without previous notice in writing to the Commissioners; and the Commissioners may require such buildings or huts to be built, so that they may stand in regular lines, with a free passage or way in front of each line of such width as the Commissioners may think proper for salutary ventilation, and to facilitate scavengering, and at such a level as will admit of sufficient drainage. Any buildings or huts which may be erected in contravention of this section shall, after one month's notice in writing to the builder thereof to remove the same, be removed by the direction of the Commissioners; and the expense incurred in doing so shall be paid by the person who caused the same to be built, and shall be recoverable as a debt due to the Commissioners.

Power as to existing huts.

143. Whenever the Commissioners are satisfied from inspection, or by report of competent persons, that any existing block of buildings or huts in any town is, by reason of the manner in which the buildings or huts are crowded together, or of want of drainage and the impracticability of scavengering, attended with risk of disease to the inhabitants or the neighbourhood, they may, with the sanction of the Government, cause a notice to be fixed to some conspicuous part of such buildings or blocks of huts, requiring the owners or occupiers thereof, or, at the option of the Commissioners, the owner of the land on which such buildings or huts are built, within a reasonable time to be fixed by the Commissioners for that purpose, to execute such works as the Commissioners, with such sanction as aforesaid, may deem necessary for avoidance of such risk. And, in case such owners or occupiers or the owner of the land shall refuse or neglect to execute such works within the time appointed, the Commissioners may cause the said buildings or huts to be taken down, or such works to be performed in respect of such buildings or huts as the Commissioners may deem necessary to prevent such risk. If such buildings or huts be pulled down, the Commissioners shall cause the materials of each building or hut to be sold separately, if such sale can be effected; and the proceeds shall be paid to the owner of the hut, or, if the owner be unknown or the title be disputed, shall be held in deposit by the Commissioners, until the person interested therein shall obtain the order of a court of competent jurisdiction for the payment of the same. Provided that such proceeds, if unclaimed, shall, after the expiration of twelve months, be credited to the municipal fund. Provided also that the Commissioners shall make reasonable compensation to all persons who shall suffer damage by any of the aforesaid works executed under the direction of the Commissioners.

Buildings may be set forward for improving line of streets.

144. The Commissioners may, upon such terms as they shall think fit, allow any building to be set forward for improving the line of any public street in which such building is situated.

Buildings projecting beyond line of streets when taken down, to be set back.

Proviso.

145. When any building, or any part thereof, which projects beyond the regular line of a public street, or beyond the front of the building on either side thereof, has been taken down in order to be re-built or altered, the Commissioners may require the said projecting part to be set back to or towards the line of the street or the line of the adjoining buildings. Provided always, that the Commissioners shall make full compensation to the owner of any such building for any damage he may thereby sustain, and if any dispute shall arise touching the amount of such compensation, the same shall be settled in the manner hereinafter provided for the settlement of disputes respecting damages and expenses.

Names of streets.

146. The Commissioners shall, from time to time, cause to be put up or painted on a conspicuous part of some house, building, wall, or place, at or near the end or entrance of every street, the name by which such street is to be known; and whoever destroys or defaces such name shall be liable to a penalty not exceeding ten rupees.

Numbers on houses.

147. The Commissioners may, from time to time, fix a number in a conspicuous place on the outer side of any house, or building, or at the entrance of the inclosure thereof fronting the street; and whoever destroys, pulls down, or defaces any such number shall be liable to a penalty not exceeding ten rupees.

Roofs and external walls of huts not to be made of inflammable material.

148. The external roofs, walls, and verandahs of huts or other buildings erected or renewed within the limits of any town after this Act shall have come into operation therein, shall not be made of grass, leaves, mats; or other inflammable materials, except by the permission, in writing, of the Commissioners. Any person contravening this section shall be liable to a penalty not exceeding ten rupees for every such offence, and for every day that such offence is continued after conviction.

 149. The

Appendix, No. 15.

Power to trim hedges and trees bordering on roads.

149. The Commissioners shall give notice, in writing, to the owner, if known and within the limits of their jurisdiction, and also to the occupier of any land, to trim or prune any of the hedges thereof that may be planted along any public road or street, so that they may not exceed the height of six feet from the level of the ground, and to cut and trim all trees, which, by overhanging any public road or street, obstruct the passage or cause damage thereto. And, in the event of such notice not being complied with within eight days from the date thereof, the Commissioners may cause the said hedges and trees to be cut and trimmed in the manner required; and the expense incurred by the Commissioners in respect thereof shall be paid to them by the owner or occupier of such land making default, or may be recovered from the sale of such loppings, or as a debt due to the Commissioners.

Power to remove noxious vegetation, &c.

150. Whenever any lands or premises, being private property or within any private inclosure, appear to the Commissioners to be, by reason of noxious vegetation, or want of drainage, in a state injurious to health, it shall be lawful for the Commissioners to give notice, in writing, to the owner, if known and within the limits of their jurisdiction, and also to the occupier of the premises, to clear and remove such vegetation or to drain such premises; and if such owner or occupier do not, within one week after such notice, begin to cut, clear, and remove such vegetation or to drain such land, and do not complete such work with due diligence, the Commissioners, their officers, and workmen may, after forty-eight hours' notice in writing, enter into the said premises and do all necessary acts for the purpose aforesaid as they shall think fit; and the expense incurred thereby shall be paid by the owner or occupier of such premises, or shall be recoverable as a debt due to the Commissioners.

Power to enter and cleanse buildings.

151. It shall be lawful for the Commissioners, at any time between sunrise and sunset, by themselves or their servants, on giving notice in the manner provided by the previous section, to enter into and inspect all buildings, and, by an order in writing, to direct all or any part to be forthwith internally and externally lime-washed or otherwise cleansed for sanitary reasons; and, if the owner or occupier of such building neglect to do so within a time to be fixed by the Commissioners in such order, the Commissioners may cause the same to be done; and the expenses incurred shall be paid by the owner or occupier, and shall be recoverable as a debt due to the Commissioners.

Penalty for failure to obtain renewal of licenses issued under sections 106, 123, 125, 130, 133, and 136.

152. The licenses issued under Sections 106, 123, 125, 130, 133, and 136 shall be issued annually, and shall expire on the last day of the official year; and any person who, being bound to take out such license, fails to obtain a renewal within one month after the expiration of such license, shall be liable to the penalties specified in those sections.

Licenses.

153. When any license is granted under the provision of this Act, authorising the use of any place for the purposes therein described, fees may be charged for such license at such rate as shall be fixed by the Commissioners, subject to the approval of the Governor in Council. Provided always, that no fees shall be chargeable in respect of burying or burning grounds licensed under Section 133.

Powers of the police.

154. It shall be lawful for any police constable or officer to arrest, without warrant, any person guilty of any offence committed within his view against any provision of this Act, or any bye-law under this Act. Provided that it shall be lawful for any police officer, under the general or special instructions of the Commissioners, to lay any information before a magistrate, and to apply for summons, warrant, search warrant, or such other legal process as may by law issue and may be expedient under the circumstances, against any person committing any offence under this Act, and to prosecute such offenders up to final judgment.

Duties of police.

155. It shall be the duty of all police officers to give immediate information to the Commissioners of any offence committed contrary to the provisions of this Act.

General Provisions.

Publication of notifications under this Act.

156. Every notification of the Governor in Council, which is directed under this Act, shall be published in the Gazette of the district to which it relates, both in English and the vernacular language or languages of the district.

Damage to the Town Commissioners' property to be made good in addition to penalty.

157. If, through any act, neglect, or default, on account whereof any person shall have incurred any penalty, any damage to the property of the Commissioners shall have been committed by such person, he shall be liable to make good such damage, as well as to pay such penalty; and the amount of such damage shall, in case of dispute, be determined by the magistrate by whom the party incurring such penalty shall have been convicted, and, on non-payment of such damage on demand, the same shall be levied by distress, and such magistrate shall issue his warrant accordingly.

Offender may be detained in custody, or compelled to give security, if fine, &c., be not forthwith paid.

158. In case any fine, forfeiture, or penalty imposed under or by virtue of this Act or of any bye-law made in pursuance thereof, shall not be forthwith paid, the magistrate may order the offender to be apprehended and detained in safe custody until the return can be conveniently made to the warrant of distress, unless the offender shall give security to the satisfaction of the magistrate for his appearance at such place and time as shall be appointed for the return of the warrant of distress.

159. If,

159. If, upon the return of such warrant, it shall appear that no sufficient distress can be had whereon to levy such fine, and the same shall not be forthwith paid, or in case it shall appear to the satisfaction of the magistrate by the confession of the offender or otherwise, that he has not sufficient property whereupon such fine or sum of money could be levied if a warrant of distress were issued, the magistrate may, by warrant under his hand, commit the offender, provided he is not a European British subject, to prison, there to be imprisoned, according to the discretion of the magistrate, for any term not exceeding two calendar months when the amount of fine shall not exceed fifty rupees, and for any term not exceeding four calendar months when the amount shall not exceed one hundred rupees, and for any term not exceeding six calendar months in any other case; the commitment to be determinable in each of the cases aforesaid on payment of the amount.

If no sufficient distress can be had, or there be not sufficient property whereupon the fine, &c., can be levied, the offender, if not an European British subject, may be imprisoned.

160. Every notice or summons under any of the preceding sections of this Act, or under any bye-law, may be served personally upon the person to whom the same is addressed, or may be served by leaving the same at his usual or last known place of abode, with some adult member or servant of his family; or, if it cannot be so served, it may be put up on some conspicuous part of such place of abode. If the notice or summons relates to any house, building, or land, and the place of abode of the owner is unknown, the notice or summons shall be deemed to be duly served if put upon some conspicuous part of the house, building, or land to which the same relates.

Service of notice.

161. Instead of proceeding by distress and sale, or in case of failure to realise by distress the whole, or any part, of any rates, taxes, fees, or forfeitures recoverable under the provisions of this Act, the Commissioners may sue the person liable to pay the same in any court of competent jurisdiction.

Commissioners may sue in competent court instead of distraining or on failure of distress.

162. The Commissioners may make compensation out of the municipal fund to any person sustaining any damage by reason of the exercise of any of the powers vested in the Commissioners, their officers or servants, under this Act.

Power to make compensation out of the municipal fund.

163. It shall be lawful for the Commissioners to make bye-laws—and to repeal, alter, and amend the same, subject to the confirmation hereinafter mentioned—for regulating the time and mode of collecting the rates and taxes mentioned in this Act, for regulating the conduct of persons employed by them, for the management of all matters connected with conservancy, and for carrying out all the purposes of this Act, and to affix fines and penalties for the infringement of such bye-laws. Provided that no bye-law shall be repugnant to any law in force, and that no fine for any one infringement of a bye-law shall exceed twenty rupees, and that, in case of a continuing infringement, no fine shall exceed ten rupees for every day after written notice from the Commissioners of such infringement.

Commissioners empowered to make bye-laws.

Proviso.

164. In all cases where any damages, costs, or expenses are, under any bye-laws or provisions of this Act, directed to be paid, the amount of the same, in case of dispute, shall be recoverable in any civil court of competent jurisdiction as a debt due to the Commissioners. Provided that, if the expense thus claimed shall not exceed twenty rupees, it shall be recoverable in the same manner as is hereinafter provided for the recovery of fines, forfeitures, and penalties under this Act.

Damages, costs, or expenses, how recoverable.

165. No bye-law or alteration of a bye-law shall have effect until the same shall have been approved and confirmed by the Governor in Council, and shall have been published for such length of time and in such manner as the Governor in Council shall order.

Confirmation and publication of bye-laws.

166. All bye-laws, when the same shall have been duly confirmed and published, shall, until the same be repealed or altered, be of the like effect as if they were inserted in this Act.

Bye-laws, until repealed or altered, to have like effect as if inserted in Act.

167. All bye-laws which shall have been passed under the provisions of the Towns Improvement Act of 1865, shall continue to be in force until the same shall be repealed or altered.

Bye-laws under Act X. of 1865 to continue in force until abrogated.

168. No action shall be brought against the Commissioners, or any of their officers, or any person acting under their direction, for any thing done under this Act, until the expiration of one month next after notice in writing shall have been delivered or left at the office of the Commissioners, or at the place of abode of such person, explicitly stating the cause of action and the name and place of abode of the intended plantiff; and, unless such notice be proved, the court shall find for the defendant; and every such action shall be commenced within six months next after the accrual of the cause of action, and [illegible] wards: and, if any person to whom any such notice of action is given shall, [illegible] brought, tender sufficient amends to the plaintiff, such plaintiff sha[illegible] the amount so tendered, and shall pay all cost incurred by the [illegible]

No action to be brought against the Commissioners or their officers until after one month's notice of cause of action.

169. The Commissioners may direct any prosecution f[illegible] and may order proceedings to be taken for the recovery [illegible] ment of any persons offending against the provisions o[illegible] of such prosecution or other proceedings to be paid [illegible] secution for an offence under this Act shall be i[illegible] after the commission of such offence.

170. Every prosecution under this Act [illegible] jurisdiction over the offender, except in [illegible]

Appendix, No. 15.

SCHEDULE (A.)—(Section 55.)

Table of Fees payable under Distraints under this Act.

Sums Distrained for.	Fees.	Sums Distrained for.	Fees.
	Rs. a.		*Rs. a.*
Under 1 rupee - - - -	– 4	35 and under 40 rupees - -	4 –
1 and under 5 rupees - - -	– 8	40 „ 45 „ - -	4 8
5 „ 10 „ - - -	1 –	45 „ 50 „ - -	5 –
10 „ 15 „ - - -	1 8	50 „ 60 „ - -	6 –
15 „ 20 „ - - -	2 –	60 „ 80 „ - -	7 8
20 „ 25 „ - - -	2 8	80 „ 100 „ - -	9 –
25 „ 30 „ - - -	3 –	100 and above 100 „ - -	10 –
30 „ 35 „ - - -	3 8		

The above charge includes all expenses, except when peons are kept in charge of property distrained, in which case 3 annas must be paid daily for each man.

SCHEDULE (A. I.)

No. 1.

NOTICE OF DEMAND.—(Section 52.)

Take notice that the Commissioners of demand from you the sum of due from you for the months of 18 , and that if the sum due is not paid into the office of the Commissioners at , or if sufficient cause for the non-payment of the sum is not shown to the Commissioners within seven days from service of this notice, a warrant of distress will be issued for the recovery of the same with costs.

Date. (*Signature of the President or Vice President.*)

No. 2.

DISTRESS WARRANT.—(Section 52.)

To (*here insert the Name of the Officer charged with the execution of the Warrant*).

Whereas of has not paid or shown sufficient cause for the non-payment of the sum of rupees, due for the rates (or taxes) [or rates and taxes] mentioned in the margin, for the months of 18 , although the said sum has been duly demanded in writing from the said and seven days have elapsed since the service of the notice of demand: This is to command you to distrain the property of the said to the amount of the said sum of rupees, and such further sum as may be sufficient to defray the charges of taking, keeping, and selling such distress; and if, within seven days next after such distress, the said sum shall not be paid, together with such further sum as may be sufficient to defray the charges of taking and keeping such distress, to sell the said property; and having paid and deducted out of the proceeds of the sale the said sum of rupees, and the charges of taking, keeping, and selling such distress, to return the surplus (if any) on demand to the person whom you shall find in possession of the said property. If sufficient distress cannot be found of the property of the said , you are to certify the same to us, together with this Warrant.

Date. (*Signature of the President or Vice President.*)

No. 3.

RM OF INVENTORY AND NOTICE.—(Section 54.)

State Particulars of Goods seized.)

ed the property specified in the above inventory for the sum e rates (or taxes) mentioned in the margin, for the month at unless you pay into the office of the Commissionerns nt due, together with the costs of this distress, within ce, the property will be sold.

e Officer executing the Warrant of Distress.)

Appendix, No. 15.

SCHEDULE (B.)—(Section 58.)

ARTS, PROFESSIONS, TRADES, and CALLINGS liable to be Taxed.

	Yearly.
CLASS I.	
Every joint stock company registered in India, trading with a paid-up capital of one lac of rupees or upwards	100 rupees.
CLASS II.	
Every joint stock company registered in India, trading with a paid-up capital of less than one lac of rupees Every civil or military officer under Government, whose pay or salary amounts to 1,500 rupees a month or upwards Every abkarry renter, and every merchant, banker, sowcar, wholesale trader or commission agent Every practising barrister Every owner of a press for cotton, or of a coffee cleaning establishment, or saw mills Every hotel keeper, boarding-house keeper, shopkeeper, manufacturer, artisan or trader, the gross rental of whose shop or place of business is estimated at 1,200 rupees per annum or upwards	50 „
CLASS III.	
Every civil or military officer under Government whose pay or salary amounts to 800 rupees per month and is less than 1,500 rupees per month, and every person in the service of any joint stock or other public company or trading firm whose salary amounts to 800 rupees per month or upwards Every merchant, banker, sowcar, wholesale trader or commission agent not assessed under Class II. Every practising barrister not assessed under Class II., and every attorney-at-law, proctor, notary public, or pleader practising in any civil and sessions court, principal sudder amin's court, or court of small causes Every practising surgeon, physician, dentist, architect, or civil engineer Every owner or farmer of a bazaar Every owner of a press for cotton, or of a coffee cleaning establishment, or of saw mills not assessed under Class II.; and every owner of a printing press, or of a press for oil, jute, hides, or other materials; and every auctioneer Every hotel keeper, boarding-house keeper, shopkeeper, manufacturer, artisan, or trader, the gross rental of whose shop or place of business is estimated at 500 rupees a year or upwards	25 „
CLASS IV.	
Every person holding a civil appointment under Government, or in the service of any joint stock or other public company or trading firm, whose salary amounts to 400 rupees a month and is less than 800 rupees a month Every practising licentiate of medicine, apothecary, and veterinary surgeon Every keeper of a spirit shop, punch house, or billiard room, or wholesale produce depôt Every hotel keeper, boarding-house keeper, or shopkeeper, or retail dealer, manufacturer, artisan, or trader, the gross rental of whose shop or place of business is estimated at more than 100 rupees, but less than 500 rupees a year Every pleader and practising vakeel not included in Class III. Every broker or other person employed in the transfer or purchase of imports or exports, or in the sale of Government securities, shares, and bills of exchange, or in procuring freight	12 „
CLASS V.	
Every person holding a civil appointment under Government, or in the service of any joint stock or other public company or trading firm, whose salary amounts to 200 rupees a month, and is less than 400 rupees a month Every hotel keeper, boarding and lodging house keeper, shop keeper, retail dealer, manufacturer, artisan, or trader, not included in Class III. or Class IV. Every pawnbroker, and every trader, artisan, or merchant having a shop or place of business not included in Class IV.	6 „

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SCHEDULE (B.)—(Section 58)—*continued.*

	Yearly.
CLASS VI.	
Every person holding a civil appointment under Government, or in the service of any joint stock or other public company or trading firm, whose salary amounts to 100 rupees per month, and is less than 200 rupees per month	3 rupees.
Every keeper of a permanent stall at a public market	
Every native doctor not included in any other class	
Every pawnbroker, and every trader, artisan, or merchant having a shop or place of business not included in Class V.	
CLASS VII.	
Every person holding a civil appointment under Government, or in the service of any joint stock or other public company or trading firm, whose salary amounts to 50 rupees a month, and is less than 100 rupees a month	2 „
CLASS VIII.	
Every retail dealer, manufacturer, artisan, trader, or keeper of a shop or stall not included in any other class, or money changer	1 „
Every pedlar, hawker, or itinerant dealer	
Every person holding a civil appointment under Government, or in the service of any joint stock or other public company or trading firm, whose salary amounts to 30 rupees a month, and is less than 50 rupees a month	

SCHEDULE (C.)—(Section 64.)

VEHICLES and ANIMALS Liable to Taxation, with the Maximum Rates of Taxation.

	Half-yearly.	
	Rs.	*a.*
For every four-wheeled carriage on springs, drawn by two horses	9	–
For every four-wheeled carriage on springs, drawn by one horse, or a pair of ponies under 13 hands, or by a pair of bullocks or buffaloes	4	8
For every two-wheeled carriage on springs, drawn by horse, mule, bullock or buffalo	3	–
For every horse	4	8
For every pony under 13 hands, or mule	1	8
For every elephant	12	–
For every camel	6	–
For every pony under 11 hands	–	8
Every bullock or buffalo	–	8
Every ass	–	4
Every dog	–	4

SCHEDULE (D.)—(Section 78.)

MAXIMUM RATES of TOLLS payable on entering the Municipal Limits.

	Rs.	*a.*
On every four-wheeled carriage on springs	–	8
Ditto two ditto ditto	–	4
Ditto jatka, hackery on springs, or cart drawn by men, buffaloes, bullocks, horses, ponies, asses or mules, laden	–	4
Ditto ditto ditto ditto not laden	–	2
Ditto buffalo or bullock, laden	–	1
Ditto horse, laden or ridden	–	2
Ditto ditto, not laden or ridden	–	1
Ditto pony or ass, laden or ridden	–	1
Ditto elephant	1	–
Ditto camel	–	4

NORTH WESTERN PROVINCES.

Appendix, No. 15.

ACT No. XVIII. of 1871.

Passed by the Governor General of India in Council.

(Received the assent of the Governor General on the 6th April 1871.)

AN ACT for the levy of Rates on Land in the North Western Provinces.

WHEREAS it is expedient to provide, in the North-Western Provinces of the Presidency of Fort William, for the levy on land of rates to be applied to local purposes. It is hereby enacted as follows:— Preamble.

I. *Preliminary.*

1. This Act may be called "The North-Western Provinces Local Rates Act, 1871:" Short title.
It extends only to the territories subject to the Lieutenant Governor of the North Western Provinces; and it shall come into force on the passing thereof; Extent of Act.

2. In this Act— Interpretation clause.
"Commissioner" means Commissioner of a Division;
"Collector" means the Head Revenue Officer of a district;
"Land" means land used for agricultural purposes, or waste land which is cultivable;
"Tenant" means any person using or occupying land, and liable to pay or deliver rent therefor;
"Landlord" means the person responsible for the payment of the Government land revenue, if any, assessed on an estate, and includes a muáfídár, nazránádár or other person holding land, whereof the revenue has, either wholly or in part, been released, compounded for, redeemed, or assigned;
"Estate" means all or any part of a village separately assessed to the land revenue, or separately exempt from the payment thereof.

II. *Rates on Land in Districts of which the Settlement is liable to Revision.*

3. Every estate situate in any district in which the term of the settlement of the land revenue made under Regulation IX of 1833 has expired, shall be liable to the payment of such rate, not exceeding 5 per cent. on its annual value, as the Lieutenant Governor from time to time imposes. Rate on estates where the settlement has expired.

Such rate shall be paid by the landlord, independently of, and in addition to, any land revenue assessed on the estate:

Provided that, in estates in which, before the passing of this Act, provisional engagements have been taken from the landlord for the payment of the land revenue and cesses in one consolidated sum, and in which it appears to the Lieutenant Governor inexpedient to cancel such engagements, one-eleventh part of such sum shall be deducted on account of such cesses, and shall be treated in all respects as if it were a portion of a rate levied under the former part of this section.

"Annual value" means as follows:—

(1). In cases in which the settlement of the land revenue is liable to periodical revision, it means double the amount of the land revenue for the time being assessed on an estate;

(2). In cases in which such settlement is not liable to such revision, or in which the land revenue has been, wholly or in part, released, compounded for, redeemed or assigned, it means double the amount which, if the settlement were liable to such revision, would be assessable as land revenue on the estate.

III. *Rates on Land in Estates of which the Land Revenue is not liable to periodical Revision.*

4. Every estate situated in a district of which the land revenue is not liable to periodical revision, shall be liable to the payment of such rate as the Lieutenant Governor from time to time imposes, not exceeding two annas for each acre under cultivation, or which has been cultivated within the three years next before the assessment of the rate. Rate on estates where revenue is not periodically revised.

5. The rate shall be paid by the landlord independently of, and in addition to, any land revenue assessed on the estate, and in addition to the cess levied now on account of roads. Rate to be paid by landlord.

6. The Lieutenant Governor shall from time to time prescribe rules for ascertaining the area of the land assessable under Section 4. Lieutenant Governor to prescribe rules for ascertaining area of assessable land.

7. The

Appendix, No. 5.

Landlord's right to recover half rate from tenants.

7. The landlord may recover, from every tenant of land on which such rate has been assessed, and for the payment of which the landlord is liable, an amount equal to one-half of the rate assessed on the land held by such tenant.

Power to make rules as to when a landlord may recover rates from tenants holding at fixed or beneficial rates.

8. The Lieutenant Governor may from time to time make rules consistent with this Act for determining the cases in which a landlord shall be entitled to recover, from tenants holding at fixed or beneficial rates of rent, the whole or any portion of the rate assessed on the land held by such tenants.

IV. *Manner in which the Rates are to be expended.*

Rates to be carried to general fund.

9. The proceeds of all rates levied under this Act shall be carried to the credit of a general provincial fund.

Assignments from general fund.

10. The Lieutenant Governor shall from time to time assign from such fund an amount to be applied in each district for expenditure on all or any of the following purposes:—

(1). The construction, repair, and maintenance of roads and communications;

(2). The maintenance of the rural police and district post;

(3). The construction and repair of school-houses, the maintenance and inspection of schools, the training of teachers, and the establishment of scholarships;

(4). The construction and repair of hospitals, dispensaries, lunatic asylums, markets, wells, and tanks; the payment of all charges connected with the purposes for which such buildings or works have been constructed, and any other local works likely to promote the public health, comfort, or convenience.

Such assignment shall not be less than the total sum levied under this Act in such district in the year in which the assignment was made.

Works benefiting several districts.

11. In the case of works which benefit more districts than one, the local government may determine what proportion of the expense of the work shall be borne by each of the districts benefited thereby, and such proportion shall be payable out of the assignments made as aforesaid to such districts respectively.

Unexpended portion of assignment.

12. Any portion of such assignment remaining unexpended at the end of the financial year in which the assignment was made may, at the discretion of the Lieutenant Governor, be re-assigned for expenditure in the same district, or may be applied for the benefit of the North Western Provinces, in such manner as the Lieutenant Governor from time to time directs.

Accounts to be kept.

13. Accounts of the receipts in respect of all rates levied under this Act, and of the receipts and expenditure of such assignment, shall be kept in each district.

Such accounts shall, at all reasonable times, be open to the inspection of the local committee hereinafter mentioned.

An abstract of such accounts shall be prepared annually in English and in the vernacular language of the district, and shall be open, at all reasonable times, to public inspection at suitable places within the district without the payment of any fee.

An abstract of such accounts shall also be published annually in the local official Gazette.

Local Committees.

14. The local government shall appoint, in each district, a committee, consisting of not less than six persons, for the purpose of determining how the amount mentioned in Section 10 shall be applied, and in the supervision and control of such amount:

Provided that not less than one-half of the members of such committee shall be persons not in the service of Government, and owning or occupying land in the district, or residing therein.

The Lieutenant Governor shall, from time to time, prescribe the manner in which the members of such committee shall be appointed or removed, and shall define the functions and authority of such committee.

V. *Miscellaneous.*

Suits under Act cognizable by collector.

15. Suits for the recovery from co-sharers, tenants, or others of any sum on account of any rate imposed under this Act, and all suits on account of illegal exaction of such rate, or for the settlement of accounts, shall be cognizable by the Collector as if such suits had been included among the suits mentioned in Section 23 of Act No. X. of 1859, and in Section 1 of Act No. XIV. of 1863,

And appeals from decisions in such suits shall be cognizable in accordance with the provisions of Act No. X. of 1859, and Act No. XIV. of 1863.

Limitation of appeals.

16. In matters connected with the assessment and collection of any sum leviable under this Act, an appeal shall lie to the Commissioner from the order of the Collector, provided that such appeal be presented within 30 days from the date of the order.

The Commissioner's decision on such appeal shall be final; but all such decisions may be reviewed by the Board of Revenue.

17. The

17. The Lieutenant Governor may invest any officer subordinate to a Collector with all or any of the powers of a Collector for the purposes of this Act. Power to invest subordinate officers with powers of collector.

The orders passed by any officer so invested shall be subject to revision by the Collector of the district.

18. All sums due on account of any rate imposed under this Act shall be recoverable as if they were arrears of land revenue due on the land on account of which the rate is payable. Recovery of rates.

19. The Lieutenant Governor may, by notification from time to time,— Supplementary powers of local government.

(*a.*) Prescribe by what instalments and at what times such rate shall be payable, and by whom it shall be assessed, collected and paid;

(*b.*) Make rules consistent with this Act for the guidance of officers in matters connected with its enforcement;

(*c.*) Exempt any portion of the territories under his government from the operation of this Act, or exempt any estate from liability to pay the whole or any part of any rate under this Act;

(*d.*) Direct fresh measurements and vary the assessment accordingly.

Every notification under this section shall be published in the Government Gazette, North Western Provinces.

OUDE.

ACT No. XVII. of 1871.

Passed by the Governor General of India in Council.

(Received the Assent of the Governor General on the 31st March 1871.)

AN ACT to provide for the Levy of Rates on Land in Oudh.

WHEREAS it is expedient to provide for the levy of rates on land in Oudh to be applied to local purposes; It is hereby enacted as follows:— Preamble.

1. This Act may be cited as "The Oudh Local Rates Act:" Short title.

It extends only to the territories under the administration of the Chief Commissioner of Oudh; Local extent.

And it shall come into force on the 1st day of April 1871. Commencement.

2. In this Act— Interpretation clause.

"Land" means land assessed to the land revenue, and includes land whereof the land revenue has been wholly or in part released, compounded for, redeemed, or assigned:

"Landholder" means the person in receipt of the rent of any land, and responsible for the payment of the land revenue, if any, assessed on the estate. It also includes a muáfídár or other person holding land, the land revenue of which has been wholly or in part released, compounded for, redeemed, or assigned: Landholder.

"Estate" means all or any part of a village separately assessed to the land revenue, or separately exempted from payment thereof; and Estate.

"Annual value" means— Annual value.

(1.) Where the settlement of the land revenue is liable to periodical revision, —— double the amount of the land revenue assessed on an estate;

(2.) Where such settlement is not liable to periodical revision, or where the land revenue or a portion thereof has been released, compounded for, redeemed, or assigned, —— double the amount which, if the settlement were liable to periodical revision, would, but for such non-liability, release, composition, redemption, or assignment, have been assessed as land revenue on the estate.

3. The Chief Commissioner may impose on every estate a rate not exceeding 1¼ per cent. on its annual value. Such rate shall be payable annually by the landholder, independently of, and in adition to, any land revenue for the time being assessed on the estate and any local cesses now leviable therefrom. Rates assessable.

4. All sums due on account of any rate imposed under this Act shall be recoverable as if they were arrears of land revenue due in respect of the land on account of which the rate is payable. Recovery of rates.

5. Every landholder may recover from his co-sharers or pattídárs, if any, a share of the rate bearing the same proportion to the whole rate that the annual value of the share of such Power to recover share of rate from co-sharers or pattidárs.

Appendix, No. 15.

such co-sharer or pattídár, recorded at the time of the settlement, bears to the annual value of the whole estate.

Power to recover share of rate from under-proprietor, permanent lessee or occupancy tenant.

6. Whenever the rate is charged on a landholder on account of land in the use or occupation of an under-proprietor or permanent lessee, or of a tenant with right of occupancy whose rent has been fixed or recorded by a competent court, such landholder may realise from such under-proprietor, lessee, or tenant, a share of the rate bearing the same proportion to the whole rate that the share of such under-proprietor, lessee, or tenant in the annual value of the land on which the rate is charged, bears to half the annual value of such land.

Jurisdiction over suits as to rates.

7. Suits for the recovery from co-sharers, under-proprietors, permanent lessees, or tenants as aforesaid, of any sum on account of any rate imposed under this Act, and all suits on account of illegal exaction of such rate, or for the settlement of accounts, shall be cognisable by the Courts of Revenue in Oudh, and the provisions of the Oudh Rent Act (No. XIX. of 1868), cc. 7, 8 and 9, as to similar classes of suits, shall apply to the suits mentioned in the former part of this section.

Appeal to Commissioner.

8. An appeal shall lie to the Commissioner from the order of any person authorised, under the power hereinafter conferred, to make assessments in any matter connected with the assessment of any sum leviable under this Act: provided that such appeal be presented within 30 days from the date of the order.

The decision of the Commissioner on such appeal shall be final; but all such decisions may be reviewed by the Chief Commissioner.

General fund.

9. The proceeds of all rates levied under this Act shall be carried to the credit of a general provincial fund.

Assignments for local purposes.

10. The Chief Commissioner shall, from time to time, assign from such fund an amount to be applied in each district for expenditure on all or any of the following purposes:—

(1.) The construction, repair, and maintenance of roads and communications;

(2.) The construction and repair of schoolhouses, the maintenance and inspection of schools, the establishment of scholarships, and the training of teachers;

(3.) The construction and repair of hospitals, dispensaries, lunatic asylums, markets, wells, and tanks, the payment of all charges connected with the purposes for which such buildings or works have been constructed, and any other local works and undertakings of public utility likely to promote the public health, comfort, or convenience.

Such assignment shall not be less than the total sum assessed under this Act in such district in the year in which the assignment was made.

Unexpended portion of assignment.

11. Any portion of such assignment remaining unexpended at the end of the financial year in which the assignment was made may, at the discretion of the Chief Commissioner, be re-assigned for expenditure in the same district, or may be applied for the benefit of the Province of Oudh in such manner as the Chief Commissioner from time to time directs.

Accounts of receipts.

12. Accounts of the receipts in respect of all rates levied under this Act, and of the receipts and expenditure of the assignment made under Section 10, shall be kept in each district.

Such accounts shall, at all reasonable times, be open to the inspection of the local committee hereinafter mentioned.

An abstract of such accounts shall be prepared annually in English and in the vernacular language of the district, and shall be open, at all reasonable times, to public inspection at suitable places within the district without the payment of any fee.

An abstract of such accounts shall also be published annually in the local official Gazette.

Appointment of committees.

13. The Chief Commissioner shall appoint, in each district, a committee, consisting of not less than six persons, for the purpose of assisting in determining how the amount mentioned in Section 10 shall be applied, and in the supervision and control of the expenditure of such amount:

Provided that not less than one-half of the members of such committee shall be persons not in the service of Government, and owning or occupying land in the district, or residing therein.

The Chief Commissioner shall, from time to time, prescribe the manner in which the members of such committee shall be appointed or removed, and shall define the functions and authority of such committee.

Power to make supplementary rates.

14. The Chief Commissioner may, by notification, from time to time,—

(*a.*) Prescribe by what instalments and at what times any rate imposed under this Act shall be payable, and by whom it shall be assessed, collected, and paid;

(*b.*) Make rules consistent with this Act for the guidance of officers in matters connected with its enforcement; and

(*c.*) Exempt

(*c.*) Exempt any portion of the territories under his administration from the operation of this Act. Appendix, No. 15.

Every notification under this section shall be published in the local official Gazette.

PUNJAB.

ACT No. XX. of 1871.

Passed by the Governor General of India in Council.

(Received the Assent of the Governor General on the 20th June 1871.)

AN ACT to provide for the Levy of Rates on Land in the Punjab.

WHEREAS it is expedient to provide for the levy of rates on land in the Punjab to be applied to local purposes; it is hereby enacted as follows:— Preamble.

1. This Act may be called "The Punjab Local Rates Act, 1871": Short title.

It extends only to the territories for the time being under the government of the Lieutenant Governor of the Punjab, inclusive of any territory that may, from time to time, be removed, under the provisions of the Agror Valley Act, 1870, from the jurisdiction of the tribunals established under the general Regulations and Acts; Local extent.

And it shall come into force on the passing thereof. Commencement.

2. In this Act— Interpretation clause.

"Land" means land assessed to the land revenue, and includes land whereof the land revenue has been, wholly or in part, released, compounded for, redeemed, or assigned; "Land."

"Landholder" means any person responsible for the payment of the land revenue, if any, assessed on land. It also includes a person holding land, the land revenue of which has been, wholly or in part, released, compounded for, redeemed or assigned; "Landholder."

"Annual value" means— "Annual value."

1. Double the land revenue for the time being assessed on any land, whether such assessment be leviable or not;

2. And, where the land revenue has been permanently assessed, or has been, wholly or in part, compounded for or redeemed—

Double the amount which, but for such permanent assessment, composition or redemption, would have been leviable.

3. All land shall be liable to the payment of such rate as the Lieutenant Governor from time to time directs, not exceeding six pies for every rupee of its annual value. Rate assessable.

Such rate shall be computed as from the first day of April 1871, and shall be paid by the landholder independently of, and in addition to, any land revenue assessed on land for the land revenue of which he is responsible, and any local cesses now leviable therefrom.

Provided that, wherever the proprietors of any land pay the land revenue in kind to any assignee of revenue or any village headman, such assignee of revenue or village headman shall be responsible for the payment of the said rate, instead of the proprietors, and no demand shall be made by any such assignee or village headman on any such proprietor in respect of the payment of any such rate.

4. Whenever a rate is charged on a landholder in respect of lands held by a tenant with a right of occupancy holding at a favourable rent, such landholder may realise from such tenant a share of the said rate, bearing the same proportion to the whole rate as the excess of the annual value over the rent paid by such tenant bears to half the annual value. Power to recover a share of rate from tenant.

Illustration.—A is a landholder of an estate of which the land revenue is 50 rupees. The annual value, therefore, is 100 rupees, and the maximum rate would be *Rs.* 3. 2. The estate is held by a tenant with right of occupancy at 75 rupees rental.

Supposing the maximum rate to be levied, A will be entitled to recover from the tenant *Rs.* 1. 9, or half the rate, thus—

As half the annual value	is to	Excess of the annual value over the tenant's rent	so is	The whole rate	to	The portion which the landlord can recover from tenant.
i.e.		*i.e.*		*viz.*		*i.e.*
				Rs. as.		*Rs. as.*
50	:	25	::	3 2	:	1 9

5. The

Appendix, No. 15.

Rates to be carried to general fund.

5. The proceeds of all rates levied under this Act shall be carried to the credit of the local Government.

Assignments for local purposes.

6. The Lieutenant Governor shall from time to time assign from the funds at his disposal an amount to be applied in each district for expenditure on all or any of the following purposes:

(1.) The construction, repair, and maintenance of roads and communications;

(2.) The construction and repair of school-houses, the maintenance and inspection of schools, the training of teachers, and the establishment of scholarships;

(3.) The construction and repair of hospitals, dispensaries, lunatic asylums, wells, and tanks, the planting and preservation of trees, the payment of all charges connected with the purposes for which such buildings or works have been constructed, and any other local works likely to promote the public health, comfort or convenience.

The aggregate of such assignments in any one year shall not be less than the total sum levied under this Act in such district in the year in which the assignment is made.

Works benefiting several districts.

7. In the case of works which benefit more districts than one, the Lieutenant Governor may determine what proportion of the expenses of the work shall be borne by each of the districts benefited thereby, and such proportion shall be payable out of the assignments made as aforesaid to such districts respectively.

Unexpended portion of assignment.

8. Any portion of such assignment remaining unexpended at the end of the financial year in which the assignment was made may, at the discretion of the Lieutenant Governor, be re-assigned for expenditure in the same district, or may be applied for the benefit of the Punjab, on such one or more of the purposes mentioned in Section 6 as the Lieutenant Governor from time to time directs.

Accounts to be kept.

9. Accounts of the receipts in respect of all rates levied under this Act and of the assignments made under Section 6, shall be kept in each district.

Such accounts shall, at all reasonable times, be open to the inspection of the local committee hereinafter mentioned.

An abstract of such accounts shall be prepared annually in English and in the vernacular language of the district, and shall be open, at all reasonable times, to public inspection at suitable places within the district without the payment of any fee.

An abstract of such accounts shall also be published annually in the local official Gazette.

Local committees.

10. The Lieutenant Govenor shall appoint, in each district, a committee, consisting of not less than six persons, for the purpose of determining how the amount mentioned in Section 6 shall be applied, and of supervising and controlling such amount:

Provided that not less than one-third of the members of such committee shall be persons not in the service of Government, and owning or occupying land in the district, or residing therein.

The Lieutenant Governor shall from time to time prescribe the manner in which the members of such committee shall be appointed or removed, and shall define the functions and authority of such committee.

Suits under Act cognizable by courts having cognizance of suits for rent.

11. Suits for the recovery from co-sharers, tenants or others of any sum on account of any rate imposed under this Act, and all suits on account of illegal exaction of such rate, or for the settlement of accounts, shall be cognizable by the courts which, for the time being, have cognizance of suits for rent due on land.

Limitation of appeals.

12. In matters connected with the assessment and collection of any sum leviable under this Act, an appeal shall lie from the order of any person authorized under this Act to make assessments, to such person as the Lieutenant Governor appoints:

Provided that such appeal shall be presented within thirty days from the date of such order.

The order of such person on such appeal shall be final.

Recovery of rates.

13. All sums due on account of any rate imposed under this Act shall be recoverable as if they were arrears of land revenue due on the land on account of which the rate is payable.

Supplementary powers of local government.

14. The Lieutenant Governor may, by notification from time to time,—

(*a.*) Prescribe by what instalments and at what times such rate shall be payable, and by whom it shall be assessed, collected and paid;

(*b.*) Appoint the person or class of persons to whom the appeals referred to in section 12 shall lie;

(*c.*) Make rules consistent with this Act for the guidance of officers in matters connected with its enforcement;

(*d.*) Exempt wholly or in part any portion of the territories under his government from the operation of this Act, or exempt any land from liability to pay the whole or any part of any rate under this Act;

(*e.*) Direct fresh measurements and vary the assessment accordingly.

Every notification under this section shall be published in the Government Gazette, Punjab.

RESOLUTION.—By the Government of India, Financial Department (No. 3334), dated 14 December 1870.

RESOLUTION.—The Governor General in Council is satisfied that it is desirable to enlarge the powers and responsibility of the Governments of Presidencies and Provinces in respect to the public expenditure in some of the civil departments.

2. Under the present system, these Governments have little liberty, and but few motives for economy in their expenditure: it lies with the Government of India to control the growth of charges, to meet which it has to raise the revenue. The Local Governments are deeply interested in the welfare of the people confided to their care; and, not knowing the requirements of other parts of the country or of the empire as a whole, they are liable, in their anxiety for administrative progress, to allow too little weight to fiscal considerations. On the other hand, the Supreme Government, as responsible for the general financial safety, is obliged to reject many demands in themselves deserving of all encouragement, and is not always able to distribute satisfactorily the resources actually available.

3. Thus it happens that the Supreme and Local Governments regard from different points of view measures involving expenditure; and the division of responsibility being ill-defined, there occur conflicts of opinion injurious to the public service. In order to avoid these conflicts, it is expedient that, as far as possible, the obligation to find the funds necessary for administrative improvements should rest upon the authority whose immediate duty it is to devise such measures.

4. This is the more important, because existing Imperial resources will not suffice for the growing wants of the country. Writing of roads and communications in October 1869, the Government of India in the Public Works Department stated that it had for some years—

> "been satisfied that to attempt to provide and maintain all the roads required for the intercommunications of so vast a territory from the ordinary revenues would be to enter on an altogether impracticable task. The matter," it was added, "has been before this Government on several occasions since 1862, and the view now taken of it has already received, in general terms, the approval of the Secretary of State. It is only by a judicious system of local assessment and control that what is needed can be accomplished."

This is not less true of some other departments of the administration.

5. The Supreme Government is not in a position to understand fully local requirements, nor has it the knowledge necessary for the successful development of local resources. Each Province has special wants of its own, and may have means for supplying them which could not be appropriated for Imperial purposes. A tax adapted to the circumstances of one part of the country may be distasteful or inapplicable elsewhere; and, everywhere, rates may be proper for provincial or local purposes which could not be taken for the Imperial revenue.

6. These principles are now generally recognised, and important steps have been already taken to develope provincial resources. The Government of Bombay has for some years raised a considerable revenue for local purposes. Important measures to the same intent are under the consideration of the Legislative Council of Madras. The Government of Bengal is maturing a scheme, in accordance with the decision of the Secretary of State, for the levy of a rate for local objects in the Lower Provinces of Bengal. In all the other Provinces of India, provincial revenues have long been raised, and measures for increasing them are now being devised.

7. These measures have been promoted chiefly to provide for urgent administrative wants, the means for which are not otherwise forthcoming. It is inexpedient that the funds so raised should be intercepted, to any considerable extent, for objects the cost of which has been hitherto defrayed from the general revenues, even though such objects be of an admittedly local character. Moreover, the Governor General in Council is not desirous that the demands on the people for provincial purposes should be indefinitely or too rapidly increased.

8. It would have been satisfactory had his Excellency in Council been able to propose the enlargement of the power and responsibility of the Local Governments without charging upon local resources any part of the existing Imperial expenditure. This cannot be done; but it has been determined to make as small a demand upon these resources as possible. At the same time it should be remembered that the relief of the Imperial finances has been a principal object in the discussion of such measures on former occasions.

9. The income tax of six pies in the rupee imposed for the current year was never intended to be permanent, and the Governor General in Council has already announced a resolution not to renew the tax for the next year at this high rate unless some unforeseen contingency compels him to do so.

Appendix, No. 15.

10. It was thought at first that the income tax could not be reduced to the desired extent without imposing upon local resources almost as large a sum as might be given up. Anticipations made so long before the beginning of the financial year must be uncertain; but as far as the Governor General in Council can now judge, it will be possible next year to give substantial relief from existing taxation without the substitution of any considerable new burden.

11. The Government of India is accordingly pleased to make over to the Governments under certain conditions to be presently set forth, the following departments of the administration in which they may be supposed to take special interest; and to grant permanently, from the Imperial revenue, for these services, the sum of 4,688,711 *l.*, being less by 330,801 *l.* only than the assignments made for the same services in 1870–71.

Jails.	Printing.
Registration.	Roads.
Police.	Miscellaneous Public Improvements.
Education.	Civil Buildings.
Medical Services (except "Medical Establishments."*)	

A statement (A) is appended explanatory of the method by which the assignments to be thus made have been calculated. This statement shows the estimated receipts and charges under the first six of these heads during the current year, the "Police" charges in Bombay and the North Western Provinces having been slightly reduced by the final adjustments necessary in consequence of the Government becoming liable for the superannuation allowances of the force.

12. The figures entered for "Roads," "Civil Buildings," and "Miscellaneous Public Improvements" are the grants for this year, exclusive of the sum of 135,679 *l.* reserved for certain works detailed in Appendix B, which will not in future be a charge upon Local Governments, but will be separately provided for by the Supreme Government. The portion of this 135,679 *l.* reserved in each Province bears the same proportion to the grant made to the Province for the current year that the expenditure in the Province, upon the reserved works, has borne, during the last five years, to the whole expenditure under these three heads.

13. To the 1,168,701 *l.* thus assigned for "Works," 327,236 *l.* has been added for "Establishments" and "Tools and Plant," being the proportion of the current year's grants for these purposes which appertains to that share of the total grants for "Works" of all kinds which is transferred. This 329,237 *l.* has been distributed among the Presidencies and Provinces in the proportions in which the larger sum of 1,168,701 *l.* has been distributed. The Governments will henceforth provide themselves with "tools and plant" without the intervention of the Government of India. The future arrangements in regard to "Establishments" cannot be settled without detailed correspondence. For the year 1871–72, the Supreme Government will continue to provide "Establishments" as heretofore, and each Presidency or Province must bear a share of the cost in the proportion which the estimated outlay upon "Works," from provincial funds† bears to the total estimated outlay upon "Works," ordinary and extraordinary, Imperial and provincial, in all India. It is to be clearly understood that Local Governments must maintain in efficient repair existing lines of through communication, such as the trunk roads, unless authorised by the Supreme Government to abandon them.

14. The actual permanent Imperial assignments for "Provincial Services" will be, then, as follows: all receipts heretofore credited in connection with these services being given up to the Provinces in which they accrue:—

	£.
Oudh	206,948
Central Provinces	261,263
Burmah	275,332
Bengal	1,168,592
North Western Provinces	640,792
Punjab	516,221
Madras	739,488
Bombay	880,075
£.	4,668,711‡

15. In calculating these allotments, 350,000 *l.* has been deducted rateably from the grants made to the several Provinces in 1870–71. But it has been thought expedient to remit the deduction (19,199 *l.*) which would thus fall upon British Burmah, the circumstances of that Province being exceptional. No additional deduction has been made from the other Provinces in consequence of this concession to Burmah.

16. These

* By "Medical Establishment" here is meant the first sub-division of the Grant 22, "Medical Services," as hitherto made.

† "Provincial Funds" here does not include existing "Local Funds."

‡ If it be found, when the accounts of the year 1870–71 are made up, that the actual expenditure during that year for the official postage of the services affected exceeds the amount of the grants for that purpose, then the several assignments will be, once for all, increased by the difference.

16. These assignments will not be classified in the Financial Statement and in the Imperial Estimates and Accounts, but will appear under a single new head, "Provincial Services." The Imperial revenue will continue to bear such charges for the absentee and superannuation allowances of officers on establishments now transferred as have hitherto appeared in the Home Accounts, or under other heads in the Indian Accounts. But it would be inconvenient and difficult to maintain any distinction between these officers and officers who are paid from other local funds, or who may be added hereafter for "Provincial Services." Questions of some importance regarding this and other like details will have to be settled hereafter.

17. Unless some fiscal misfortune, such as a heavy loss in the opium revenue, or national disaster such as war or severe famine, occurs, the Governor General in Council will maintain for the future the assignments for "Provincial Services" at the amounts now fixed. They will not, in any case, be reduced without previous consultation with the Governments.

18. For the coming year the Provincial Service Estimates should be immediately prepared upon the basis of these assignments, which may be distributed at the discretion of the Governments among the several departments for which they will now be responsible. Any portion of the assignments made to any Province that may be unspent at the end of the year will not lapse to the Imperial revenue, but will remain at the disposal of the Local Government. The estimates and accounts of these Governments should therefore open and close with balances brought and carried forward. They should show not only the receipts and charges of the new "Provincial Services," but also the income and expenditure of all existing local funds; it being understood of course that the Governments are not relieved by this resolution from any legal or equitable obligation which may govern the appropriation of any particular local fund. It is essential that the estimates and accounts of all the Presidencies and Provinces should be uniform, and the precise forms to be used will be settled by the Supreme Government. The Imperial financial year must be the provincial year of account.

19. Each Local Government will publish its own yearly estimates and accounts in the local Gazette, together with a financial exposition (which should, where possible, be made before the local Legislative Council) analogous to that annually made in the Legislative Council of the Governor General. The several estimates and accounts will be compiled, and a general statement for all India published as a supplement to the Imperial Estimates and Accounts.

20. In preparing its estimates for the coming year, each Government will have to consider without delay how any deficiency in the ways and means for its "Provincial Services" can most conveniently be supplied.

21. The financial control which is thus entrusted to the Local Governments is to be exercised subject to the following conditions*:

I.—Without the previous sanction of the Government of India,—

(1.) No appointment is to be created with a salary of more than 250 rupees a month; and no addition is to be made to the pay and allowances of any officer if they exceed, or would, after the addition, exceed 250 rupees a month;

(2.) No class or grade of officers is to be created or abolished, and the pay of no class or grade of officers is to be raised;

(3.) No addition is to be made to the pay or allowances of any individual, or class of officers, that would lead to increase in the emoluments of any public servants doing duty in the same Province, whose pay and allowances are charged to the Imperial revenues. The Government of India reserves to itself the right to forbid alterations in rates of pay or allowances, which, in its opinion, would produce inconvenience in other Provinces;

(4.) No moneys are to be removed from the public treasuries for investment;

(5.) No services now rendered to other departments at the charge of the departments made over to the control of the Local Governments are to be diminished, and no services now rendered to these departments at the charge of other departments are to be increased.

II.—The rules of the Supreme Government in respect to leave of absence and absentee, deputation, and superannuation allowances are to be observed.

III.—Returns, accounts, and estimates are to be submitted to the Supreme Government in such forms, and at such times, as may be prescribed.

22. The Governor General in Council is fully aware that this resolution will effect a wide change in Indian administration. It has been adopted after long and careful consideration, in the hope that it will be received by the Governments in the spirit in which it is promulgated. The Governor General in Council believes that it will produce greater care and economy, that it will impart an element of certainty into the fiscal system which has hitherto

* It must be understood that these conditions are prescribed, for the present, tentatively; and that they are subject to revision as experience may require.

Appendix, No. 15.

hitherto been absent, and that it will lead to more harmony in action and feeling between the Supreme and the Provincial Governments than has heretofore prevailed.

23. But beyond all this, there is a greater and wider object in view. Local interest, supervision, and care are necessary to success in the management of funds devoted to education, sanitation, medical charity, and local public works. The operation of this Resolution in its full meaning and integrity, will afford opportunities for the development of self-government, for strengthening municipal institutions, and for the association of Natives and Europeans, to a greater extent than heretofore, in the administration of affairs.

24. The Governor General in Council is aware of the difficulties attending the practical adoption of these principles. But they are not insurmountable. Disappointments and partial failures may occur; but, the object in view being the instruction of many peoples and races in a good system of administration, his Excellency in Council is fully convinced that the Local Governments and all their subordinates will enlist the active assistance, or, at all events, the sympathy, of many classes who have hitherto taken little or no part in the work of social and material advancement.

25. The additional powers of financial control which will now be assumed by the Governments must be accompanied by a corresponding increase of administrative responsibility. It is the desire of the Governor General in Council to confine the interference of the Supreme Government in India in the administration of the "Provincial Services" to what is necessary for the discharge of that responsibility which the Viceroy in Council owes to the Queen and her Responsible Advisers, and for the purpose of securing adherence to to the financial conditions now prescribed, and to the general policy of the Government of India.

26. The procedure of the Departments of "Registration," "Jails," and "Police" is to a large extent governed by law. No law exists upon the subject of "Education," but the policy of the Government has been declared and prescribed in Despatches* from the Secretary of State, the authority of which, and of the rules sanctioned by the Government of India regarding "Grants-in-Aid" and other matters of general principle, is not affected by this Resolution.

* Such as No. 49, dated 19th July 1854.
„ 4 „ 7th April 1859.
„ 1 „ 23rd Jan. 1864.
„ 5 „ 12th May 1870.

27. Subject to these general restrictions, the Governments will henceforth enjoy full liberty in the expenditure of the funds appropriated to "Provincial Services." It must, however, be understood that in thus divesting himself of control, the Governor General in Council divests himself also to a large extent of his former responsibility. If responsibility for expenditure is retained, control cannot be renounced.

28. The Governor General in Council delegates to the Local Governments this large additional share of administrative power without hesitation or distrust, believing that it will be exercised with wisdom, liberality, and prudence.

Ordered, that copies of this Resolution be forwarded—

1st.—To each Local Government, with the intimation that, subject to the approval of the Secretary of State, complete effect will be given to the Resolution in the coming year, and that Local Governments should at once make all their arrangements in anticipation of this sanction.

2nd.—To the Home and Public Works Departments for information and for any further orders that may be necessary in those departments. The Public Works Department must adjust its estimates for the coming year in conformity with the orders herein contained.

3rd.—To the Comptroller General for information. He is requested, with reference to paragraph 18, to submit a form of estimates and accounts for general use. He will be good enough also to issue to Accountants General any subsidiary instructions that he may think necessary.

APPENDIX (A.)

ASSIGNMENTS to be made for "PROVINCIAL SERVICES" in accordance with the Resolution of the Government of India, in the Financial Department, No. 3334, dated 14 December 1870.

	GRANTS, 1870-71.											ESTIMATE RECEIPTS, 1870-71.						Total Net Assignment 1870-71.	Proportion of £.350,000	Permanent Assignment now made.
	Jails.	Registration.	Police.	Education.	Medical Services (except Medical Establishment).	Printing.	Roads and Miscellaneous Public Improvements.	Civil Buildings.	Proportion of "Public Works Establishment."	Proportion of "Tools and Plant."	TOTAL.	Jails.	Registration.	Police.	Education.	Printing.	TOTAL.			
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Oudh	26,922	–	103,269	26,056	5,499	7,609	32,900	20,090	13,777	1,060	237,182	1,575	–	10,586	1,482	1,080	14,723	222,459	15,511	206,948
Central Provinces	27,881	3,509	130,607	27,864	11,770	3,640	63,403	14,406	20,230	1,556	304,866	6,000	5,500	12,520	–	–	24,020	280,846	19,583	261,263
British Burmah	32,777	–	139,253	10,998	6,460	3,000	63,100	23,959	22,635	1,741	303,923	9,420	–	18,671	500	–	28,591	275,332	19,199	275,332
Bengal	218,210	36,609	555,757	234,385	89,713	41,732	157,800	111,370	69,984	5,383	1,520,943	110,385	40,000	70,363	42,012	2,000	264,760	1,256,183	87,591	1,168,592
North Western Provinces	88,394	20,129	348,135	103,528	27,607	25,302	82,636	63,341	37,954	2,920	799,946	11,154	35,030	51,730	11,050	2,160	111,124	688,822	48,030	640,792
Punjab	58,204	11,623	289,950	64,909	24,935	14,106	84,200	39,710	32,217	2,478	622,332	–	20,694	41,724	5,000	–	67,418	554,914	38,693	516,221
Madras	91,983	22,970	350,730	90,052	61,696	25,840	123,880	58,506	47,421	3,648	876,726	7,300	34,000	32,350	6,900	1,260	81,810	794,916	55,428	739,488
Bombay	73,440	25,372	388,708	118,271	74,852	27,050	121,900	107,560	59,644	4,588	1,001,325	664	30,141	14,000	10,480	–	55,285	946,040	65,965	880,075
TOTAL £.	617,811	120,212	2,306,409	676,063	302,532	148,279	729,819	438,882	303,862	23,374	5,667,243	146,498	165,365	251,944	77,424	6,500	647,731	5,019,512	350,000	4,688,711

ABSTRACT of STATEMENTS of TAXATION received from *Bombay*.

LAND REVENUE.

Description of Tax or Revenue.	Collections in Bombay Presidency. 1856–57.	1870–71.	REMARKS.
Ordinary:	£.	£.	
Fixed collections - -	2,137,989	2,83,106	The revenue system has not been altered, nor have the rates of assesment been raised since 1856–7; the considerable increase shown in 1870–71 arises from extension of cultivation, from more accurate settlements and survey of the lands, and from lapses of estates, formerly shown under the head immediately following. The rate of assessment varies so greatly, according to the quality of the land, that no abstract or average would be of service. Thus in Dharwar the revenue per acre varies from 2*l.* to 1½*d.*
Surplus collections -	260	13,793	
Recoveries of revenue remitted in previous years.	- -	88	
Rent of resumed police service lands and service commutation.	723,549	637,328	The decrease in this head arises from lapses, as explained above, and from transfers of the collections from the estates to ordinary revenue in cases where on more accurate settlement the title of the holder has not been maintained.
Sale of waste lands - -	- -	4,180	
Redemption of summary settlement cess.	- -	827	
Miscellaneous:			
Revenue fines - -	1,008	1,398	
Huccaba tax - -	- -	37,406	A water rate levied on irrigated lands in Sind; in the accounts for the year 1856–7 it was not shown separately from ordinary land revenue.
Sundry receipts - -	10,205	57,768	
£.	2,873,011	3,595,894	

EXCISE DUTIES.

Description of Tax or Revenue.	1856–57. Rate.	1856–57. Amount.	1870–71. Rate.	1870–71. Amount.	REMARKS.
		£.		£.	
License fees for sale of Europe liquors.	Varying from *Rs.* 15 to *Rs.* 50 for each license.	45	Varying from *Rs.* 50 to *Rs.* 300.	17,827	
License fees for sale of imported rum.	Varying from *Rs.* 10 to *Rs.* 50 for each license.	234	*Rs.* 50 for each shop	736	In 1856–7, licenses were sold by auction in some districts.
License fees for sale of country rum.	Ditto - ditto -	9,684	Licenses annually sold by public auction.	32,198	
License fees for sale of fermented liquors.	Ditto - ditto -	44,084	Ditto - ditto -	100,671	
License fees for sale of unfermented liquors.	Licenses sold by auction.	39,476	Ditto - ditto -	99,173	
Fees for drawing juice from certain trees - - -	Cocoa-nut trees, *R.* 1. 8. per annum.	8,166	From cocoa-nut trees, *Rs.* 6 per annum.	16,943	
	Brab trees, *R.* 1. 8. to *Rs.* 3.		From brab trees, *Rs.* 6 per annum.		
	Date trees, 8 annas to *Rs.* 3.		From date trees, *R.* 1 per annum.		
Still-head duty - - -	Per gallon, 9 *a.* 1 *p.* -	26,870	*R.* 1 per gallon -	57,036	
Drugs, other than opium and ganja.	Licenses farmed out -	1,938	Licenses annually farmed out.	7,734	In some districts, in 1856–7, fees were charged at various rates, from *Rs.* 3 to *Rs.* 50 per annum for each license.
Opium - - - -	Per license, *Rs.* 25 -	10,231	Ditto - ditto -	45,629	
Ganja - - - -	*Rs.* 7. 8. per Indian maund.	1,111	Licenses sold by auction.	6,352	
Fines, &c. - - - -	- - - -	21	- - - -	341	
Process service fees - -	- - - -		- - - -	20	
Sale proceeds of excise opium	- - - -	20,607	- - - -	61,162	
	£.	162,467	£.	445,822	

FOREST REVENUE.

Description of Tax or Revenue.	1856–57. Rate.	1856–57. Amount.	1870–71. Rate.	1870–71. Amount.	Remarks.
Sale of Timber:		£.		£.	
Teak wood - - -	At 9 to 23 rupees per candy of 13 cubic feet.	29,504	*Rs.* 19. 9. 4. per candy	71,293	
Jungle wood - -	At *Rs.* 2. 13. 10. per candy.		*R.* 1. 4. to *Rs.* 14. 8. 9. per candy - -		
Black wood - - -	At *Rs.* 15. 6. per candy		*Rs.* 15. 11. 1. per candy		
Sandal wood - -	Sold by auction -		*Rs.* 84. 13. 2. per candy		
Sale of firewood - - -	At 4 to 5 rupees per ton in Sind, and 12 annas per ton in Canara.	545	4 to 5 annas per cart-load, and *Rs.* 4. 6. per ton in Sind.	21,731	
„ bamboos - - -	At 8 annas per 100, and 4 rupees per cart.	63	*Rs.* 1. 15. per 100 -	1,026	
„ charcoal - - -	At 25 rupees per ton in Sind.	72	8 *a.* 3 *p.* per maund in Canara, and *Rs.* 4. 3. per ton in Sind.	438	
Duty on foreign timber -	From *Rs.* 1. 1. to *Rs.* 3. 2. per cart.	614	*R.* 1. 1. to *Rs.* 12 per cart.	3,560	
Timber tax or permit fees -	From 8 annas to *Rs.* 3. 2. 8. per cart.	637	*Rs.* 4. 4. per candy -	7,067	
Sale of fruits and other minor forest produce.	- no fixed rates -	834	- no fixed rates -	2,072	
Sale of confiscated timber -		1		454	
„ drift and waif timber		76		64	
Rent of jungles - - -		- -		148	
Fines and forfeitures - -		485.		133	
Grazing fees - - -		4,268		3,971	
Sundry receipts - - -		21,946		4,883	
	£.	59,045	£.	116,840	

ASSESSED TAXES.

				£.	
Income tax - - - -	- - - -	- nil -	3⅛ per cent. on incomes above 50 *l.* per annum.	426,255	

Appendix, No. 15.

TRIBUTES and CONTRIBUTIONS from NATIVE STATES as received in 1856-57.

NAMES.	Rate per Annum.	Amount realised in 1856-57.	REMARKS.
TRIBUTES.	*Rs.*	*Rs.*	
From the chiefs in Kattywar - -	5,54,074	5,37,075	A.
Tributes from various petty States:			
Joonaghur - - - - -	- - -	18,312	A. One-fourth share of Government in the collection of Joonaghur Zorthulbu (Customs collection).
Wansda - - - - -	7,352	6,952	A.
Ballasinore - - - -	10,000	12,916	A.
Dewghur Baria - - -	9,336	9,701*	A. *Transferred to Local Funds, Public Works, since 1856-57.
Narrokote - - - -	1,548	1,548	A.
Subsidy from H. H. the Rao of Kutch.	1,86,949	2,05,420	A.
Contributions from Jagheerdars, southern Maratha country:			
Recovery of charges incurred by Government on account of the Kolapur State.	- - -	28,914	B. Adjusted as a debt account since 1856-57.
Amount received on account of four Articles of Treaty of Bassein of 1802.	- - -	7,315	A.
Contributions from Jagheerdars in the Belgaum Collectorate, viz.:			
Mirujkur (A) - - - -	$\frac{1}{12}$ of the gross produce.	6,413	B.
Mirujkur (B) - - - -	$\frac{1}{11}$ ditto - -	7,600	B.
Moodholkur - - - -	$\frac{1}{37}$ ditto - -	2,672	B.
Bellunkeekur - - - -	$\frac{1}{17}$ ditto - -	267	B.
Jamkhundikur - - -	$\frac{1}{12}$ ditto - -	31,681	B.
Kurrundwadkur - - -	$\frac{1}{15}$ ditto - -	19,238	B.
Shedbalkur - - - -	$\frac{1}{10}$ ditto - -	9,619	B. This chief having died, his jagheer lapsed to the State since 1856-57.
Arwundikur - - - - -	308 per annum	308	B.
Mulangookur - - - -	1,069 ditto -	1,069	B.
Kulumbekur - - - -	267 ditto -	267	B.
Fees on succession to Native States	- - -	822	C.
	TOTAL - - *Rs.*	9,08,109	

Items marked A. credited in the Accounts of 1856-57 under Tributes.
Ditto B. - - ditto - - ditto - - under Judicial Receipts.
Ditto C. - - ditto - - ditto - - under Miscellaneous under Revenue.

TRIBUTES and CONTRIBUTIONS from NATIVE STATES received since 1856–57.

NAMES.	Rate per Annum.	Amount realised in 1870-71.	Amount realised in 1871-72.	REMARKS.
TRIBUTES.	*Rs.*	*Rs.*	*Rs.*	
From the chiefs in Kattywar - - -	5,54,074	5,56,842	5,52,418	
Tributes from various petty States:				
Joonaghur - - - - - - - - -		21,074	22,794	One-fourth share of Government in the collection of Joonaghur Zorthulbu (Customs collection).
Wansda - - - - - -	7,350	1,500	7,352	
Ballasinore - - - - -	10,000	13,915	8,461	
Dhurumpur - - - - -	9,000	9,100	9,000	
Loonawara - - - - -	10,000	5,969	10,472	
Soonth - - - - - -	6,000	6,108	6,108	
Subsidy from H. H. the Rao of Kutch -	1,86,949	1,86,949	1,86,949	
Contributions from Jagheerdars, Southern Maratha Country:				
Mirujkur (A) - - - - -	$\frac{1}{12}$ of the gross produce.	6,413		
Mirujkur (B) - - - - -	$\frac{1}{11}$ ditto - -	12,558		
Moodholkur - - - - -	$\frac{1}{37}$ ditto - -	2,672		
Bellunkeekur - - - - -	$\frac{1}{17}$ ditto - -	534		
Jamkhundikur - - - - -	$\frac{1}{12}$ ditto - -	10,841		
Kurrundwadkur - - - -	$\frac{1}{15}$ ditto - -	19,238	73,562	
Arwundikur - - - - -	534 per annum	534		
Mulangookur - - - - -	1,069 ditto -	1,069		
Kulumbekur - - - - -	267 ditto -	267		
Other petty Jagheerdars in the Satara Collectorate added since 1856–57.	17,780 ditto -	17,778		
Fees on succession to Native States - -	- - -	22,452	3,518	Received from the Loonawara State.
	TOTAL - - *Rs.*	8,95,813	8,80,634	

Local Rates and Taxes in the Bombay Presidency.

Description of Tax.	Rate.	Amount.	Remarks.
		£.	
Levied before 14 December 1870:		Actuals of 1856–57.	
Jaghire Road Cess Fund -	3 per cent. on revenue of alienated lands	89	In Sind only, imposed under the terms of agreement with the Jaghirdars for the improvement of roads on their estates and for educational purposes.
Jaghire Educational Fund -	2 per cent. ditto -	59	
Fisheries - - - -	⅓ of produce of the fisheries.	4,178	Applied to public improvements.
		Actuals of 1871-72.	
Cess on Land and Sayer Revenue.	6¼ per cent. - -	242,720	Originally raised in 1863, it is now levied under Act III. of 1869. Two-thirds of the proceeds are to be spent on roads, and one-third on education. The Jaghire road and Educational Cess in Sind are included in this amount.

Introduced since 14 December 1870:				Maximum allowed by Law.	Amount actually levied.
Tax on non-Agricultural Classes.	- * -	53,510	* The rates were as follows:	£. s. d.	£. s. d.
			Class 1. Persons with incomes of 50 *l.* or more	- 12 -	- 12 -
			Class 2. Persons with incomes of 10 *l.* to 50 *l.* — if over 25 *l.*	- 6 -	- 6 -
			Class 2. Persons with incomes of 10 *l.* to 50 *l.* — if under 25 *l.*	- 6 -	- 3 -
			Class 3. Persons with incomes of 5 *l.* to 10 *l.*	- 3 -	- 1 -

The Act No. II. of 1871 is printed in this Appendix at page 795.

Other Local Funds raised not properly Taxation.

Name of Fund.	Amount raised in 1856-57.	Amount raised in 1871-72.	Remarks.
	£.	£.	
Ferry Fund - - - -	8,352	13,618	Tolls levied at public ferries.
Pound Fund - - - -	729	21,238	Fines on the owners of stray cattle.
Staging Bungalow Fund - -	1,016	1,037	Fees levied on travellers using the bungalows.
Toll Fund - - - - -	10,351	67,281	Tolls levied on public roads and bridges.
Esplanade Fee Fund - - -	1,106	6,745	Fees for storage of cotton, grazing of cattle, &c., on th esplanade at Bombay.
Bombay Port Fund - - -	21,325	32,142	Port dues, light dues, and pilotage fees on vessels using th port.
Kurrachee, Aden, and other Port Funds.	8,911	19,767	- ditto - - - ditto - - - ditto.
School Fee Fund - - -	414	- -	Fees from scholars attending certain schools at Dharwar an Surat.
Cotton Improvement Fund - -	- -	27,664	Fees of 4½ *d.* on each bale of cotton to defray cost of super vision and suppression of fraudulent practices in the cotto trade.
Baria Tribute - - - - -	- -	934	Tribute from State of Baria allowed to be spent on improve ment of the State.
Station Funds - - - - -	- -	8,388	Fees levied on residents at Hill stations to provide for work of improvement, &c.
Steam Boiler Inspection Fund -	- -	698	Fees levied for inspection of boilers with a view to the publi safety.

There are also numerous charitable endowments and other funds of which accounts are kept at Government treasuries.

MUNICIPAL TAXES in the Bombay Presidency.

CITY OF BOMBAY.

Description of Tax.	1864.* Rate.	1864.* Amount.	1871. Rate.	1871. Amount.	Remarks.
		£.		£.	
House rate	5 per cent.	34,282	6 per cent.	64,549	* Accounts cannot be given for any year earlier than 1864, as the municipal records are incomplete.
Wheel tax	*Vide* annexed Memo.(A.)	17,900	*Vide* annexed Memo.(A.)	20,552	
Liquor licenses	ditto (B.)	6,821	ditto (B.)	11,517	
Land conveyance licenses		370	ditto (C.)	766	
Town duties	*Vide* annexed Memo.(D.)	58,337	ditto (D.)	45,150	(*a*) Includes 9,079*l.* for site of Khara tank sold.
Market fees	Fixed by auction	1,922	Fixed by auction	19,002	
Water rate	7½ per cent. for first hundred, 5 per cent. for second hundred, 2 per cent. for third and succeeding hundreds.	15,132	5 per cent. for first hundred, 2½ per cent. for second hundred, 1¼ per cent. for third and succeeding hundreds.	35,758	(*b*) Includes 3,000*l.* Government contribution in lieu of house-rate.
Tobacco duty and licenses				12,804	
Hulalcore cess			3 per cent.	19,999	
Police rate			2 per cent.	23,041	
Lighting rate			2 per cent.	23,025	
Fees, fines, and penalties		4,845		6,079	
Miscellaneous receipts		(*a*) 11,375		(*b*) 4,874	
	£.	150,984	£.	287,116	

(A.)—Rates charged on account of Wheel Tax.

	Rs.
Four-wheeled carriages, on springs, each, per annum	24
Two-wheeled - ditto - - ditto - - ditto	16
Horses, above 12 hands, each, per annum	30
Ponies, under 12 hands, exempt.	

(B.)—Rates charged on account of Liquor License.

Wholesale liquor shops, each, 25 rupees.
Beer and porter shops, retail, each, 25 rupees.
Hotels, each, 200, 225, 250, 300, and 400 rupees.
Retail liquor license, each, 250, 300, 350, 400, 450, 500, and 850 rupees.
Refreshment-rooms, each, from 250 to 300 rupees.
Taverns, each, from 300 to 350 rupees.
Toddy shops, each, from 75 to 100 rupees.

(C.)—Rates charged on account of Land Conveyances under Act 2 of 1865.

	Rs.
Hack buggies, each	38
Riding hackeries, drawn by bullocks, each	15
Labour carts drawn by bullocks, each	12

(D.)—Rates of Town Duties.

Under Acts Nos. 25 of 1858, and 20 of 1861.

	Rs.	a.
Cows, calves, oxen, and buffaloes, each	–	8
Sheep, lambs, goats, and kids, each	–	2
Ghee, per maund	–	6
Grain of all sorts, per candy	–	4
Chunam, on value fixed from time to time by the Commissioner of Customs, with the sanction of Government, per cent.	5	–
Timber, on market value at the time of import, per cent.	5	–
Wood, fire-wood, per candy	–	2
Bricks, per thousand	–	2
Tiles, per thousand	–	2

Under Act 4 of 1869.

	Rs.	a.
Grain of all sorts, per candy	–	4
Metals, except gold and silver, iron and steel, per cent.	–	8
Wines and spirits, per gallon	–	2
Beer, per gallon	–	½
Sugar, including molasses, jagree, and goor, per cent.	1	–
Ghee, per maund	–	6
Timber, excluding railway sleepers, per cent.	2	8

Appendix, No. 15.

DISTRICT MUNICIPALITIES.

Description of Tax or Receipt.	Amount raised.		Remarks.
	1856–57.	1871–72.	
	£.	£.	
Taxes:			
On houses	624	109,812	
Assessed taxes	87	7,263	
Octroi duties	17,910	161,200	
Licenses	1,529	24,739	
Miscellaneous	311	33,584	
Municipal rates for lighting, water, and drainage.	326	64,973	
TOTAL TAXATION £.	20,787	401,571	
Miscellaneous Income:			
Police receipts	-	24,318	
Educational receipts	7	48	
Medical receipts	-	760	
Tolls	8	17,867	
Interest	1	299	
Rents	638	4,349	
Sale of lands, houses, &c.	-	1,913	
Fines on stray cattle	-	964	
Miscellaneous fees and fines	276	37,045	
Voluntary contributions	10	37,466	
Sundry receipts	487	8,500	
Public works	-	444	
TOTAL INCOME £.	22,214	535,544	

STATEMENT OF TAXATION, MADRAS.

No. 91.—FINANCIAL DEPARTMENT.

From the Hon. *W. Hudleston*, Chief Secretary to the Government of *Fort St. George*, to the Secretary to the Government of *India*, Financial Department.

Sir,

I AM directed to forward, herewith, four statements of taxation, and a Memorandum prepared in accordance with the instructions laid down in the Resolution of the Government of India, dated 23rd October 1871, No. 4510.

I have, &c.
(signed) *W. Hudleston*, Chief Secretary.

Fort St. George, 20 January 1873.

— I. —

TAX.	1857-58.			1870-71.			REMARKS.
	Accountant General's Books.	Revenue Board Books.	Difference.	Accountant General's Books.	Revenue Board Books.	Difference.	
	£.	£.	£.	£.	£.	£.	
I.—Land Revenue	3,701,586	3,543,648	157,938	4,397,803	4,393,351	4,452	The differences between the entries in the books of the Accountant General and those of the Board of Revenue for 1857–58 cannot now be thoroughly explained, as the detailed abstracts in the Accountant General's office have been destroyed, but by excluding extra revenue and collections in North Canara, transferred to Bombay (the latter of which must necessarily be omitted before any comparison can be made with the present revenue), the variation in 1857–58 is reduced to 56,970 *l.* For 1870–71 the Accountant General's books contain an item of 5,000 *l.*, commutation for the Island of Seringapatam, with which the Board have no concern. If this sum be deducted and allowance made for adjustments, the unexplained variation only amounts to 22 *l.* No data exist from which the ratio of the land revenue to the gross produce of the Presidency can be supplied with any approach to accuracy. In the case of ryotwary lands proper, it might be roughly assumed that the revenue amounts to half the net produce. In newly-settled districts, the rate of land tax per acre on ryotwary lands varies from 6 *d.* to 1 *l.* 4 *s.*, and the number of rates does not exceed 35. Where the old land assessment still prevails, the total number of rates in a district is as large as 885, varying from a fraction of a shilling to 3 *l.* 10 *s.* The present average of the whole Presidency may be put down at 2 *s.* 3 *d.* on unirrigated land, and 9 *s.* 6 *d.* on irrigated land, the rates in 1858 being about half a farthing higher for the former and 2 *d.* for the latter. According to the accounts of the Board of Revenue above given, the increase in Land Revenue between 1857–58 and 1870–71 amounts to 849,703 *l.*; but the former year was a remarkably unfortunate one, following a series of five adverse seasons. In the next year (1858–59) the land revenue rose to 4,148,029 *l.*, reducing the increase to 245,322 *l.*, which is probably the more fair measure of the difference between the periods under comparison.

I.—Statement of Taxation, Madras—*continued.*

Tax.	1857-58. Accountant General's Books.	1857-58. Revenue Board Books.	1857-58. Difference.	1870-71. Accountant General's Books.	1870-71. Revenue Board Books.	1870-71. Difference.	Remarks.
	£.	£.	£.	£.	£.	£.	
II.—Abkari (Excise) -	275,207	271,391	3,816	589,266	589,265	1	The difference of 3,816 *l.* for 1857-58 is owing to the Accountant General's figures, including the collections in North Canara. In this Presidency the exclusive privilege of manufacturing and vending country spirits is vested in Government by law. In the Mofussil the privilege is farmed out to the highest bidder, who is bound to conform to certain restrictive rules. In the town of Madras, Government retains the monopoly under the management of its own officers. The increase in the Abkari revenue is only the natural result of the increased population and wealth of the Presidency.
III.—Forests - - -	- -	15 057	- -	33,979	33,978	1	In the year 1857-58 the Accountant General's books did not contain a separate head for Forests. The detailed items of forest revenue for 1870-71 are shown in the marginal abstract. The increase is due to the extended operations of the Department, which in 1857-58 were confined to two districts, but now comprise great part of the Presidency.
IV.—Assessed Taxes:							
(*a.*) Moturpha -	106,047	105,153	894	- -	- -	- -	The only tax in 1857-58 which partook of the nature of an "assessed tax" was the Moturpha, a kind of professional tax levied under the heads marginally noted. The collections for the fasli corresponding to the year 1857-58 are also shown. This tax was abolished by Act XVIII. of 1861, and its place has been supplied by the income and license taxes of later years. The difference between the income tax receipts shown in the books of the Accountant General and the Board of Revenue arises almost entirely from the former, including the tax realised in the Mysore and Travancore States.
(*b.*) Income tax -	- -	- -	- -	227,835	223,503	4,332	
V.—Tributes:							
(*a.*) Mysore - -	245,000	- -	- -	245,000	- -	- -	Under Subsidiary Treaty, dated 8th July 1799, Article 2.
(*b.*) Travancore -	78,311	- -	- -	78,311	- -	- -	Under 3rd Article of the Treaties, dated 17th November 1795 and 12th January 1805.
	1,332	- -	- -	1,332	- -	- -	Under an agreement from the Nàwab of the Carnatic, dated the 11th Kajjab 1180 Hejira A.D. 1764.
(*c.*) Cochin - -	20,000	- -	- -	20,000	- -	- -	Under the 2nd Article of the Treaty, dated the 6th May 1809, the amount was subsequently fixed at 20,000 *l.* by the Madras Government (Minutes of Consultation, dated 26th January 1819).

	1857-58.	1870-71.
	£.	£.
I.—Sale of timber brought to depôt by Government Agency, and value of timber supplied to Public Department - -	15,057	19,793
II.—Sale of timber, firewood, &c., removed by purchasers, including seigniorage - - - - - - - - - -	- -	10,125
III.—Duty on foreign timber - - - - - - - - -	- -	5
IV.—Permit fees and rent of jungles - - - - - - -	- -	1,396
V.—Sale of fruits and minor forest produce - - - - -	- -	1,273
VI.—Sale of confiscated drift and wharf timber - - - -	- -	363
VII.—Fines and forfeitures - - - - - - - - -	—	—
VIII.—Miscellaneous - - - - - - - - - -	- -	1,023
Total - - - £.	15,057	33,978

	£.
Tax on trade - - - - - - - -	26,201
Tax on looms - - - - - - - -	36,508
Professional tax - - - - - - - -	19,809
Tax on houses - - - - - - - -	17,386
Tax on cattle, sheep, and goats - - - - -	4,491
Sundry or miscellaneous taxes - - - -	2,999
Total - - - £.	109,394

Fort St. George, 20 January 1873.

W. Hudleston, Chief Secretary.

— II. —

Local and Municipal Receipts and Expenditure for 1870-71 and 1871-72.

RECEIPTS.			Actuals for 1870-71.	Actuals for 1871-72.	REMARKS.
			£.	£.	
1. Jungle Conservancy Fund			42,572	15,914	
2. Pound Fund			35,692	22,027	
3. Surplus Pound Fund, under Act I. of 1871			- -	4,538	
4. Bungalow Fee Fund			4,352	2,481	
5. Cochrane's and Sadras Canal Fund			4,829	4,565	
6. Nanul Grass Fund			3,440	974	
7. Canal and Ferry Fund			- -	2,058	
8. Educational Building Fund			29,106	2,228	
9. University Fee Fund			2,079	2,219	
10. Village Service Fund			242,716	173,583	
11. Irrigation Cess Fund			4,998	2,420	
12. General Fund under the Consolidated Customs Act VI. of 1863			3,379	173	
13. Endowment Fund			34,875	20,224	
14. School Fee Fund			13,364	1,212	Merged in Provincial Services.
15. Port Fund			31,029	25,980	
16. District Road Fund			350,577	- -	Merged in Local Funds, under Madras Act IV. of 1871.
17. Local Funds under Act IV. of 1871			- -	- -	Six pies in the rupee was the maximum under Act III. of 1866.
(a.) Cesses on Land Revenue:—	£.				
(1.) Act III. of 1866	139,604				
(2.) Act IV. of 1871	194,963				The cess under Act IV. of 1871 is the maximum of one anna in the rupee in most districts.
(b.) Tolls	10,145				
(c.) House tax	38				
(d.) Cesses Act VI. of 1863	1,198				Under Act VI. of 1863 the inhabitants of a place voluntarily assessed themselves for educational purposes. It has been repealed by Act IV. of 1871.
(e.) School fees	403				
(f.) Allotments from general revenues	129,537				
(g.) Other Receipts	125,581				
			- -	501,469	Municipalities were first introduced into the Mofussil under Act X. of 1865. This has been superseded by Act III. of 1871.
18. Mofussil Municipal Taxes:—					
(a.) Rates on Houses and Lands:					
(1.) Government Buildings and Lands			1,734	2,159	
(2.) Other Buildings and Lands			20,377	20,340	
(b.) Tax on arts			14,109	15,461	
(c.) Tolls			30,087	30,150	
(d.) Tax on animals and vehicles with springs			6,103	5,426	
(e.) Registration of carts			1,711	1,744	
(f.) License fees			987	1,502	
(g.) Fines, &c.			144	1,100	
(h.) State contribution			19,965	3,419	
(i.) Local fund contribution			- -	2,503	
(j.) Miscellaneous			1,180	10,558	
			108,427	94,362	
Deduct Refunds			118		
			108,309		
Add,—Balance brought forward			18,333	16,458	
			126,642	110,820	
19. Presidency Town, Municipal Taxes:—					
(a.) Tax on Buildings and Lands:					
(1.) Government Buildings, &c.			2,424	2,527	Local taxation for municipal purposes in the Presidency towns, dates from the passing of Statute 33 Geo. 3, c. 52, s. 158. Honorary Commissioners were first appointed under Madras Act IX. of 1865. The present taxation is imposed under Madras Act IX. of 1867, modified by Madras Act V. of 1871.
(2.) Other Buildings, &c.			24,613	21,437	
(b.) Tax on arts and professions			7,778	9,025	
(c.) Liquor licenses			961	1,172	
(d.) Tax on animals and vehicles with springs			4,225	3,774	
(e.) Registration of carts			1,243	1,305	
(f.) Tolls			4,860	4,813	
(g.) Miscellaneous			8,645	8,517	
			54,749	52,570	
Add,—Balance brought forward			6,588	4,565	
		£.	61,337	57,135	

Fort St. George,
20 January 1873.

W. Hudleston,
Chief Secretary.

— III. A. —

STATEMENT showing the INCOME and DEBT of

Note.— Column 17 refers to the

DISTRICT.	Municipality.	Population.	AMOUNT			
			Taxes on Houses, Buildings, and Lands.	Tax on Arts, &c.	Tolls.	Tax on Vehicles.
1.	2.	3.	4.	5.	6.	7.
			Rs.	*Rs.*	*Rs.*	*Rs.*
Bellary	Adoni	22,558	4,313	- -	6,389	1,241
	Anantapore	4,920	729	- -	4,429	390
	Bellary	52,006	13,767	- -	18,633	10,071
	Ghooty	6,266	788	- -	4,895	568
Coimbatore	Coimbatore	35,284	2,985	- -	8,283	1,613
Cuddapah	Cuddapah	16,437	4,799	4,736	8,616	891
Ganjam	Berhampore	21,417	2,562	2,663	7,278	840
	Chicacole	15,360	1,747	- -	5,860	338
Godavery	Cocanada	10,775	4,292	5,086	2,135	554
	Ellore	23,589	2,413	3,201	3,365	661
	Rajahmundry	19,682	2,851	2,897	2,563	439
Kistna	Guntoor	16,143	2,131	4,373	7,009	1,022
	Masulipatam	36,316	3,550	4,341	8,041	990
Kurnool	Cumbum	7,137	847	997	1,397	393
	Kurnool	24,855	6,053	- -	6,980	1,732
Chingleput	Conjeveram	35,396	7,819	5,488	4,488	1,018
Madura	Dindigul	12,818	717	- -	3,315	474
	Madura	52,206	8,450	9,253	23,460	1,722
Malabar	Calicut	47,839	12,805	7,437	1,807	1,458
	Cannanore	9,359	2,981	192	- -	1,778
	Cochin	13,061	4,060	2,842	- -	133
	Palghaut	31,041	3,128	1,841	10,171	-
	Tellicherry	20,405	7,873	3,026	- -	454
Neilgherry Hills	Coonoor	3,014	2,393	947	- -	670
	Ootacamund	10,077	11,560	3,102	- -	2,878
Nellore	Nellore	29,447	6,437	- -	5,218	1,947
North Arcot	Vellore	37,969	3,997	3,348	10,150	1,627
	Wallajahpett	12,034	3,523	3,496	3,905	60
Salem	Salem	49,664	6,974	7,424	9,727	1,156
South Arcot	Cuddalore	40,319	9,830	- -	9,478	3,099
South Canara	Mangalore	29,531	8,458	5,320	752	1,071
Tanjore	Combaconum	43,158	13,204	- -	15,635	1,556
	Mayaveram	21,260	3,514	4,815	5,776	623
	Manargoody	17,735	2,468	5,022	7,361	658
	Negapatam	48,406	8,746	12,415	8,250	1,619
	Tanjore	51,622	14,806	12,040	16,250	1,763
Tinnevelly	Palamcottah	17,885	3,067	- -	7,332	1,294
	Tinnevelly	20,875	4,556	- -	11,447	816
	Tuticorin	10,351	4,370	2,932	6,013	148
Trichinopoly	Trichinopoly	73,893	9,182	10,786	19,302	6,355
Vizagapatam	Bimlipatam	8,740	914	1,913	5,728	351
	Palcondah	8,694	894	1,423	3,634	50
	Vizagapatam	31,694	- -	5,786	9,099	2,234
	Vizianagram	21,025	555	1,947	6,699	2,273
	TOTAL	1,145,852	2,21,108	1,41,089	3,00,870	61,028

Fort St. George,
20 January 1873.

— III. A. —

the MUNICIPALITIES during the Year 1870-71.

Taxation shown in Columns 4 to 9.

OF INCOME IN 1870-71.

Registration of Carts. 8.	License Fees. 9.	Fines. 10.	Less Refunds. 11.	TOTAL. 12.	Miscellaneous. 13.	Government Contribution. 14.	Balance brought forward. 15.	GRAND TOTAL. 16.	Incidence of Taxation per Head of Population. 17.	Amount of Debt. 18.
Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs. a. p.*	*Rs.*
344	412	515	—	13,214	384	3,752	4,123	21,473	— 9 —	—
228	12	317	—	6,105	- -	1,521	322	7,948	1 2 9	—
1,518	837	834	—	45,660	6,633	12,812	11,406	76,511	— 13 9	—
236	—	105	—	6,592	63	2,570	- -	9,225	1 — 6	—
772	185	753	—	14,591	11,584	4,218	2,997	33,390	— 6 3	—
557	8	126	—	19,733	1,502	5,052	186	26,473	1 3 1	—
474	149	186	—	14,152	3,736	3,450	3,698	25,036	— 10 5	—
276	—	30	—	8,251	1,038	2,046	5	11,340	— 8 6	—
78	183	195	—	12,523	1,128	3,434	2,003	19,088	1 2 3	—
472	—	155	—	10,267	- -	2,441	532	13,240	— 6 10	—
125	194	646	—	9,715	1,214	1,410	1,175	13,514	— 7 4	—
602	304	224	1	15,665	751	2,805	7,624	26,844	— 15 3	—
300	314	177	—	17,713	5,505	3,128	885	27,231	— 7 8	—
259	20	205	—	4,118	12	987	1,894	7,011	— 8 9	—
453	280	159	16	15,641	1,919	4,223	2,294	24,077	— 9 11	—
541	155	281	—	19,790	576	6,510	2,644	29,520	— 8 9	—
332	12	169	—	5,019	134	- -	4,038	9,191	— 6 —	—
742	538	125	—	44,290	10,010	10,376	32,772	97,448	— 13 6	—
366	—	1,759	—	25,632	98	8,507	1,269	35,506	— 7 11	—
80	—	136	38	5,129	74	2,007	431	7,641	— 8 6	—
42	175	71	—	7,323	1,489	4,105	719	13,636	— 8 10	—
—	110	18	—	15,268	1,360	3,902	3,876	24,406	— 7 10	—
9	35	145	—	11,542	1,249	1,615	1,444	15,850	— 8 11	—
36	100	109	—	4,255	2,159	2,502	702	9,618	1 6 —	—
175	199	728	—	18,642	16,808	5,453	741	41,644	1 12 5	27,615
821	180	358	—	14,961	1,296	3,137	401	19,795	— 7 11	—
745	—	112	125	19,854	1,197	2,334	24,971	48,356	— 8 3	—
455	20	151	—	11,610	479	1,245	2,860	16,194	— 15 2	—
424	269	483	—	26,457	8,146	8,740	10,277	53,620	— 8 4	—
1,028	123	97	—	23,655	2,591	4,906	5,940	37,092	— 9 4	—
255	72	1,653	—	17,581	1,157	2,904	899	22,541	— 8 7	—
—	1,171	2,677	—	34,243	1,998	10,753	7,083	54,077	— 11 8	—
254	382	436	—	15,801	1,304	5,005	8,178	30,288	— 11 6	—
—	180	288	—	15,977	3,873	5,009	3,686	28,545	— 14 1	—
—	1,842	2,085	—	34,957	7,809	6,546	5,363	54,675	— 10 10	—
—	242	767	—	45,868	2,734	12,794	9,507	70,903	— 13 11	—
474	128	206	—	12,501	1,060	2,081	1,124	16,766	— 10 11	—
417	165	165	—	17,566	960	3,739	887	23,152	— 13 4	—
50	55	473	—	14,041	615	4,040	161	18,857	1 4 11	—
1,998	750	207	—	48,580	12,248	13,142	8,868	82,838	— 10 5	—
119	—	2	—	9,027	58	2,717	44	11,846	1 — 6	—
350	—	2	—	6,353	15	2,830	1,157	10,355	— 11 8	—
136	67	69	—	17,391	422	3,926	3,692	25,431	— 8 8	—
572	—	40	1,000	11,086	418	2,275	452	14,231	— 8 4	—
17,115	9,869	18,439	1,180	7,68,338	1,17,806	1,96,959	1,83,330	12,66,423	— 10 5	27,615

W. Hudleston,
Chief Secretary to Government.

— III. B. —

STATEMENT showing the EXPENDITURE in

DISTRICT.	Municipalities.	Head Office.	Collection.	Police.	Public Works Establishment.	Conservancy.	Lighting.
1.	2.	3.	4.	5.	6.	7.	8.
		Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Bellary	Adóni	1,118	408	1,836	63	2,645	–
	Anantapore	792	82	640	–	1,548	–
	Bellary	2,064	720	8,983	1,434	1,740	–
	Ghooty	722	84	525	96	2,359	–
Coimbatore	Coimbatore	1,216	528	5,052	550	3,307	–
Cuddapah	Cuddapah	1,117	1,490	4,787	457	2,368	–
Ganjam	Berhampore	1,604	159	3,675	180	3,072	–
	Chicacole	900	157	2,817	420	1,536	–
Godavery	Cocanada	717	504	4,311	240	2,257	165
	Ellore	974	533	2,620	180	4,065	–
	Rajahmundry	917	296	2,795	240	3,578	–
Kistna	Guntoor	1,872	–	3,910	–	6,224	–
	Masulipatam	935	240	5,955	–	4,047	–
Kurnool	Cumbum	627	360	1,655	–	876	45
	Kurnool	1,558	155	4,875	40	6,828	–
Chingleput	Conjeveram	1,857	–	8,603	–	5,361	–
Madura	Dindigul	210	107	1,675	–	1,634	–
	Madura	5,685	110	8,770	1,276	22,741	–
Malabar	Calicut	1,350	1,036	11,777	–	7,215	–
	Cannanore	729	156	603	–	2,292	–
	Cochin	1,019	250	5,626	–	1,181	160
	Palghaut	1,078	227	2,491	–	2,526	–
	Tellicherry	914	535	2,690	–	1,690	–
Neilgherry Hills	Coonoor	767	–	984	–	2,150	–
	Ootacamund	3,235	498	5,557	–	5,027	–
Nellore	Nellore	1,726	232	5,102	–	4,226	–
North Arcot	Vellore	2,393	293	3,486	–	5,592	–
	Wallajahpett	736	545	2,200	155	1,390	–
Salem	Salem	1,452	380	5,707	–	10,194	–
South Arcot	Cuddalore	2,831	777	6,512	–	7,724	–
South Canara	Mangalore	1,106	482	4,687	930	3,582	–
Tanjore	Combaconum	2,357	124	8,574	–	8,674	–
	Mayaveram	827	203	3,429	–	5,589	94
	Mannargudi	1,195	294	3,398	238	1,453	–
	Negapatam	2,278	960	7,374	–	11,900	464
	Tanjore	3,149	1,360	10,890	–	15,470	218
Tinnevelly	Palamcottah	918	410	3,679	–	2,444	468
	Tinnevelly	2,299	281	4,305	–	3,832	48
	Tuticorin	1,105	71	2,667	–	3,580	49
Trichinopoly	Trichinopoly	2,922	1,323	20,051	–	13,311	405
Vizagapatam	Bimlipatam	1,115	–	2,075	–	1,745	–
	Palcondah	1,795	–	2,029	37	986	–
	Vizagapatam	3,228	186	5,295	–	7,910	–
	Vizianagram	1,380	132	3,196	–	2,816	–
	TOTAL *Rs.*	68,789	16,688	2,07,868	6,536	2,10,695	2,116

Fort St. George,
20 January 1873.

— III. B. —

the MUNICIPALITIES during the Year 1870–71.

Total Establishment. 9.	Watering. 10.	Original Works. 11.	Repairs. 12.	Charitable Institutions. 13.	Garden. 14.	Vaccination. 15.	Miscellaneous. 16.	Interest on Debt. 17.	Total Expenditure. 18.	Balance. 19.
Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
6,070	247	7,544	642	42	–	124	4,384	–	19,053	2,420
3,062	–	1,420	1,519	50	–	84	1,711	–	7,846	102
14,941	238	9,082	19,972	600	–	240	29,875	–	74,948	1,563
3,786	–	2,255	690	90	–	–	2,481	–	9,302	—
10,653	–	2,237	4,668	600	–	132	8,879	–	27,169	6,221
10,219	–	2,083	4,599	120	–	120	8,870	–	26,011	461
8,700	–	9,149	680	–	–	105	3,199	–	21,833	3,204
5,830	–	1,533	1,525	–	–	144	1,811	–	10,843	497
8,194	–	1,173	2,211	–	–	–	4,852	–	16,430	2,658
8,372	–	3,489	351	–	–	–	417	–	12,629	611
7,826	–	1,465	1,456	–	–	–	1,600	–	12,347	1,168
12,006	–	1,323	416	–	–	–	7,605	–	21,350	5,495
11,177	–	6,339	1,594	–	–	120	5,081	–	24,311	2,921
3,563	–	1,189	379	–	–	–	269	–	5,400	1,610
13,456	214	2,166	530	–	–	120	4,601	–	21,087	2,991
15,821	–	316	378	1,200	–	165	2,462	–	20,342	9,178
3,626	–	937	170	–	–	84	1,879	–	6,696	2,494
38,582	–	9,986	1,974	–	–	216	12,706	–	63,464	33,984
21,378	14	1,996	4,577	–	–	103	6,251	–	34,319	1,187
3,780	–	1,449	274	–	–	120	369	–	5,992	1,649
8,236	41	24	2,243	–	–	120	2,542	–	13,206	430
6,822	113	1,980	10,876	–	500	120	3,172	–	23,083	1,323
5,829	–	5,627	779	–	–	110	3,005	–	15,350	500
3,901	–	215	905	177	–	–	4,102	–	9,300	318
14,317	–	8,190	6,553	–	–	40	10,578	–	39,678	1,966
11,286	–	3,805	2,518	–	–	162	1,521	–	19,292	504
11,764	–	4,924	3,097	600	48	120	24,833	–	45,386	2,970
5,026	–	4,811	1,220	–	127	120	4,145	–	15,449	745
17,733	–	3,982	3,494	1,220	–	180	7,031	–	33,640	19,980
17,844	–	2,169	3,859	300	–	–	6,273	–	30,445	6,647
10,787	122	946	2,905	100	–	161	2,035	–	17,056	5,485
19,729	–	16,677	3,556	36	–	123	6,377	–	46,498	7,579
10,142	–	1,622	3,310	–	–	132	5,141	–	20,347	9,941
6,578	–	2,388	1,358	–	–	124	10,791	–	21,239	7,306
22,976	–	8,663	9,052	–	–	139	13,735	–	54,565	110
31,087	–	8,600	8,248	–	1,497	300	12,959	–	62,691	8,213
7,919	–	1,021	1,406	–	942	120	4,911	–	16,319	448
10,765	–	6,175	2,294	–	643	120	2,983	–	22,980	173
7,472	–	5,415	2,522	931	–	145	3,168	–	19,653	—
38,012	–	10,021	13,043	180	791	307	15,866	–	78,220	4,618
4,935	–	3,464	1,556	300	–	171	602	–	11,028	818
4,847	–	4,240	615	–	–	–	584	–	10,286	68
16,619	–	62	3,116	–	–	250	2,354	–	22,401	3,029
7,524	–	2,001	2,781	–	–	100	931	–	13,337	894
5,12,692	989	1,74,153	1,39,911	6,546	4,548	5,041	2,58,941	–	11,02,821	1,64,479

W. Hudleston,
Chief Secretary to Government.

— IV. A. —

STATEMENT showing the INCOME and DEBT

N. B.—The Municipal Year 1871-72 consisted of only Eleven Months, *i.e.*, from the 1st May 1871 to the 31st March 1872, the Column 19 refers to the

DISTRICT.	Municipality.	Population.	Number of Members of Committee.		AMOUNT				
			Official.	Non-official.	Taxes on Houses, Buildings, and Lands.	Tax on Arts, &c.	Tolls.	Tax on Vehicles.	Registration of Carts.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
					Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Bellary	Adoni	22,558	3	8	4,100	4,042	2,850	1,679	528
	Anantapore	4,920	2	12	584	–	2,900	666	199
	Bellary	52,006	11	11	19,417	7,006	13,975	7,221	846
	Ghooty	6,266	2	11	1,111	–	2,629	529	367
Coimbatore	Coimbatore	35,284	8	12	7,186	–	9,800	1,479	1,432
	Erode	10,305	2	11	564	–	1,085	166	230
Cuddapah	Cuddapah	16,437	5	6	3,515	3,748	6,700	788	461
Ganjam	Berhampore	21,417	11	9	2,930	2,329	7,038	691	550
	Chicacole	15,360	4	4	1,534	–	4,960	533	219
Godavery	Cocanada	10,775	4	9	5,061	5,864	2,600	567	127
	Ellore	23,589	2	9	2,898	3,091	3,405	446	572
	Rajahmundry	19,682	4	6	2,855	2,699	3,048	530	128
Kistna	Guntoor	16,143	5	6	2,137	4,777	10,504	774	751
	Masulipatam	36,316	8	8	4,476	4,414	6,266	852	451
Kurnool	Cumbum	7,137	2	6	1,629	1,174	969	762	262
	Kurnool	24,855	4	8	4,744	–	7,042	1,688	364
Chingleput	Conjeveram	35,396	6	10	12,431	10,532	4,831	484	303
Madura	Dindigul	12,818	6	6	993	–	4,555	457	306
	Madura	52,206	5	11	6,835	702	23,360	2,207	760
Malabar	Calicut	47,839	5	7	9,728	4,035	4,256	1,200	420
	Cannanore	9,359	7	7	3,165	520	320	1,549	130
	Cochin	13,061	5	7	4,260	2,775	–	222	124
	Palghaut	31,041	5	5	3,292	2,207	10,060	–	–
	Tellicherry	20,405	7	8	4,970	875	2,095	212	20
Neilgherry Hills	Coonoor	3,014	3	4	2,529	1,316	–	788	37
	Ootacamund	10,077	4	7	10,235	2,677	–	2,650	207
Nellore	Nellore	29,447	10	11	5,384	–	4,893	1,953	1,532
North Arcot	Vellore	37,969	9	10	8,263	7,944	11,200	1,548	747
	Wallajahpett	12,034	7	8	955	2,641	3,249	197	416
Salem	Salem	49,664	8	11	5,529	7,351	10,343	1,538	510
South Arcot	Cuddalore	40,319	5	11	7,979	–	9,450	2,303	829
South Canara	Mangalore	29,531	6	11	6,004	1,186	777	1,267	285
Tanjore	Combaconum	43,158	5	7	12,101	–	14,696	1,447	–
	Mayaveram	21,260	5	10	3,405	4,018	6,487	602	440
	Manargoedy	17,735	4	6	1,961	3,613	6,270	523	–
	Negapatam	48,406	6	9	7,989	12,056	12,624	1,301	–
	Tanjore	51,622	5	6	12,507	12,144	23,200	1,981	–
Tinnevelly	Palamcottah	17,885	5	5	3,331	1,216	6,436	1,229	411
	Tinnevelly	20,875	5	5	4,308	2,354	8,350	692	375
	Tuticorin	10,351	3	7	2,978	2,746	5,875	323	83
Trichinopoly	Streeringum	11,271	5	6	1,389	416	–	–	–
	Trichinopoly	78,893	5	9	12,476	11,529	18,774	4,810	1,042
Vizagapatam	Bimlipatam	8,740	3	8	1,005	1,852	5,084	404	147
	Palcondah	8,694	2	5	371	986	3,930	31	512
	Vizagapatam	31,694	8	8	2,900	8,511	8,637	2,164	119
	Vizianagram	21,025	4	4	977	2,265	5,982	809	197
	TOTAL	1,167,428	–	–	2,24,991	1,54,611	3,01,505	54,262	17,439

Fort St. George,
20 January 1873.

— IV. A. —

of the MUNICIPALITIES during the Year 1871-72.

Accounts having been closed a month earlier than usual, with the view of assimilating the Municipal to the Ordinary Official Year.
Taxation shown in Columns 6 to 11.

OF INCOME IN 1871-72.

License Fees. 11.	Fines. 12.	Miscellaneous. 13.	Government Contribution. 14.	Contribution from Local Funds. 15.	TOTAL. 16.	Balance brought forward. 17.	GRAND TOTAL. 18.	Incidence of Taxation on Population. 19.	Amount of Debt. 20.	REMARKS. 21.
Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs. a. p.*	*Rs.*	
271	144	458	570	–	14,642	2,092	16,734	– 9 7		
76	94	284	272	–	5,075	102	5,177	– 14 5		
2,075	1,196	153	7,792	–	59,681	1,564	61,245	– 15 6		
–	70	467	302	–	5,475	605	6,080	– 11 10		
40	79	4,746	–	–	24,762	4,066	28,828	– 9 –		
–	–	470	–	–	2,515	–	2,515	– 3 2	–	Only in force for six months.
21	66	3,978	–	–	19,277	461	19,738	– 14 10		
88	142	4,112	859	750	19,489	3,204	22,693	– 10 2		
–	62	2,534	–	–	9,842	497	10,339	– 7 6		
665	163	693	–	440	16,180	2,658	18,838	1 6 1		
–	274	357	1,526	–	12,569	611	13,180	– 7 –		
499	218	746	2,184	630	18,537	1,167	14,704	– 7 11		
396	190	2,872	376	–	22,777	5,495	28,272	1 3 2		
654	137	2,006	–	1,000	20,256	2,871	23,127	– 7 6		
37	65	91	492	600	6,081	1,610	7,691	– 10 10		
883	58	2,615	–	1,400	18,794	2,990	21,784	– 9 6		
751	36	73	–	1,800	31,241	9,128	40,369	– 13 3		
130	103	714	1,692	–	8,950	2,493	11,443	– 8 –		
37	217	10,955	703	–	45,776	33,934	79,710	– 10 5		
223	102	285	128	–	20,377	1,201	21,578	– 6 8		
28	66	68	–	–	5,846	1,649	7,495	– 9 9		
220	102	1,778	70	–	9,551	429	9,980	– 9 4		
3	25	439	1,481	–	17,507	1,323	18,830	– 8 –		
42	12	1,384	1,447	729	11,786	500	12,286	– 6 5		
–	634	2,335	357	–	7,996	318	8,314	1 8 9		
255	313	5,406	4,398	–	26,141	2,166	28,307	1 9 5	16,873	
416	224	982	803	2,210	18,397	655	19,052	– 7 8		
241	21	3,009	1,110	–	34,083	2,870	36,953	– 12 7		
–	3	412	225	–	8,098	1,134	9,232	– 10 1		
365	616	10,220	–	3,369	39,841	19,980	59,821	– 8 3		
143	161	4,813	264	2,860	28,802	6,647	35,449	– 8 3		
677	307	4,328	15	1,200	23,046	6,485	29,531	– 9 4		
1,166	824	663	240	–	31,137	7,579	38,716	– 10 11		
667	208	657	–	308	16,792	9,941	26,733	– 11 9		
197	191	1,397	–	–	14,152	7,306	21,458	– 11 4		
1,576	637	1,984	2,520	4,574	45,261	110	45,371	– 11 9		
847	344	3,004	–	500	54,527	8,213	62,740	– 15 8		
112	440	8,128	–	–	21,303	448	21,751	– 11 5		
135	41	2,746	24	300	19,325	224	19,549	– 12 5		
107	366	2,794	70	–	15,342	428	15,770	1 2 8		
57	75	–	–	–	1,937	–	1,937	– 2 7	–	Only in force for five months.
728	1,952	8,353	3,028	2,358	65,050	4,618	69,668	– 10 8		
14	16	20	–	–	8,542	818	9,360	– 15 6		
–	–	284	–	–	6,114	68	6,182	– 10 9		
148	–	1,519	247	–	24,245	3,030	27,275	– 11 4		
30	3	251	993	–	11,507	894	12,401	– 7 10		
15,020	10,997	1,05,583	34,188	25,028	9,43,624	1,64,582	11,08,206	– 10 6	16,873	

W. Hudleston,
Chief Secretary to Government.

— IV. B. —

STATEMENT showing the EXPENDITURE in

DISTRICT.	Municipalities.	Head Office.	Collection.	Police.	Public Works Establishment.	Conservancy.	Lighting.	Total Establishment.	Watering.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
		Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Bellary	Adoni	1,397	280	225	102	1,986	106	4,096	96
	Anantapore	888	88	2	- -	1,418	–	2,396	44
	Bellary	3,156	1,045	1,459	310	1,962	231	8,163	–
	Ghooty	927	77	44	- -	1,624	–	2,672	101
Coimbatore	Coimbatore	715	523	–	1,217	4,335	165	6,955	10
	Erode	218	134	–	- -	189	–	541	–
Cuddapah	Cuddapah	1,050	374	–	192	2,217	181	4,014	683
Ganjam	Berhampore	1,467	90	292	161	2,899	–	4,909	–
	Chicacole	750	151	234	872	1,352	–	3,359	–
Godavery	Cocanada	679	450	–	220	2,152	154	3,655	21
	Ellore	798	54	–	195	3,102	–	4,149	–
	Rajahmundry	928	615	33	265	3,212	77	5,130	5
Kistna	Guntoor	1,408	1,338	–	572	519	129	3,966	138
	Masulipatam	999	264	–	944	2,112	186	4,505	54
Kurnool	Cumbum	543	292	128	- -	905	44	1,922	–
	Kurnool	1,367	175	406	- -	4,090	–	6,038	–
Chingleput	Conjeveram	1,061	463	1,365	128	2,804	220	6,041	–
Madura	Dindigul	187	96	–	- -	1,028	–	1,311	50
	Madura	2,195	- -	–	2,190	2,316	125	6,826	104
Malabar	Calicut	1,248	813	–	3,604	3,152	–	8,817	–
	Cannanore	592	147	–	- -	1,629	–	2,368	–
	Cochin	869	330	–	- -	1,285	154	2,638	118
	Palghaut	1,018	306	–	858	352	200	2,734	310
	Tellicherry	1,264	148	–	- -	1,784	–	3,196	–
Neilgherry Hills	Coonoor	600	200	93	- -	1,986	90	2,969	–
	Ootacamund	2,865	- -	–	- -	3,905	–	6,770	49
Nellore	Nellore	1,624	176	–	- -	3,812	–	5,612	–
North Arcot	Vellore	1,822	325	–	660	2,643	110	5,560	–
	Wallajahpett	781	244	184	89	750	–	2,048	189
Salem	Salem	1,133	352	496	254	8,524	105	10,864	–
South Arcot	Cuddalore	2,014	543	542	817	6,834	–	10,750	–
South Canara	Mangalore	1,626	112	–	770	3,234	–	5,742	–
Tanjore	Combaconum	2,153	216	–	2,331	4,519	120	9,339	40
	Mayaveram	939	1,296	1,657	1,417	1,720	165	7,194	63
	Mannargudi	884	281	292	604	351	306	2,718	246
	Negapatam	2,304	650	239	- -	5,136	977	9,306	–
	Tanjore	2,671	587	943	1,458	4,168	502	10,329	224
Tinnevelly	Palamcottah	854	113	–	492	509	72	2,040	–
	Tinnevelly	1,282	178	–	508	1,474	32	3,474	–
	Tuticorin	730	67	–	396	347	–	1,540	146
Trichinopoly	Striringum	171	39	–	- -	166	–	376	–
	Trichinopoly	2,480	896	–	2,986	4,156	553	11,071	–
Vizagapatam	Bimlipatam	957	- -	–	- -	135	–	1,092	–
	Palcondah	950	- -	97	- -	827	–	1,874	–
	Vizagapatam	2,153	700	504	- -	7,985	–	11,312	–
	Vizianagram	1,264	120	–	- -	2,716	–	4,100	–
	TOTAL	57,951	15,348	9,245	24,612	1,14,321	5,004	2,26,481	2,691

Fort St. George,
20 January 1873.

– IV. B. —

the MUNICIPALITIES during the Year 1871–72.

Original Works. 11.	Repairs. 12.	Charitable Institutions. 13.	Garden. 14.	Education. 15.	Vaccination. 16.	Registration of Births and Deaths. 17.	Miscellaneous. 18.	Interest on Debt. 19.	Total Expenditure. 20.	Balance. 21.	REMARKS. 22.
Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	
7,550	194	450	–	181	171	110	2,594	–	15,442	1,292	In this Presidency the general management and collection establishments are not usually separate. Column 4 only shows the cost of the establishment, which is kept exclusively for collection. The Police charges are payments in arrear for 1870–71, the Municipalities having been relieved of this item of expenditure from the commencement of 1871–72.
259	401	300	–	104	109	96	1,081	–	4,790	387	
9,533	11,383	550	–	495	220	366	29,716	–	60,426	819	
836	188	126	–	343	–	–	1,308	–	5,574	506	
7,330	3,648	550	–	542	132	200	6,414	–	25,781	3,047	
716	248	–	–	–	–	35	336	–	1,876	639	
1,226	5,008	1,710	–	197	110	242	3,858	–	17,048	2,690	
3,908	1,281	1,888	–	429	99	214	1,024	–	13,752	8,941	
1,142	322	2,795	–	1,272	130	150	720	–	9,890	449	
5,194	3,440	–	–	113	88	45	5,465	–	18,021	817	
3,789	920	–	–	417	79	99	1,020	–	10,473	2,707	
4,354	371	23	–	263	83	–	1,486	–	11,715	2,989	
794	1,727	960	–	276	100	127	6,677	–	14,765	13,507	
8,962	536	1,370	–	717	160	220	5,293	–	21,817	1,310	
1,044	706	618	–	171	58	50	380	–	4,949	2,742	
2,009	423	692	–	460	110	220	9,141	–	19,093	2,691	
4,162	447	3,329	–	1,097	164	196	7,264	–	22,700	17,670	
3,248	515	150	–	–	100	100	938	–	6,412	5,031	
8,877	14,343	3,980	–	1,134	281	56	22,423	–	58,024	21,686	
1,374	1,420	–	–	549	100	–	3,705	–	15,965	5,613	
879	–	–	–	–	114	24	1,169	–	4,554	2,941	
129	1,548	500	–	–	110	75	913	–	6,031	3,949	
875	5,234	321	292	1,099	110	165	2,616	–	13,756	5,074	
634	4,618	1,066	–	–	110	142	1,215	–	10,981	1,305	
345	946	400	–	–	165	95	2,741	–	7,661	653	
1,403	3,701	500	–	–	166	97	10,422	–	23,108	5,199	
2,148	2,671	1,710	–	500	145	320	2,756	–	15,862	3,190	
5,986	2,690	750	–	1,208	106	166	10,124	–	26,590	10,363	
1,408	701	–	–	411	110	114	4,155	–	9,136	96	
10,889	6,192	3,746	–	1,280	316	315	21,826	–	55,428	4,393	
7,080	5,111	3,459	–	632	–	547	2,370	–	29,949	5,500	
1,379	3,392	869	–	859	200	186	2,093	–	14,720	14,811	
5,052	2,435	110	–	114	109	271	12,081	–	29,551	9,165	
5,226	2,193	122	–	–	169	147	9,528	–	24,642	2,091	
3,338	1,907	–	–	520	110	100	6,057	–	14,996	6,461	
–	8,726	111	–	156	194	399	17,396	–	36,288	9,083	
8,131	6,619	217	1,416	207	275	286	16,452	–	44,201	18,539	
1,043	3,887	4,843	–	392	110	102	4,389	–	16,806	4,945	
5,242	3,064	934	–	432	110	150	5,142	–	18,548	1,001	
1,253	2,201	434	–	99	128	189	6,116.	–	12,106	3,664	
136	152	–	–	–	–	–	660	–	1,324	613	
13,664	11,368	3,485	–	398	301	224	22,764	–	63,275	6,393	
2,664	1,276	550	–	236	–	–	3,519	–	9,337	23	
1,565	840	523	–	–	60	–	442	–	5,304	878	
1,127	7,212	642	–	480	379	334	929	–	23,415	3,860	
3,381	3,466	–	–	292	103	222	689	–	12,253	148	
1,61,284	1,39,671	44,783	1,753	19,075	5,994	7,196	2,79,407	–	8,88,335	2,19,871	

W. Hudleston,
Chief Secretary to Government.

Appendix, No. 15.

MEMORANDUM referred to in Paragraph 15 of the RESOLUTION of the Government of India, under date 23rd October 1871, No. 4510.

STATEMENT I.

Land Revenue.—Calls for no remark.

Abkari.—Act III. of 1864 (Madras) is the Abkari law prevailing in the Provinces. By it the exclusive privilege of manufacturing and vending country spirits is farmed out, under the orders of the Board of Revenue, to the highest bidder, at auctions held from time to time. The purchasers of the farms are bound down to conform to the rules prescribed by the Board of Revenue with reference to the places at which stills and shops are erected, the number of shops and stills, the minimum prices at which spirituous liquor may be sold, &c., &c. An experiment has lately been introduced in five districts on a plan somewhat analogous to the Sudr distillery system.

Under it the exclusive privilege is rented to individuals on condition of paying an Excise duty on all spirits issued from the distillery, a certain minimum of revenue being guaranteed to the State which if not attained, the State may cancel the lease after prescribed notice.

It is expected that this system, while it tends to check reckles speculation, will place this branch of revenue on a firmer footing.

The sale of spirituous liquors in the town of Madras is regulated by Act XIX. of 1852, modified by Act XIII. of 1856, Madras Act VIII. of 1867, and Act XIV. of 1870. The monopoly is retained under the management of the Government officers.

III. *Forests.*—There is no forest law in this Presidency; but, with a few exceptions, all forests are recognised as the property of Government, subject to the prescriptive common rights of villages bordering on them, for supply of domestic needs, which, however, do not materially affect the State right.

IV. *Assessed Taxes.*—The only impost (other than local) which can be properly described as an assessed tax is the income tax.

STATEMENT II.

1. *Jungle Conservancy Fund.*—The scattered scrub jungles of the plains were being rapidly destroyed by the villagers and others in the exercise of ancient prescriptive rights; and, in order to preserve and improve them, a local tax on firewood cut, and charcoal made for sale, has been levied through the village officers and applied locally for the above purposes. The prescriptive rights of the ryots to fuel, leaves for manure, and wood for implements (for their own use and not for sale), is respected. These scrub jungles are distinct from the forests administered by the Conservancy Department, and are communal village property.

2 & 3. *Pound Fund.*—This fund arises under the Imperial Act I. of 1871, and the surplus proceeds are usually assigned to the Local Fund Circle or Municipality in which they accrue, after providing for the expenditure on model farms.

4. *Bungalow Fee Fund.*—Since 1864 fees have been levied for the accommodation afforded to travellers in the public bungalows. A grant in aid was formerly contributed by the Supreme Government for the repair and up-keep of the buildings, but it has now been discontinued, and the bungalows are being transferred to the Local Fund Boards where desired.

5. *Cochrane's and Sadras Canal Fund.*—The income of this fund is derived from tolls and license fees on boats using Cochrane's Canal to the north of Madras and the Sadras Canal to the south. It is devoted, under Government direction, to the maintenance and extension of the canal, directly, and in repayment by instalment of a Government advance for the work.

6. *Nanul Grass Fund.*—This is composed of the sale proceeds of Nanul and Koray reeds, and grass planted for the protection of the banks of rivers and tanks, and is applied to the maintenance and extension of the plantations.

7. *Canal and Ferry Fund.*—This fund consists of fees and tolls levied under Madras Act I. of 1870, and is devoted to the management of ferries and the construction and improvement of lines of navigation within the Presidency.

8. *Educational Building Fund.*—This fund was originally formed from the surplus balance of the Pagoda funds under order from the late Court of Directors. It has been augmented by grants and voluntary subscriptions.

9. *University Fee Fund.*—Calls for no remark.

10. *Village*

10. *Village Service Fund.*—This fund comprises the proceeds of the ancient merah or fees paid by the ryots for village services, the modern cess levied by law in places in lieu of these fees, and for the same purposes, and the sums charged for the enfranchisement of village service inams. The receipts are applied to the remuneration of village officers. The Cess Act (IV. of 1864) is as yet in operation only in the two districts of Kurnool and Trichinipoly.

11. *Irrigation Cess Fund.*—This is a voluntary payment by ryots holding lands under certain river channels in lieu of customary labour, and is of very limited operation, and likely to die out. The working of the system is not satisfactory in some respects, as no money payment will, in some cases, adequately supply the loss of customary labour.

12. *General Fund under Customs Act* VI. *of* 1863.—The proceeds on all confiscations and penalties imposed under the Act are paid into a general fund in accordance with the provisions of Section 229.

13. *Endowment Fund.*—This comprises the endowments of choultries, almshouses, and other foundations (not being religious) for the use of the people. The management of such institutions is vested in collectors and the Board of Revenue by Regulation VII. of 1817. Under Section 2, Act IV. of 1871, it is now competent to the Board of Revenue, with the consent of Government, and of the Local Fund Board, to make over the management of such institutions to the Local Fund Board of the circle in which they are situated.

14. *School Fee Fund.*—This is now merged in provincial services.

15. *Port Fund.*—Port dues are charged at the various ports at rates not exceeding 3 annas for every ton of burden on every sea-going vessel of over 15 tons burden entering the port. Coasting vessels usually pay half the above rates, but special provision is made for coasting steamers. The sums received on account of port dues form one general fund under Section 2, Madras Act VII. of 1867.

16 and 17. *District Road Fund and Local Funds under Act* IV. of 1871.—Act III. of 1866 (Madras) was the first enactment by which road cess was legally imposed in this Presidency, but it had been previously made a condition of settlement in several districts. The above-mentioned Act has been repealed by Madras Act IV. of 1871, "The Local Funds Act," by which the proceeds of the road cess, tolls, and other funds raised under the Act, have been devoted to the maintenance and construction of roads, education, vaccination, sanitation, and other works of public utility. Local Boards have been appointed for the administration of these funds within certain areas called "Local Fund Circles," of which there are 36 in the Presidency. While the Bill was before the Legislative Council, the opinion of the public seemed to be adverse to a proposed marriage tax, a tax on trades and professions, and a house tax. The two former were accordingly struck out altogether, while the operation of the latter was restricted to certain small areas in the immediate neighbourhood of schools to be supported from the proceeds of the tax. Only a limited number of such schools have been established with their concomitant taxation, and the wants and feelings of the people will be duly considered before further extension.

In most districts the road cess has been fixed at 1 anna in the rupee on the rent value of land, which, for the purposes of the Act, is taken to be the assessment and water rate in the case of Ryotwarry lands. The house tax varies from 5 rupees to 4 annas per house per annum, and the tolls from 1 rupee to 1 anna.

Act VI. of 1863 was an enactment enabling the inhabitants of any place to assess themselves for educational purposes. It has been repealed by Act IV. of 1871, except in respect of assessments and liabilities prior to the introduction of the latter Act.

18. The sanitary state of the large towns in the Mofussil had long been a matter calling for attention, and, in 1865, an Act was passed which has since been superseded by the present Provincial Municipal Act (III. of 1871). The people are gradually becoming reconciled to the new taxation, and much improvement has undoubtedly been effected in the state of the towns. The tax on trades and professions has been somewhat unpopular owing to difficulties in the way of its administration and to its falling heavily on those who have also to pay income tax, but the objection to it will probably wear off in course of time, as those whom it affects can usually well afford to pay it.

(A true copy.)

(signed) *D. Barbour,*
Officiating Under Secretary to the Government of India.

Appendix, No. 16.

PAPERS handed in by Mr. *Harrison.*

Appendix, No. 16. EXTRACT from "a BILL to Amend and Consolidate the LAW relating to MUNICIPALITIES," as passed in the Legislative Council of the Government of Bengal on the 27th July 1872.—(Referred to in Question 2014.)

PART 3.—MUNICIPAL TAXATION.

Power of the Commissioners to impose Taxes, Duties, and Tolls.

CHAPTER I.

Power to impose taxes.

38. IT shall be lawful for the commissioners of any municipality, at a meeting, to impose within the limits of such municipality any one or more of the following taxes, duties, and tolls, so far as the same are applicable therein, at such rate as the commissioners shall see fit, not exceeding the maximum hereinafter mentioned and prescribed. But no proceeding shall be taken in or towards levying any tax, duty, toll, or fee imposed by the commissioners under this part until the sanction of the Lieutenant Governor shall have been obtained.

On persons.

(*a*). In any municipality in which the hereinafter-mentioned tax on holdings has not been imposed, an annual tax on persons residing or owning property therein, according to the means and the property within the limits thereof of the persons liable to pay the same: Provided that no person who resides outside the limits thereof shall be assessed according to his means derivable from property outside the limits thereof, but only in regard to the property which he possesses therein.

On holdings.

(*b*). In any municipality in which the hereinbefore-mentioned tax on persons has not been imposed a tax on all holdings situated therein, not exceeding 7½ per cent. on the annual value, such annual value being not less than 6 rupees.

On carriages.

(*c*). In any municipality a tax on carriages and animals kept or used therein, and a fee on the registration of vehicles without springs.

On trades.

(*d*). In any municipality to which the hereinbefore-mentioned tax on persons has not been imposed, a tax on trades and callings carried on and exercised within the said limits.

On processions.

(*e*). In any municipality, a tax on processions conducted within the said limits.

On articles.

(*f*). In any municipality, duties on articles entering the limits thereof, or brought into markets within the said limits.

On ferries, &c.

(*g*). In any municipality, tolls on ferries within or adjacent to the limits thereof, and tolls on roads and navigable channels entering the said limits.

On boats moored.

(*h*). In any municipality, duties on boats moored within the limits thereof.

Total amount of taxation.

Provided that the total amount raised by taxation of all kinds in Howrah, and the suburbs of Calcutta, shall not exceed a sum equal to two rupees per head of the total population thereof; and save in such suburbs and Howrah, in a first-class municipality, shall not exceed a sum equal to one and a half rupee per head of the total population thereof; and in a second-class municipality shall not exceed a sum equal to 12 annas per head of the total population thereof; exclusive of the profits derivable from tolls on all ferries, roads, and channels which may have been made over to the Commissioners by the Lieutenant Governor, under sections 83, 96, and 108, and from duties on boats moored.

Appendix, No. 16.

COPY of SCHEDULE (D) appended to the Act, showing the Maximum Rates allowed to be levied under Clause (C) of the above Section.

TAX on CARRIAGES and ANIMALS.

	Per Quarter.	
	Rs.	*a.*
For every four-wheeled carriage on springs drawn by two horses -	4	8
For every four-wheeled carriage on springs drawn by one horse or a pair of ponies under 13 hands - - - - - - -	3	–
For every two-wheeled carriage on springs - - - - -	2	8
For every horse - - - - - - - - - -	2	–
For every pony under 13 hands, or mule, or donkey - - - -	–	12
For every elephant - - - - - - - - - -	6	–
For every camel - - - - - - - - - -	2	–
For every pair of bullocks - - - - - - -	1	–

Ponies under 11 hands, and children's carriages, the wheels of which do not exceed 24 inches in diameter, are exempted.

COPY of SCHEDULE (E), showing the Maximum Rates allowed to be Levied under Clause (D) of the above Section.

LICENSE on PROFESSIONS, TRADES, and CALLINGS.

	Yearly.
	Rs.
CLASS I.	
Every registered joint stock company - - - - - - - -	100
CLASS II.	
Every servant or agent employed by Government, not being engaged in military duty, or by any private person, whose annual salary or the annual emoluments of whose office may amount to 10,000 rupees -	32
Every merchant, banker, shroff banian, wholesale trader and commission agent, and every practising surgeon, physician, dentist, architect, civil engineer, barrister, attorney and pleader of the High Court - - -	
Every owner or farmer of a hath or bazaar - - - - - -	
Every owner of cotton, jute, hide or other screws, and every auctioneer -	
Every hotel keeper, boarding-house keeper, shop keeper, manufacturer, or trader, the annual letting value of whose shop or place of business is deemed to be more than 100 rupees a month. - - - - -	
CLASS III.	
Every servant or agent employed by Government, not being engaged in military duty, or by any private person, whose annual salary, or the annual emoluments of whose office may amount to 5,000 rupees - -	16
Every broker or dalal employed in the wholesale transfer or purchase of imports or exports, or in the sale of Government securities, shares, hoondies, and bills of exchange, or in procuring freight - - -	
Every practising licentiate of medicine, apothecary, and veterinary surgeon	
Every hotel keeper, boarding-house keeper, shop keeper, manufacturer, or trader, the annual letting value of whose shop or place of business is deemed to be more than 25 rupees, or less than 100 rupees a month -	16
Every pawnbroker and every person having a shop or place of business for any of the purposes described in Section 221 - - - - -	16
Every pleader, mokhtar, or law agent, not included in Class II. - -	
Every owner or farmer of a hath or bazaar - - - - - -	

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	Yearly.
	Rs.
Class IV.	
Every servant or agent employed by Government, not being engaged in military duty, or by any private person, whose annual salary or the annual emoluments of whose office may amount to 1,500 rupees - -	6
Every hotel keeper, boarding and lodging-house keeper, shop-keeper, manufacturer, or trader, whose shop or place of business is kept in a brick house, but not included in Class II. or Class III. - - - -	
Every keeper of a permanent stall at a daily public market, or in a chouk	
Every podar or money changer - - - - - - - - -	
Every Hakim, Kabiraj, and native doctor, not included in any other class -	
Class V.	
Every keeper of a shop not included in any other class, and every dalal not included in Class III. - - - - - - - - - -	3
Every pedlar, hawker, box wallah, and keeper of a shop at a periodical market or hath - - - - - - - - - - - -	
Class VI.	
All other itinerant dealers and keepers of stalls at periodical markets or haths - - - - - - - - - - - - -	1

Note.—A person who carries on several kinds of business, and may come under more than one of the designations in this schedule, shall be chargeable only under one of such designations at the discretion of the chairman, or of the sub-committee, as the case may be; and in the case of a firm consisting of two or more persons, payment by any one of such persons shall be considered to be payment by the firm.

(signed) *Edward F. Harrison.*

(Documents referred to in Questions Nos. 4369 and 5238 of Session 1872.)

(No. 21 of 1872.—Financial Department.)

To Her Majesty's Principal Secretary of State for India in Council, London.

My Lord Duke, Bombay Castle, 20 September 1872.

We have the honour, as desired in your Grace's Despatch (No. 123, Financial, dated 20th of June 1872), to forward a detailed statement* of expenses of the household of his Excellency the Governor of Bombay in 1856–57 compared with those in 1870–71, with explanations as to the large additional charge in the latter year.

2. Your Grace also asks for a statement of all charges incurred during a series of years (from 1856–57 to 1870–71) for marine tours of the Governor of Bombay, including the expense of the Governor's yacht. Our Accountant General, in paragraph 2 of his letter No. G-2105, dated 20th August 1872, writes that the only charges on account of his Excellency's marine tour distinctly shown in the accounts of this office, and in those submitted by the military secretary to his Excellency, are the payments of table money for accommodating his Excellency's suite. No expenses of this sort were incurred prior to 3rd of May 1869. The payments on this account are as follows:—

	Rs.
1868–69 - - - - -	3,813
1869–70 - - - - -	2,249
1870–71 - - - - -	2,441

3. Your Grace will learn from a perusal of the accompanying letter* from the superintendent of marine that the boat which has been erroneously supposed to be his Excellency the Governor's yacht, is really a despatch boat in Her Majesty's service; and that she is used in that capacity about Bombay, in the Persian Gulf, and Red Sea. She has, however, been used by the late Governor on his official visits to Sind, Kàtiawar, Kutch, and elsewhere.

4. The information called for in your last paragraph will require a little time to collect, and will be forwarded by us in a separate Despatch.

We have, &c.
(signed) *P. E. Wodehouse,*
H. P. St. G. Tucker,
A. Rogers.

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* Collection No. 1.

(No. 491 of 1872—Marine Department.) Appendix, No. 16.

To the Secretary to Government, Bombay.

Office of the Superintendent of Marine, Bombay,
28 August 1872.

Sir,

In reply to your telegram, dated Puna, August 24th, 1872, requesting to be informed how, when, and why the "May Frere" became the Governor's yacht, and was she not purchased as a despatch boat, I have the honour to state, it appears from Government Resolution, No. 766 of July 14th, 1863, and enclosure, the "Goolanar" was to be retained in the Marine as a despatch boat; also by Government Resolution, No. 580, May 28th, 1863, and enclosure, the "Goolanar" was available in the Marine as the Governor's yacht; by Government Resolution, No. 714, of October 9th, 1866, the "Margaret Crawford" (now "May Frere") was purchased as a despatch boat; by Government Resolution, No. 745 of December 11th, 1868, "May Frere" was substituted for the "Goolanar;" I am unaware of any specific order making the "May Frere" his Excellency the Governor's yacht, but conclude, she began to be called so, and considered as such, from the circumstance of her name having appeared, with the consent of his Excellency the late Governor, in the list of yachts of the Bombay Yacht Club, of which his Excellency was the patron, although she has been employed in and about Bombay, in the Persian Gulf and Red Sea, as a despatch vessel.

I have, &c.
(signed) *G. T. Robinson,*
Commander I. N., Superintendent of Marine.

DETAILED STATEMENT of EXPENSES of the HOUSEHOLD of His Excellency the GOVERNOR of BOMBAY in 1856–57, Compared with those in 1870–71, and Explaining fully the large Additional Charge in the latter Year.

PARTICULARS.	1856–57.	1870–71.	Increase.	EXPLANATIONS.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	
Salary of the private secretary	11,925 12 10	16,693 8 9	4,767 11 11	The salary in both years was 1,500 rupees per *mensem*. The decrease in 1856–57 was owing to the permanent incumbent being on leave, and deputation allowance being drawn by the party who acted for him.
Salary of the surgeon	5,739 – –	9,845 11 3	4,106 11 3	In 1856–57, the salary was 600 rupees per mensem, of which 121 rupees (being military net pay) was, under the system which then prevailed, debited in the military account as a military charge. In 1870–71 the salary had been increased to 1,000 rupees per mensem, *vide* General Order Government of India, No. 370, dated 4th April 1867, which applied to a large number of staff appointments at the several Presidencies, and placed the salaries on a uniform scale.
Salary of the apothecary	660 – –	1,920 – –	1,260 – –	Salary in 1856–57 at 55 rupees per month, and in 1870–71 at 160 rupees per month, including staff allowance and Presidency house-rent, under General Order No. 550, dated 5th June 1868, by the Government of India, which was of a similar nature to that quoted above in respect to its general application.
Assistant to the private secretary	2,400 – –	4,200 – –	1,800 – –	Salary in 1856–57 at 200 rupees per month, and 1870–71 at 350 rupees per month. Salary was increased from 200 rupees to 250 rupees by authority of the Bombay Government, in Letter No. 1533, dated 24th November 1862, to the address of the private secretary, and raised to 350 rupees per mensem by resolution of the Government of Bombay, No. 271, dated 21st March 1865; this latter increase was accorded in consideration of Mr. Myer's long service of 35 years in Government House.
Two clerks	1,667 2 –	1,777 3 11	110 1 11	Salary of one clerk was increased by 20 rupees per month, from June 1864, by authority of Sir Bartle Frere, in consequence of extra work performed when on tour, imposed on him by dispensing with the services of two conductors of the Ordnance Department, who formerly used to accompany His Excellency on tour.
Household establishment, including chobdars, jemadars, havildars, &c., of the Government House	21,616 12 4	21,102 10 10	– – –	This does not call for any remarks.
Garden establishment	– – –	15,960 – –	15,960 – –	This allowance, although granted under the head of garden establishment, includes the lighting (with the exception of gas) of Government House and sundry minor expenses connected with the establishment. The total amount originally allowed in Lord Clare's time was *Rs.* 876. 9. 11. per mensem; but this sum was latterly found to be totally inadequate for the purpose, owing to the great increase of late years in the price of oil, grain, grass, labour, &c., &c., and accordingly an additional monthly allowance of *Rs.* 453. 6. 1. was sanctioned under this head by the Government of India, on the 4th June 1867, *vide* their resolution, in the Financial Department, No. 527 of that date. This charge was defrayed by the Military Department up to 31st January 1862, after which date it was transferred to the Civil Department, Government Resolution, No. 624, dated 12th April 1862. There has been no increase since 1867.
Establishment and other expenses of the Governor's band	1,429 5 10	21,190 12 11	19,761 7 1	Up to a certain period the Governor held the office of commandant of the fort of Bombay, and the band was termed the garrison band, and then, that is, in 1856–57, only the cost of their conveyance was charged to the civil establishment of the Governor; subsequently, as was the case in 1870–71, the whole cost, including pay and clothing, was charged as a civil charge for the Governor's band. In July 1871 the Government of India directed the pay and cost of clothing to be paid as a military charge, and consequently the sum allowed on the civil budget for the current year amounts to 9,800 rupees only, and the whole cost, civil and military, will not exceed *Rs.* 18,848. 14. 11.
Barge establishment	1,698 – –	736 4 1	– – –	In 1870–71, this establishment was engaged as required.
Sumptuary allowance	5,500 – –	8,000 – –	2,500 – –	This allowance was raised from 5,500 rupees to 8,000 rupees a year, by resolution of the Government of India, received with memorandum from the secretary to the Government of India, No. 381, dated 8th January 1869. The same allowance is paid at Madras.
Official postage	– – –	411 11 4	411 11 4	The system of charging official postage in all Government offices was introduced under authority of the Government of India's Notification No. 567, dated Simla, 4th May 1866. Republished in "Bombay Government Gazette" for 1866, page 288.

Contingent Expenses:				
Compensation for dearness of grain to the chobdars, peons, &c.	-	5,645 9 9	5,645 9 9	New charge, and includes arrears of former years: grain was not dear in 1856-57. This compensation is not payable at present, but if the price of grain were again to rise to a certain point, the native members of the establishment, whose pay has not been revised, would be entitled to claim it.
Gas charges for lighting the Government House at Parel and Malabar Point	-	3,767 9 9	3,767 9 9	New charge: there were no gasworks in Bombay in 1856-57; the introduction of gas to Government House, Parel, was sanctioned by the Government of Bombay, in their Resolution, No. 706, dated 10th April 1866. In the budget for this year 7,200 rupees has been sanctioned for the cost of gas; but a proposal has been submitted to the Government of India for reducing that allowance to 3,000 rupees, and applying 2,000 rupees of the amount saved to other purposes.
Telegraph charges	-	4,799 10 -	4,799 10 -	In 1856-57 service messages were not required to be paid for in cash, hence no charge in that year. The cash payment of service messages was ordered by the Government of India. The expense is inevitable, and the money paid goes into the general revenue.
Purchase of stationery	-	694 14 3	694 14 3	The charge in 1870-71 was for stationery, specially ordered out from England in that year, for the use of his Excellency the Governor; no such supply was made in 1856-57. It appears that since Sir George Clerk's time it has been customary to enter 500 rupees (which was latterly increased to 800 rupees) in the annual budget estimate under this head.
Cost of furniture supplied to the new Government House, Guneshkhind	-	59,066 7 -	59,066 7 -	This charge was sanctioned by the Government of India, in their letter to the address of the chief secretary to the Government of Bombay, No. 1986, dated 26th February 1867.
Charges for repairing and replacing furniture of the *Government Houses*, including hire of furniture on the occasions of entertainments	16,494 8 2	21,105 15 7	7,611 7 5	The sum of 3,277 rupees was expended during His Royal Highness the Duke of Edinburgh's visit to Bombay in 1870-71. If that amount be deducted from *Rs.* 24,105. 15. 7., the total increase in expenditure under this head over that of 1856-57 will be found to be only *Rs.* 4,334. 7. 5., of which 2,050 rupees were paid for new carpets, and 1,541 rupees for re-lining and covering the drawing-room furniture at Parel—an unusual outlay—so that, in point of fact, the ordinary expenditure under this head in 1870-71 only exceeded the expenditure of 1856-57 by *Rs.* 743. 7. 5. The furniture of the Government House at Bombay is insufficient to provide for the reception of persons of distinction with their suites.
Clothing to chobdars, peons, &c.	2,208 - -	1,829 - -	- - -	This requires no remark.
Clothing to the men of the Governor's band	- - -	1,019 12 -	1,019 12 -	Answered above.
Office contingencies of the Private Secretary	1,268 7 7	685 - -	- - -	Contingent charges, such as bookbinding, &c., &c.
Charges incurred in the Military Department:				
Repairs to flags, carpets, tents, &c., including coolie hire, packing charges	-	2,223 2 9	2,223 2 9	With reference to these charges the Accountant General reports—"In 1856-57, these charges were incurred in the Military Department, not adjusted, as at present, in the actual civil accounts of the year: they were, under the system then observed, brought to account in the books, after the actual accounts of the year were closed and submitted to Government." These charges will be greatly reduced in future; and it may be added, in conclusion, that correspondence is now passing with the Government of India, with a view to the assignment, as proposed by them, of one round sum to cover all the household expenses of the Governor
Cost of fire engines	-	1,362 - -	1,362 - -	
Value of tents, carpets, &c., supplied	-	2,081 12 1	2,081 12 1	
Value of carts supplied for sick persons	-	4,444 - -	4,444 - -	
Value of flags, hoes, axes, and other sundries	-	604 7 1	604 7 1	
Value of plain paulins supplied	-	1,205 11 4	1,205 11 4	
Value of medicine, &c., supplied	-	1,021 5 6	1,021 5 6	
Charges incurred in the Marine Department:				
Provisions to the crews of the Governor's barge	-	171 1 9	171 1 9	
TOTAL *Rs.*	72,607 - 9	2,16,565 5 11	1,46,396 10 2	

E. W. Ravenscroft,
Acting Chief Secretary to Government.

Appendix, No. 17.

Appendix, No. 17.

PAPERS handed in by Mr. *Nowrozjee Furdoonjee.*

(A.)

MUNICIPAL RATES and TAXES imposed in the CITY of BOMBAY under BOMBAY ACTS II., of 1865, I. of 1867, IV. of 1869, and III. of 1872.

	Under Act II. of 1865.	Under Act III. of 1872.
Owners' and Occupiers' Rates:		
House rate	6 to 10 per cent. on assessed rental.	4 to 7 per cent.
Police rate	2 to 3 per cent.	2 to 3 per cent.
Lighting rate	2 per cent.	2 per cent.
Hulalkhore (sewage) cess	3 per cent.	3 per cent.
Water rate on 100 rupees of monthly rental, 5 per cent.; on 200 rupees of rental, 2½ per cent.	5 to 2½ per cent.	5 to 2½ per cent.
TOTAL	15½ per cent. min. 23 per cent. max.	13½ per cent. min. 20 per cent. max.
Tobacco duty and licenses under Act IV. of 1857, at 7½ rupees per maund, and license fee 1 rupee per year, yielding about 1,45,00 rupees per year.		
Town Duties:	Under Act IV. of 1869.	
Grain of sorts, per candy	4 annas	4 annas.
Metals, except gold, silver, iron, steel, per cent.	½ per cent.	1 per cent.
Wines and spirits per gallon	2 annas	4 annas.
Beer per gallon	½ anna	½ anna.
Sugar, including molasses, jugry and goor	1 per cent. on tariff value.	1½ per cent.
Ghee (clarified butter) per maund	6 annas	10 annas.
Timber, excluding railway sleepers	2½ per cent. on market value.	2½ per cent.
Horse and Wheel Tax:	Under Act. II. of 1865.	
On every four-wheel carriage on springs	6 rupees per quarter	6 rupees per quarter.
„ two-wheel „ „	4 rupees „	4 rupees „
„ native bullock hackney	4 rupees „	7½ rupees „
„ labour cart	3 rupees „	4½ rupees „
„ horse, pony, or mule	7½ rupees „	7½ rupees „
„ pony or mule under 12 hands		3¾ rupees „
„ labour cart entering the city from Salsette, each time.		2 annas.

Market Fees at different rates, yielding about 2 lacs rupees per annum.

A License Tax on Professions, Trades, and Callings on the following scale:—

Class I.	200 rupees to 350 rupees a year.
Class II.	50 „
Class III.	25 „
Class IV.	12 „

This license tax was abolished in 1869.

Fees on distraints, 10 per cent. above 100 rupees, and lower rates under that amount.

A supplementary rate leviable to meet excess of expenditure over income in a given year, and a tax on every fire insurance company from 500 rupees to 1,000 rupees, levied under Act III. of 1872.

Rates Charged on Account of Liquor License under Act. IX. of 1867:

Wholesale liquor shops, each per year	25 rupees.
Retail beer and porter shops	25 „
Hotels, each from	200 rupees to 400 „
Retail liquor license, each from	250 „ to 850 „
Refreshment rooms, from	250 „ to 300 „
Taverns, each from	300 „ to 350 „
Toddy shops, each from	75 „ to 100 „

(B.)

THE PRODUCE of MUNICIPAL RATES and TAXES in the BOMBAY PRESIDENCY, in 1856–57 and 1870–71.

	In 1856–57.	Estimate in 1870–71.
	Rs.	*Rs.*
City of Bombay	15,09,839	28,71,160
Surat District	27,984	5,25,784
Ahmednugger	6,049	54,238
Hydrabad	19,792	1,12,096
Khandeish	583	55,503
Tanna	804	92,359
Shikarpoor	37,696	1,89,708
Kurrachee	50,741	2,64,445
Kaira	839	12,301
Sattara	25,581	76,131
Kulladghee	1,637	30,258
Ahmedabad	- -	1,85,354
Belgaum	4,026	29,536
Sholapore	21,673	1,21,246
Nassik	- -	58,329
Canara	- -	38,905
Broach	9,956	59,311
Dharwar	9,474	49,208
Poona	235	1,64,904
Aden	5,061	21,229
TOTAL *Rs.*	17,31,975	50,42,005

In Sukker town duties are levied at different rates on no less than 49 different articles; 158 articles in Kurrachee, and in Shikarpoor on 32 different articles of consumption, trade, and merchandize, besides a very heavy wheel-tax and tolls.

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(C.)

LIST of important PUBLIC WORKS constructed by NATIVES.

1. THE Bombay Mechanics' Institute, Goculdass Tejpall Hospital, the Post Office, the New Telegraph Office, and Apollo Bay Reclamation at Bombay, constructed by Mr. Muncherjee Cowasjee Merzban, assistant engineer, 3rd grade.

2. The New University Buildings, the Eye Hospital, the Rustomjee Jamsetjee J. Dharumsala, the Elphinstone College, the New Secretariate, the Public Works Offices, and the New Sailors' Home, built by Messrs. Wassoodew Bapoo and Mucoond Ramchunder, assistant engineers, 2nd grade.

3. The Masonry Fitzgerald Bridge, over the Moota Moola, constructed by Mr. Laloobhoy Keshowlall, assistant engineer.

4. The Civil Engineering College, and Saint Paul's Church, Poona, and the Barracks, Church and Powder Magazine at Kirkee, constructed by Mr. Muncherjee Dorabjee, supervisor.

5. The Ammunition Factory at Kirkee, constructed by Mr. Dorabjee Hormasjee, supervisor, 1st grade.

6. The Sea Wall, at Carnac Bunder, Bombay, built by Mr. Ruttonjie Dhunjeebhoy, supervisor.

7. The Council Hall, Poona, re-built by Mr. Ballajee Narayen, overseer, 1st grade.

8. The extension of the Apollo Pier, by Mr. Dadoba Pandoorung, overseer.

The designs of several of these works were prepared by the Native assistants and subordinates under the superintendence of the executive engineer.

9. A bhundara, or dam, built across a small river at Narayen Gaum, on the road from Poona to Nassik, to supply water for irrigation. It was constructed under the former Government more than a century ago. It is about two or three hundred feet long, and has stood up to the present time without much repair.

10. The large masonry bridge over the river Moola, near Kirkee, called the Holkars bridge, was built by the Maharattas about 70 years ago, and is still in good order.

The following bridges have been constructed by Native foremen, on the road between Patus and Indapoor, in the Deccan, under the occasional supervision of European officers. They show the practical knowledge of the Natives:—

11. A bridge of 180 feet length, near Koombhargaon, having three arches each of 60 feet span, built by Bundoo Oonala, foreman.

12. Ten bridges of smaller spans built by Succuram Manajee.

13. A large skew bridge on the road to Katrej, near Poona, built by Succaram Janojee, foreman, under the supervision of Colonel Wilkins, executive engineer.

14. The same foreman has built a handsome villa for the late Rustomjee Jamsetjee Jeejebhoy, at Poona, costing more than five lacs.

15. The Victoria and Albert Museum, commenced by the contractor, Mr. Johnstone, under the superintendence of Messrs. Scott & McCleland & Co., civil engineers, in 1869, and was nearly completed except the roofing. The funds at the disposal of the managing committee (about 1½ lacs) having been exhausted, they were obliged to apply to Government for assistance. Eventually Government took charge of the work, and undertook to complete the building, which was accordingly made over to the Public Works Department. On examining the structure it was found that the east and west main walls were leaning inside out of plumb 15 inches and 8 inches respectively. The former had been propped up by a large wooden support to prevent it from falling down. The walls, having been examined by a Committee, were condemned and pulled down, and the edifice was commenced *de novo*; the walls were rebuilt by the Government Executive Architectural Engineer, at a cost of 42,000 rupees. The bad stones had to be replaced, at a further cost of 5,500 rupees. The Museum was built by Mr. Muccoond Ramchunder, assistant to the executive engineer, under the supervision of that officer. Messrs. Scott McCleland estimated the cost of painting, gilding, and decorating interior of the building at 45,000 rupees; but the work was done most creditably by Mr. Muccoond and Native artists, at a cost of 9,570 rupees only.

16. The

16. The Sassoon Synagogue at Poona, constructed by Mr. Nundram Maistee.

17. The French Bank, at Bombay, by a Native architect, Mr. Bazonjee Muncherjee.

18. The Jamsetjee Jeejebhoy Institute, at Bombay, designed and constructed by Mr. Dinshaw Dorabjee Maistree.

19. Waterworks, masonry dam, and aqueducts, constructed by Natives at Aurungabad, Ahmednugger, and at Katruj, near Poona, under the former Native Government, displaying great engineering skill. These works, though 150 years old, are still in good working order.

(D.)

To His Excellency the Right Honourable Sir *W. R. Seymour Vesey Fitzgerald*,
Governor and President in Council, Bombay.

Right Honourable Sir,

We, the undersigned uncovenanted native officers of the upper subordinate branch of the Public Works Department of the Bombay Presidency, beg leave most respectfully to submit this Memorial for your Excellency's kind consideration which we are encouraged to hope for, from your Excellency's well-known reputation for justice; and before proceeding to the subject of our memorial, we desire to express our grateful appreciation of the many privileges which we have received from time to time from the Government of this Presidency.

2. We need hardly premise, that the appointments in the Public Works Department constitute a portion of what is called the "Uncovenanted Civil Service of India," and that they are open to all persons qualified to hold them by merit, ability and good character, irrespective of all other considerations.

3. The Public Works Department is divided into three branches, viz.:—The engineering, the upper subordinate, and the lower subordinate, and the object of our present memorial is to represent the grievances of the second or upper subordinate establishment.

4. In the first place we have to represent that the promotions among the native members of the upper subordinate establishment are slow and uncertain. An upper subordinate officer on his first admission into the department is posted as an overseer of the 3rd grade on a salary of 60 rupees per mensem. In this grade he has to remain on an average for a period of two years or more, when he is promoted to the 2nd grade on a salary of 80 rupees per month. In this latter grade he has to serve for about five years, so that about seven years after his admission into the department he acquires the position of an overseer of the first grade on a salary of 100 rupees per mensem.

5. In this last grade he has to remain for about eight years, before he has any chance of promotion to the next higher grade.

6. In short, a subordinate officer is required to serve for more than 15 years in the department before he can aspire to the place of supervisor 2nd grade on a salary of 150 rupees per month.

7. We beg humbly to submit that 15 years of actual hard service is a very long trial of patience before attaining this promotion. In no other department of the native uncovenanted service is such a long term of service required to earn such a small promotion. This exceptional state of things, we submit, is due to two causes:

1st. Because upper subordinate officers are excluded from all chances of entering into the next higher, or engineering branch.

2nd. Because an undue proportion of European and Native subordinates in the service have been fixed.

8. In theory, the natives of this country are eligible for all the appointments in the engineering branch of the service, but in practice, with the exception of only five, to whom we shall presently refer, all the appointments are held by Europeans.

9. We would respectfully point out that in the upper subordinate branch of the Public Works Department, under the immediate control of the Government of India, this distinction is not observed, and that, as a consequence, promotions are more rapid there than they are in this Presidency, owing, we believe, to a large number of native subordinates being promoted, from time to time, to posts in the engineering branch. As an instance of this, we beg leave to state that Mr. Eknath Ramchunder, who appears as an overseer of the first grade on the upper subordinate list of this Presidency, and who was

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transferred (when serving at Mhow) to the Bengal Presidency when the Mhow Division was attached to that Presidency in 1864, was, soon after his transfer, promoted from an overseer of the first grade, and is now a sub-engineer, on a salary of 250 rupees, while 21 overseers, 19 second grade supervisors, and 12 first grade supervisors, of this Presidency, all his seniors, are still drawing salaries of 100, 150, and 200 rupees per mensem respectively.

10. In the Public Works Department, under the Government of India, there are no less than 44 natives in the engineering branch, of whom only two have obtained the degree of L.C.E. in the Bengal University, whereas in this Presidency there is only one native executive engineer, and since the last year four young men from the Poona Engineering College, who have taken the degree of L.C.E., have been appointed assistant engineers, making a total of five natives in that branch.

11. Under the Government of India the proportion of native engineers to native subordinates is two to nine, there being 44 native officers in the engineering branch against 198 in the upper subordinate grades, whereas in this Presidency it is 1 to 27, or exactly one-sixth, *i. e.*, five native engineers against 135 native subordinates.

12. It is needless for us to observe that the education and professional ability of the members of the upper subordinate branch of the Public Works Department of this Presidency are by no means inferior to those of the subordinates under the Government of India, a fact to the truth of which the official reports of several executive and superintending engineers of this Presidency bear ample testimony.

13. We respectfully venture to state that several of the native upper subordinate officers in the service are in every way capable of holding higher and more responsible appointments in the engineering branch. Many officers of known ability and reputation have frequently advocated the justice and desirability of elevating them to the higher posts of that branch. Some of them have passed the prescribed examination laid down in the Public Works Code, c. VI. p. 15, for the appointment of candidates to the grades of assistant engineers in this department; and others there are who are willing and prepared to pass that examination, if assured that their success at such examinations will entitle them to hold appointments in the engineering branch.

14. It may be argued that a mere theoretical examination is not an infallible test, but we beg most respectfully to point out that many of those who now form the upper subordinate branch of the service have been actually employed for many years together upon the various engineering works, which have often been entrusted to their sole care and discretion by their superior officers, in consideration of their professional ability, integrity, and long experience, qualifications which, we submit, entitle them to aspire to a higher position than that of a subordinate life.

15. It is a fact well known to your Excellency's Government, that the few native subordinates who have hitherto been appointed to posts in the engineering branch have performed their duties to the entire satisfaction of their superior officers.

16. The native subordinates of the Public Works Department find the hardship of their lot, arising from this practically complete exclusion from all chances of entering the engineering branch, greatly aggravated of late by the preference given to outsiders, such as the newly-passed L.C.E.s from the Engineering College, and other young and inexperienced persons, previously not in the department. If the few vacancies that from time to time occur in the engineering branch are allowed to be exclusively supplied from these sources, the tried and experienced servants of Government (who have a prior claim to these appointments to all others, with the exception of military officers, *vide* Art. 3, c. VI., p. 15 of the Bombay Public Works Code), whose lot has placed them in the position of subordinate officers, will not only have no advancement to look to, but be often placed under the orders of their professional inferiors.

17. In Bengal, out of the 44 native assistant and executive engineers, there are only two who hold diplomas of L.C.E. from one of the universities, whilst other L.C.E.s, we observe, were appointed to the rank of overseers in the upper subordinate branch.

18. It hardly requires to be pointed out that the existing system, by checking the legitimate ambition of your Memorialists, takes away the best incentive to exertion, and is ultimately seriously detrimental to the interests of the department itself.

19. This practical closing of the Engineering Service is the first grievance we have to represent. We trust no special reason exists why a different rule should prevail here from what has been found to work so well in the Public Works Department Service, directly under the Government of India, and we feel sure that this difference in the dispensation of patronage will cease, and open, for a larger number among us who may deserve it, a regular entrance in the Engineering Service.

20. We next respectfully solicit your Excellency's attention to the circumstance which constitutes the second grievance of the service to which your Memorialists belong, and that is the recent ruling of Government, *vide* Government Resolution, No. $\frac{631}{2130}$ E, dated 13th

13th October 1865, authorising a fixed proportion of Natives and Europeans in the Upper Subordinate Establishment. The respective numbers, as fixed by the Resolution referred to, form the following table:— Appendix, No. 17.

Sanctioned Scale.	Salary.	Proportion.		Total.	Proportion of European to Native.	
		Europeans.	Natives.		E.	N.
Sub-Engineer, 1st Grade - - -	400	4	3	7	1 to	0·8
Ditto - 2nd Grade - - -	300	3	4	7	1	1·3
Ditto - 3rd Grade - - -	250	7	7	14	1	1·0
Supervisor - 1st Grade - - -	200	9	12	21	1	1·3
Ditto - 2nd Grade - - -	150	15	19	34	1	1·3
Overseer - 1st Grade - - -	100	28	54	82	1	1·9
Ditto - 2nd Grade - - -	80	10	18	28	1	1·8
Ditto - 3rd Grade - - -	60	9	18	27	1	2·0
TOTAL - - -	-	85	135	220	Average 1	Proportion 1·6

21. It will be perceived from the above table that among 85 Europeans and 135 Natives 14 of the highest and best paid appointments are conferred on Europeans and 14 upon Natives, and in the same manner out of 55 appointments of supervisors, 24 are held by Europeans and 31 by Natives. Now, we humbly beg that this limitation of numbers acts most detrimentally towards the Natives. As a rule, Native subordinates cannot enter the engineering branch, and out of the higher grades of the subordinate service which is open to them, a disproportionately large number of appointments have been reserved for Europeans, which is doubly injurious to the former. Considering the numerical majority of the Native *employés*, your Memorialists respectfully submit that the most equitable proportion that the Natives should bear to Europeans, instead of being different for each grade as at present (shown in the last column of the above table), would appear to be a uniform one of one European to 1·6 Natives.

22. Moreover, we beg to state, that not only are European subordinates often promoted over the heads of their Native co-employés, equally meritorious, if not sometimes more deserving, but the European on entering the service is enlisted at once as overseer, first grade (and is thus placed on the same footing as a Native of 8 or 10 years' standing), while, in the case of a Native, he has to rise from the lowest grade, *i.e.* overseer, third grade.

23. That European subordinates are placed over the heads of more qualified Natives, will be apparent from the following extract from Government Resolution, No. 25 E., of 15th January 1868:—

> Para. 9. "There is no grievance, therefore, in Sergeant Ward's case; on the contrary he, after seven years' service, stands in the same position as, and may perhaps be promoted before, Mr. Gungadhur Venayek, who has 12 years' service, and has passed the examination for assistant engineer," &c.

24. Many other instances can be quoted in which Europeans have been promoted to the higher appointments over the heads of their equally qualified Native colleagues, notwithstanding the greater length of the service of the latter in the department.

25. This unequal dispensation of the patronage of Government by which the interests of the Natives materially suffer is owing, we beg respectfully to point out, to the unequitable proportion of Native and Europeon subordinates as fixed by the Resolution above alluded to.

26. As far as we are aware there is no reason for making such a distinction between the two races; both should start with equal chances, and both should equally be favoured. No such distinction exists, we believe, in the Public Works Department under the Government of India, nor did it exist in this Presidency before the date of the Resolution above referred to. If the distinction is to be kept up, we trust your Excellency in Council will kindly take measures to increase the numerical ratio of the Native members of the service, as is but just under the circumstances of the case.

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27. In conclusion, we beg most respectfully and humbly to leave this Memorial in your Excellency's hands, being fully assured that if we have succeeded in pointing out any real grievances they will receive a calm and judicious consideration.

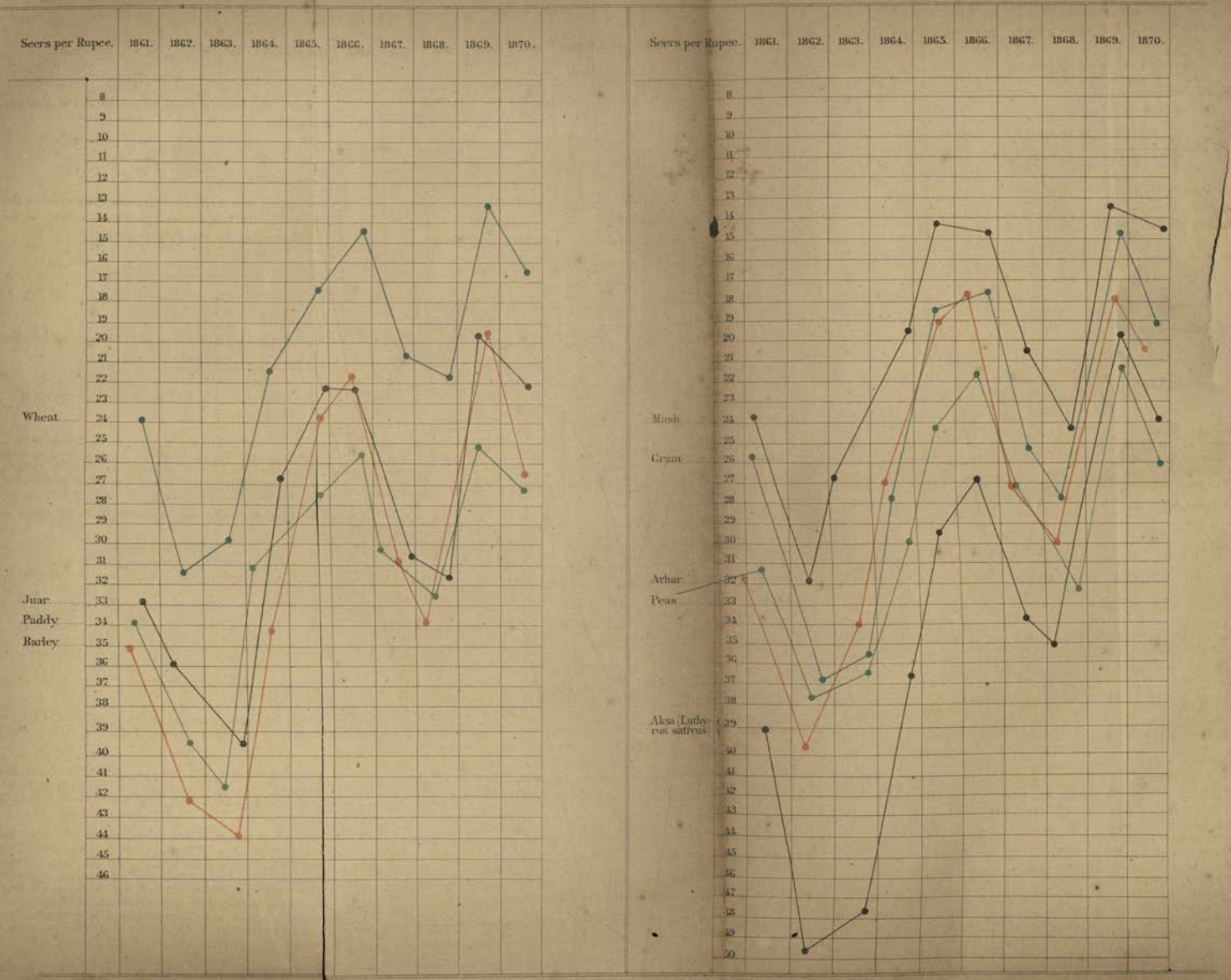
28. By removing the great barriers we have complained of, your Excellency in Council will not only remove the grievances of the Upper Subordinate Establishment, but will improve the efficiency of the service, and encourage a spirit of noble emulation in the Native members of the department by the knowledge that perseverance, integrity, and professional skill will not fail to meet with such promotion at the hands of a Government which cherishes these qualities in its servants, and holds out before their ambition the highest places in the service.

29. If your Excellency is moved to show such kind consideration to the just claims of your memorialists, your memorialists, as in duty bound, will ever pray.

We remain, &c.

August 1870.

RISE AND FALL OF THE RATES OF THE PRINCIPAL ARTICLES OF PRODUCE IN OUDH, FROM 1861 TO 1870.



Appendix, No. 18.

Diagram showing the Rise and Fall of the Rates of the principal Articles of Produce in *Oudh*, from 1861 to 1870.—(*See* opposite.)

STATEMENT showing the Prices of AGRICULTURAL PRODUCE and PROVISIONS in the Province of *Oudh*, from the Year 1861 to 1870, in continuation of those furnished to the Select Committee on East India Finance, on the 21st February 1873.

(No. 5 of 1873.)

Government of India.—Department of Revenue, Agriculture, and Commerce.—Statistics.

To His Grace the Right Hon. the Duke of *Argyll*, K.T., Her Majesty's Secretary of State for India.

My Lord Duke, Simla, 1 May 1873.

IN continuation of our Financial Despatch, No. 16, dated 3rd January 1873, we have the honour to forward copy of a letter from the Chief Commissioner of Oudh, No. 202, dated 21st idem, together with a statement showing the prices of agricultural produce and provisions in that province from the year 1861 to 1870.

Similar statements from the Provinces of Bengal and the North-West will follow on receipt.

We have, &c.
(signed) *Northbrook.*
Napier of Magdala.
R. Temple.
B. H. Ellis.
H. W. Norman.
A. Hobhouse.
E. C. Bayley.

From Captain *N. M. T. Horsford,* Officiating Personal Assistant to the Chief Commissioner, Oudh, to the Secretary to the Government of India (No. 202); dated Lucknow, 21 January 1873.

IN compliance with the Government Resolution, No. 1004, dated 10th June 1871, and your letter, No. 2-45, dated 31st January 1872, I am directed to submit the statement therein called for, showing the prices of agricultural produce and provisions in Oudh from 1861 to 1870.

2. The preparation of this return has been attended with exceptional difficulty. No official price-currents were prepared in the province till 1868, and many of the articles, the prices of which have been called for, have no place in the returns which have been compiled since that year. The discrepancies in the district statements required repeated return for further inquiry and explanation. Many mistakes were discovered, but there remain differences of price in adjoining districts of which the explanation is difficult. There are, however, marked differences in the prices even now ruling in various districts of the province, and it is more than probable that, in the earlier part of the decade, with deficient means of communication, these differences were really greater.

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3. The returns now submitted are not after all, the Chief Commissioner fears, more than approximately accurate, but he believes they give fairly correct evidence of the state of prices in the years ending in 1870. The rise and fall of the rates of the principal articles of produce has been shown in a diagram attached to this letter. There was a general fall of prices at the commencement of the decade, but they rapidly rose in all descriptions of produce, culminating in 1866. They again fell in 1867-68, but never reached the level of 1861. In 1869 they suddenly rose to a still higher point than in 1866, and only slightly retrograded in 1870. The tendency of prices in the decade has, therefore, been materially upward. The prices of the last two years of the decade were perhaps exceptional, but taking in each of the items of produce referred to in the diagram, even the average of the 10 years' prices, that average was in excess of the price prevailing in 1861 in the case of—

Paddy	8 per cent.	Arhar	19 per cent.
Wheat	11 „	Mash	18 „
Barley	12 „	Aksa	13 „
Juar	17 „	Peas	10 „
Gram	3 „		

general average 12 per cent.

Whether this tendency may be expected to continue is a question which requires further materials for a judgment than the simple history of prices for a single decade.

STATEMENT showing the Comparative Prices of AGRICULTURAL PRODUCE and PROVISIONS in the Province of *Oudh* during the Years 1861 to 1870.

DESCRIPTION OF PRODUCE.	Pratábgarh.	Rai Bareli.	Sultanpur.	Faizabad.	Barabanki.	Lucknow.	Unao.	Hardui.	Sitapur.	Kheri.	Bharaich.	Gonda.	Average.
1861:													
Paddy	24½	34	39	37¾	37¾	26½	25½	28½	34	32¾	41	53¼	34¼
Common rice (husked)	20	19½	21¼	16	15	16¼	13½	14¾	23	15¾	19½	27	18½
Best rice (husked)	12	14½	14	11½	·7	12¼	10	11	9	9	16	16½	11¾
Wheat	21⅝	22½	28½	25	23¾	20½	17	24¾	23	21½	26¾	34½	24⅛
Barley	41	28¼	35½	34	30½	30¾	22	28	34½	27	45¼	58½	34½
Bajra	24	25¼	28½	26¾	21¼	25½	21½	26½	27	38¾	–	29¾	26¾
Juár	36¼	27¼	32	32	31¼	25	19½	27	38½	30	45½	59	33½
Gram	19¾	21⅛	32	24½	27¾	18¾	18	26¾	25	21	28½	45¾	25¾
Arhar, Cajanus Indicus	23¾	32	35½	24¾	34½	28½	36	24½	24½	26½	39½	47	31⅛
Urd or Mash, Phaseolus radiatus	21½	27¼	28½	20½	28⅛	23¾	13	24	25	17¼	29½	30¼	24
Mothi, Phaseolus aconitifolius	33	25⅛	32	26¾	22⅛	23	19	25½	26	24	30½	35½	26¾
Múng, Phaseolus mungo	21¼	16¾	26½	15¾	22⅜	20¼	14½	45¼	16	17	23½	19½	21½
Masur, Ervum lens	24	14	33½	27	26	27¾	14	26½	26½	34¾	38½	48¾	28½
Aksa or Muttaru, Lathyrus sativus	–	29¼	40	–	38¾	26¼	–	49	–	25	36	63⅓	38½
Common peas, Pisum sativum	25	–	35½	36⅛	30½	27	25	28½	–	24	–	52½	31½
Potatoes, Solanum tuberosum	18	16½	35½	17¼	25¼	28¾	18½	28½	17	40	27½	45¼	26¼
Ghuian, Colocasia antiquorum	30	37¼	40	32	41	26¾	45	38¾	18	40	35⅜	64	37⅛
Sarson, Sinapis Dichotoma (glauca)	22	46½	16	14½	16½	15¾	18	14¼	16	18	16¾	20⅜	19½
Lahi, Sinapis nigra	–	–	20	15¾	17½	19½	21	16½	–	17	20¾	16¾	18¼
Cleaned cotton	2½	–	1⅛	2¼	2⅛	1½	1	2½	1	2	2	1¼	1⅜
Indigo manufactured (medium quality)	–	–	¼	¼	–	–	–	–	–	–	–	–	¼
Indigo (fresh plant)	2B.	–	–	–	–	–	–	–	–	–	–	–	2B.
Sugar-cane	4B.	5B.	3	–	–	3B.	–	–	–	or 4 B. No. 200	4B	–	3⅝B.
Sugar (raw)	6¾	12	5	6¾	3¼	3¾	3	3½	4	3¾	3	5	4¾
Sugar (refined)	6	3¾	4	3¾	3½	3¼	2	2½	3	3	2¾	4¼	3½
Salt	6½	6¼	9	6½	6	4¾	6	5¾	8	6¼	5	6¼	6¼
Ghee	1½	1¾	1¾	1⅛	1½	1½	1	1⅜	2	1½	1¾	3	1¾
Milk	16	–	14	14½	14½	14½	14	16	16	17¼	19	22½	16¼
Tobacco	9	9¼	4	7½	3⅜	3½	3	5½	4	4¾	4	8½	5½
Spirit (25° below proof)	4B.	3½	3	–	2½	2⅓	3	–	3	4¼	2	3⅛	3
Raw materials from which spirits are made, viz.:													
Mowha	80	82	70	40	16	27¾	–	39½	–	–	20	69½	49⅓
Gur	–	–	–	–	–	–	10½	–	–	–	12	–	11¼
Shira	–	–	22	–	–	–	22	–	–	80	–	–	41⅓
Fire-wood	173.	186½	160	122	112	86½	125	375½	160	208¾	248½	230	182¾
Wages of unskilled labour, annas	1½	2	2	2	2	2	1¾	1¾	2	1½	2	1½	0-1-10
1862:													
Paddy	24½	37¾	37½	40¾	34	32¾	36½	34½	49	48	53½	42	39¼
Common rice (husked	19	–	21¼	20	14¾	18½	17½	15½	18	21½	22	31	19
Best rice (husked)	10	–	14	12½	7	12¾	13	10	10	8¼	16¼	16½	11⅜
Wheat	21½	30½	28½	28⅜	31¾	28¾	31½	26⅛	39½	29¾	42¼	38½	31½
Barley	31⅛	39	35½	40¼	19¾	31¼	43	33½	53	53¾	59¾	61	41¾
Bajra	27½	28	28½	19½	20¾	38¼	39	35¼	43	40¼	–	29	31⅝
Juár	39	43¾	32	35¾	36	34½	34½	34½	44	40¼	38¼	59½	36
Gram	22¼	–	32	31½	35½	33¼	30	36	48½	43	44½	51	37
Arhar, Cajanus Indicus	24¼	–	35½	29¾	43	37⅛	43	30½	47	48	44	49¾	39¼
Urd or Mash, Phaseolus radiatus	23¼	–	30	26¼	31	30	26	29⅜	44½	36	36½	32	31¾
Mothi, Phaseolus aconitifolius	27	37	32	30	18½	30	29½	34¾	38½	48½	43¾	37½	33¾
Múng, Phaseolus mungo	22	23¼	28½	19½	24	23	23½	24¾	29½	33	26¼	22	24¾
Masur, Ervum lens	16¾	18½	35½	26¾	30	36½	21	30¾	37½	35	56½	52½	33
Aksa or Muttaru, Lathyrus sativus	–	–	40	–	38¾	38½	–	53¼	–	46	58½	75	50
Common peas, Pisum sativum	20	–	35½	42	36½	34⅜	39	33	–	45	–	52⅛	37½
Potatoes, Solanum tuberosum	21	23¼	33¾	16¼	30½	28¾	25	31	57	36	30	45¼	31½
Ghuian, Colocasia antiquorum	40	–	48	29	28	29⅜	45	37½	86	60	48½	63½	46¾
Sarson, Sinapis Dichotoma (glauca)	23	–	16	12	20½	16½	16	16½	15½	21	16¾	20	17½
Lahi, Sinapis nigra	–	–	20	14	15¾	19½	20	18¼	–	18	18	17¾	17⅜
Cleaned cotton	2¼	–	1	2½	2	1	1	2½	1	1½	1½	1¼	1½
Indigo manufactured (medium quality)	–	–	½	¼	–	–	–	–	–	–	–	–	¼
Indigo (fresh plant)	2B.	–	–	–	–	–	–	–	–	–	–	–	2B.
Sugar-cane	4	5B.	3	–	–	3B.	–	–	–	or 4 B. No. 200	4	–	3⅝B.
Sugar (raw)	7	10½	5	7¼	4	4	3	3¼	5	3½	2¾	4¾	5
Sugar (refined)	6	3	4	4	3½	2¾	2½	2¾	4	3	2½	4¾	3½
Salt	6½	–	9	6½	6	5½	6	5¾	8	6¾	4¾	6¼	6¼
Ghee	1½	2	1⅜	1⅜	1½	1½	1	1½	2	1½	1¾	2¾	1½
Milk	16	–	14	14½	14½	14½	14	19	16	17¼	18¼	22½	16½
Tobacco	9¼	9¼	4	8¼	3½	3	3	5¾	4	4½	4½	8½	5½
Spirit (25° below proof)	4B.	3¼	3	–	2½	2⅓	3B	–	3B.	2⅔	2	2¾	2½
Raw materials from which spirits are made, viz.:													
Mowha	80	56	70	30	14½	27¾	–	32¾	–	–	21	85	46⅓
Gur	–	–	–	–	–	–	8½	–	–	–	12	–	10½
Shira	–	–	24	–	–	–	20	–	–	90	–	–	44⅓
Fire-wood	180	186½	160	128	107¾	207½	121	370½	160	213¾	254	230	193¼
Wages of unskilled labour, annas	1½	2	2	2	2	2	1¾	1¾	2	1½	2	1½	0-1-10

STATEMENT showing the Comparative Prices of Agricultural Produce and Provisions, &c.—*continued.*

DESCRIPTION OF PRODUCE.	Pratábgarh.	Rai Bareli.	Sultanpur.	Faizabad.	Barabanki.	Lucknow.	Unao.	Hardui.	Sitapur.	Kheri.	Bharaich.	Gonda.	Average.
1863:													
Paddy	34½	38	36	40⅜	34½	29½	34	34⅓	61½	43½	58¾	57	41¼
Common rice (husked)	23	–	18¾	17½	14⅝	18	16½	17¼	28	20	21½	25¼	20
Best rice (husked)	15¼	–	11½	13	7¾	13	13	9½	10	9	16	16½	12¼
Wheat	28	26½	27	27	34½	25⅔	25	29¼	39	23½	36	37	29⅝
Barley	36½	36	35⅝	37¾	37¼	33¾	34	43¼	66	39½	59¾	59	43¼
Bajra	35½	27¾	23½	24	31⅝	29½	28½	38½	51	40¾	–	26½	32½
Juár	36	34	33¾	38½	28½	31	26½	37⅝	50½	38	56¼	68	39½
Gram	30¼	–	31½	33½	40½	28½	27	36	45	30¼	48½	43¼	35⅝
Arhar, Cajanus Indicus	25¼	–	23½	25½	34½	31⅝	44	33⅛	45	29	43	38½	33⅝
Urd or Mash, Phaseolus radiatus	23¾	–	24	23½	27½	21½	26	25¼	33½	26	31½	27¾	26½
Mothi, Phaseolus aconitifolius	36	27	21	33	31⅝	21¼	25	28½	43	30¼	39	32½	30⅝
Múng, Phaseolus mungo	20½	13¼	18½	19¼	23½	16¼	18½	24	25	24¾	16¼	20½	20
Masur, Ervum lens	24⅝	15	23¼	29⅝	16	30½	18½	25⅛	50½	25	61	52⅝	31
Aksa or Muttaru, Lathyrus sativus	–	–	40	–	43½	36	–	46¼	–	40	63½	66¼	47⅝
Common peas, Pisum sativum	26	–	15	41½	42⅜	36	35	41½	–	30	–	58¼	36¼
Potatoes, Solanum tuberosum	28	11¼	20	21⅝	51½	18¼	18½	25½	57	24	33½	44½	29½
Ghuian, Colocasia antiquorum	40	–	48	29⅝	44	20⅓	46	50¼	86	80	31⅓	60	48⅝
Sarson, Sinapis Dichotoma (glauca)	21	–	16	13½	13	17	15	12⅛	15½	17½	15¼	19½	15⅝
Lahi, Sinapis nigra	–	–	20	14½	15	19¾	18	14	–	18½	18⅝	18	17¼
Cleaned cotton	1½	–	2¼	1⅝	2⅛	1½	2	1¾	–	1½	1½	1	1½
Indigo, manufactured (medium quality)	–	–	¼	¼	–	–	–	–	–	–	–	–	¼
Indigo (fresh plant)	2 B.	–	–	–	–	–	–	–	–	–	–	–	2 B.
Sugar-cane	4	5 B.	3	–	–	3	–	–	–	or 4 B. No. 200	4 B.	–	3⅚ B.
Sugar (raw)	4¼	14	5	6¾	5	4	3	3¾	5	3½	3	4¾	5¼
Sugar (refined)	5½	3½	4	3½	4	3½	3	3	4	3	2¼	3¾	3⅝
Salt	6½	–	9	6	5	4¾	6	5⅛	7	6¼	5½	6	6
Ghee	1⅝	2	1⅝	1⅝	1½	1½	1	1½	2	1½	1⅝	2¾	1⅝
Milk	16	–	14	14½	12¾	14½	14	18½	16	17¼	18	22½	16
Tobacco	9	9¼	4	9	3½	3	3	4½	4	4½	4½	9½	5½
Spirit (25° below proof)	3	3¼	3	–	2½	2	3	–	3	4½	2	3	2⅝
Raw materials from which spirits are made, viz.:													
Mowha	100	48½	54	45	14½	27⅝	–	34⅓	34½	–	21½	73	45⅓
Gur	–	–	–	–	–	–	11	–	–	–	12	–	11½
Shira	–	–	21	–	–	–	22	–	–	72	–	–	38½
Firewood	140	186½	160	123½	123¼	190½	131½	365½	160	171½	252½	215	184⅝
Wages of unskilled labour, annas	1½	2	2	2	2	2	1⅝	1¾	2	1½	2	1½	0-1-10
1864:													
Paddy	37½	22½	35½	37¼	16	19½	23½	29	33	25	50	45⅝	31¼
Common rice (husked)	20	12¼	19	18	14	12	17½	15½	16	17⅝	17⅝	20½	16¾
Best rice (husked)	18	11½	11½	13	5	9	9½	7½	10	18¼	15¼	12⅝	10⅝
Wheat	26½	18½	26¾	22	19	18	19	22½	18½	18½	20¼	29½	21½
Barley	33½	24½	30	33⅜	23½	24½	24½	33⅜	41	30½	59	48	33⅜
Bajra	20¼	20	22¾	14¾	17⅜	17	18½	20¾	31	16⅜	–	25½	20½
Juár	26¼	20⅜	30	26½	21⅜	17⅜	19	21¼	32½	20⅜	56	32	27
Gram	27⅜	23⅜	32½	28½	24¼	20½	21	28½	30	26¾	40¼	31¼	27⅜
Arhar, Cajanus Indicus	22	28¼	21	21¼	29	24	29	28	32	22½	35¾	29½	26¾
Urd or Mash, Phaseolus radiatus	18⅜	39½	17½	16¾	14	14	15	20½	22	14⅜	22	22¼	19⅜
Mothi, Phaseolus aconitifolius	31⅜	20½	25¼	20¼	24½	16½	18½	20⅛	25	15½	31½	29	23
Múng, Phaseolus mungo	18	12½	10½	15½	12	13	14	19½	15½	15¾	16	17½	14¾
Masur, Ervum lens	29½	16¼	22¼	25	20¾	20½	15½	21½	29½	24½	39¼	43	25½
Aksa or Muttaru, Lathyrus sativus	–	23¼	40	–	17½	29¼	–	41	–	36	57	46	36¼
Common peas, Pisum sativum	36	–	15½	34½	31	30½	27	33¾	–	22	–	40	30
Potatoes, Solanum tuberosum	20	12½	20½	17	36	17½	18	23	35	40	29¼	40½	25⅝
Ghuian, Colocasia antiquorum	50	22½	48	29	33⅜	20	45	30⅛	46	90	39	62	42⅝
Sarson, Sinapis Dichotoma (glauca)	24	15	16	14½	15¼	16¼	18	17¼	17½	16¾	15¼	17½	16⅝
Lahi, Sinapis nigra	–	–	20	15	14¼	18½	21	19⅓	23	18	21	16½	18½
Cleaned cotton	1½	–	1½	1	2	1½	1	2	1	1¾	1¼	1¼	1⅜
Indigo, manufactured (medium quality)	–	–	¼	¼	–	–	–	–	–	–	–	–	¼
Indigo (fresh plant)	2 B.	–	–	–	–	–	–	–	–	–	–	–	2 B.
Sugar-cane	4	5 B.	4	–	–	3	–	–	–	or 4 B. No. 200	4	–	4 B.
Sugar (raw)	4½	13	5	7	5	4	3	4⅓	5	4	3	5	5
Sugar (refined)	5½	3½	4	3¾	4¼	3½	3	3⅝	4	3¼	2¼	4¼	3¾
Salt	6½	6¼	9	6	6	4⅝	6	5½	7	6½	5½	6¼	6¼
Ghee	2	2	1½	1⅝	2	1⅝	1	1⅝	2	1½	1⅝	2⅝	1⅝
Milk	16	–	14	14½	12⅝	14½	14	18½	16	17⅜	17⅜	17	15¾
Tobacco	9½	8¼	4	8⅝	3¼	3	3	4½	4	4½	4½	9	5½
Spirit (25° below proof)	3	3¼	3	–	2½	2⅛	3	–	3	4¼	2	3¼	3
Raw materials from which spirits are made, viz.:													
Mowha	80	46½	48	37	11¼	27¾	–	38	–	–	21½	49	40
Gur	–	–	–	–	–	–	11	–	–	–	12½	–	11⅝
Shira	–	–	18	–	–	–	20	–	–	70	–	–	36
Firewood	161	186½	160	132⅓	107½	186½	133	370½	160	173½	251½	215	186½
Wages of unskilled labour, annas	1½	2	2	2	2	1⅝	1⅝	2	2	1½	2	1½	0-1-10

STATEMENT showing the Comparative Prices of Agricultural Produce and Provisions, &c.—*continued.*

DESCRIPTION OF PRODUCE.	Pratábgarh.	Rai Bareli.	Sultanpur.	Faizabad.	Barabanki.	Lucknow.	Unao.	Hardui.	Setapur.	Kheri.	Bharaich.	Gonda.	Average.
1865:													
Paddy	26	20½	24	24½	23	20½	22	24⅓	28	29¼	46¾	44	27
Common rice (husked)	17	12¼	7	16	10½	11½	13	16	13	13	14¼	20½	13⅜
Best rice (husked)	15	9	4	9½	5¼	7½	7	7½	9½	7	11	10¼	8½
Wheat	19¼	13¼	16	16⅓	19⅓	14½	14	19¾	20½	18¾	14½	25⅓	17⅔
Barley	25	17	19	21¼	24½	19½	19	30	27½	27¼	20	29¼	23¼
Bajra	18	18	20¾	16	20⅓	19	20	22	28½	18¾	–	24½	20½
Juár	31¾	20	20¼	20¼	23½	19	19	18¾	25	24¼	26¼	24¾	22⅔
Gram	23	13	16¾	18½	18	15	16	25¾	20½	18	20	20¾	18¾
Arhar, Cajanas Indicus	21	15	12¾	17½	27	16	14	24	23	18	21½	20	19
Urd or Mash, Phaseolus radiatus	12½	13	12	13	14	14	12	16⅔	16	16	12¾	20	14¼
Mothi, Phaseolus aconitifolius	17¼	17	18¼	20	17	16	17½	21½	21½	18	17	23½	18⅔
Máng, Phaseolus mungo	13½	9	12¾	11	12	10⅜	11½	16½	12	19¼	12¾	15¾	13
Masur, Ervum lens	20¾	13¼	8	20¾	19½	15½	13½	20	20	23¼	21½	29½	18¾
Aksa or Muttaru, Lathyrus sativus	–	14¼	40	–	23⅓	24	–	39	23	30	25¼	45	29¼
Common peas, Pisum sativum	36	–	15¾	22½	20½	29½	23	32⅓	–	22	–	28½	24½
Potatoes, Solanum tuberosum	12	15	20¼	17½	30	18½	22½	23½	14	60	30	41½	25⅓
Ghuian, Colocasia antiquorum	38	15	48	27½	29½	24⅛	45	31⅔	16	50	34½	60	34¾
Sarson, Sinapis Dichotoma (glauca)	20	17	16	14¼	16½	18	19	18⅜	19½	16¾	14½	16½	17
Lahi Sinapis nigra	–	–	20	14¼	16	19¾	21	23¼	20	18	16½	16	18½
Cleaned cotton	1	–	2¼	1¾	2	1½	2	2	1	1½	1¼	2	1½
Indigo, manufactured (medium quality)	–	–	¼	¼	–	–	–	–	–	–	–	–	¼
Indigo (fresh plant)	2	–	–	–	–	–	–	–	–	–	–	–	2
Sugar-cane	4	5B.	3	–	–	3	–	–	–	or 4B. No. 200	3B.	–	3⅜B.
Sugar (raw)	5¾	10¾	5	7¼	4	4½	3	4½	5	4	3½	5¼	5
Sugar (refined)	4½	3¼	4	4	3¼	3½	3	4	4	3¼	2¾	4¼	3½
Salt	3	6	9	6¼	5	5¼	6	5½	6	6½	6½	6	5¾
Ghee	2	1½	1½	2	1½	1½	1	1⅜	2	1¾	1¾	2¾	1¾
Milk	16	–	14	14½	13	14½	14	17¾	16	17¼	19	17	15¾
Tobacco	9¼	7½	4	10½	3	2¾	3	5½	4	4¼	4½	14½	6
Spirit (25° below proof)	3	3¼	2½	–	2½	2⅓	3	–	3	4½	2	3½	2¾
Raw Materials from which spirits are made, viz.:													
Mowha	80	37¼	40	40	14½	27¾	–	42¾	–	–	21½	42½	38½
Gur	–	–	–	–	–	–	11	–	–	–	11½	–	11¼
Shira	–	–	–	19	–	–	19	–	–	63	–	–	34
Firewood	185	186½	160	145¼	107½	166½	144½	375½	160	178½	247½	215	189¼
Wages of unskilled labour, annas	2	2	2	2	2	1¾	1¾	2	2	1½	2	1½	0-1-10½
1866:													
Paddy	22	23	28	20¼	22	18½	23½	26½	28	32¼	46½	22½	26
Common rice (husked)	11¾	13½	9½	14½	10½	10½	14	12½	14	17	12¾	15¼	13
Best rice (husked)	8⅜	11	4½	7	5	7½	8	8¼	8	6¼	10¾	9½	7¾
Wheat	14¼	14¾	19	13⅜	12¾	13¼	15½	16⅔	16	16½	14	15¼	15
Barley	19¾	18¾	24½	18¾	20¾	18½	22⅓	23¾	23½	30¼	19¼	21½	21¾
Bajra	16¼	21⅓	23	14	18	16	21½	24	26	21¾	–	18½	20
Juár	17⅜	29	30½	18⅓	17¾	15¼	21⅓	23¾	28½	26¼	24½	18¼	22½
Gram	14	15¾	22	14½	18½	15⅓	24	20½	17½	18	16¾	16¼	17⅔
Arhar, Cajanas Indicus	11½	19	19½	13	15	16¼	16	23	18	19¼	17½	20½	17⅓
Urd or Mash, Phaseolus radiatus	11½	16¼	17¾	13	12	13½	20	17½	16½	13¼	13¼	14¼	14¾
Mothi, Phaseolus aconitifolius	16¼	23½	25	14	17⅕	15⅜	19	21⅓	21⅓	19¼	17¼	15	18¾
Múng, Phaseolus mungo	9½	13	17	10¾	9¾	13¼	15½	17	14	22¼	12¾	12	13¾
Masur, Ervum lens	16	14	10	14¼	17	16	13	18⅜	19	26	17	17¼	16½
Aksa or Muttaru, Lathyrus sativus	–	18⅓	34½	–	19	22	–	35½	21	30	17¾	93	26¾
Common peas, Pisum sativum	25	–	15	19	18½	23	20	28⅓	–	22	–	28¾	22
Potatoes, Solanum tuberosum	21	9¼	20¼	13½	17	19½	30½	25¼	9½	50	29	48	24½
Ghuian, Colocasia antiquorum	40	15	32	26	18	26	46	31⅜	45	60	36	58	36
Sarson, Sinapis Dichotoma (glauca)	22½	17	16	15¼	15½	19	18	17½	20½	17¾	14½	18	17½
Lahi, Sinapis nigra	–	–	20	16½	15½	21	20	21	23	17½	18	17½	19¼
Cleaned cotton	3¼	–	2	2	1½	2	2	2	2	1¾	1½	2½	2
Indigo, manufactured (medium quality)	–	–	¼	¼	–	–	–	–	–	–	–	–	¼
Indigo (fresh plant)	2B.	–	–	–	–	–	–	–	–	–	–	–	2B.
Sugar-cane	4	5B.	3½B.	–	–	3	–	–	–	or 4B. No. 200	3	–	3¾B.
Sugar (raw)	7¾	9¼	3½	5¾	4	3⅝	3	4½	4	3½	3	4½	4½
Sugar (refined)	5½	2¾	3	3½	3¼	2⅝	2½	3⅔	3	3	2¼	3½	3
Salt	4½	6¼	7½	6¼	5	5⅓	6	5⅔	6	6½	6	6	6
Ghee	2	1½	1½	1¾	1½	1½	1	1⅝	2	1½	1¾	1¾	1⅔
Milk	16	–	14	14½	13¾	14½	14	17¼	16	18¼	18	17	15¾
Tobacco	9	7½	4	10½	3½	2½	3	3¾	4	4½	4¼	7½	5⅓
Spirit (25° below proof)	3	3¼	2¼	–	2½	2⅓	3	–	3	3½	2	3¼	2¾
Raw materials from which spirits are made, viz.:													
Mowha	80	38½	32	30	10½	27¾	–	38	38	–	21	62½	37¾
Gur	–	–	–	–	–	–	8	–	–	–	11	–	9½
Shira	–	–	16	–	–	–	17	–	–	110	–	–	47⅔
Fire-wood	180	186½	160	119	98	153½	148	365½	160	188¾	247	210	184⅔
Wages of unskilled labour, annas	2	2	2	2	2	2	1¾	2	2	1½	2	1½	0-1-10¾

STATEMENT showing the Comparative Prices of Agricultural Produce and Provisions, &c.—*continued.*

DESCRIPTION OF PRODUCE.	Pratábgarh.	Rai Bareli.	Sultanpur.	Faizabad.	Barabanki.	Lucknow.	Unao.	Hurdui.	Sitapur.	Kheri.	Bharaich.	Gonda.	Average.
1867:													
Paddy	27½	30½	31	33⅓	22½	23⅓	23½	22¼	34½	34	53¼	31½	30½
Common rice (husked)	11	18	16	14⅔	11½	14⅜	14	10½	18	17	15⅔	24	15⅓
Best rice (husked)	8	14¾	9½	10¼	5	8⅓	8	8¾	8	6½	12	13⅜	9½
Wheat	21	21	19	23½	15⅓	18¼	15	14⅜	23	23½	26¾	32⅔	21
Barley	32¾	27¼	29	34½	23¼	26½	14	22	27	34½	48¾	45⅜	30½
Bajra	27½	21⅜	23	19	20⅜	28⅓	18	29	27	29	–	31¼	25
Juár	32	27¼	30½	33¼	23	25½	18½	20½	32	37½	42½	40½	30¾
Gram	25¼	27½	22	31	22	23½	24	18⅞	26½	20½	28½	34⅜	25¼
Arhar, Cajanus Indicus	18	36	34	27⅜	15⅔	25	21	24½	26½	20½	38¼	37⅜	27
Urd or Mash, Phaseolus radiatus	18¼	23½	27	25½	15	19¼	15½	21⅔	18½	16½	20⅜	25⅜	20½
Mothi, Phaseolus aconitifolius	28	28½	29	33½	16	21½	21½	21	26½	19	26⅜	32	25¼
Múng, Phaseolus mungo	16	16¼	17	17	14	17⅜	13	20¾	17½	16½	27½	17½	17½
Masur, Ervum lens	19	24	10	28	15	22	14	19½	30½	28½	39¼	28¼	23
Aksa or Muttaru, Lathyrus sativus	–	31¼	34½	–	18½	30½	–	30¼	27	33	37½	60	33½
Common peas, Pisum sativum	24	–	35½	35½	18	31⅓	22	25⅜	20½	22½	–	38½	27¼
Potatoes, Solanum tuberosum	20	11¼	20¼	20½	29⅜	23⅔	31	27¾	30	60	25½	34⅜	27¾
Ghuian, Colocasia antiquorum	40	–	35	31	34½	30½	46	45	33½	80	35⅜	52	42
Sarson, Sinapis Dichotoma (glauca)	22	16	16	15¼	13⅓	15¾	18	17	20	16⅓	14	18¼	16¾
Lahi, Sinapis nigra	–	–	20	16½	15½	16½	19	21⅜	23	17⅝	19½	17½	18½
Cleaned cotton	1⅜	–	1⅜	2	1½	2	1	1⅜	2	1⅜	1⅜	2½	1⅝
Indigo, manufactured (medium quality)	–	–	¼	¼	–	–	–	–	–	–	–	–	¼
Indigo (fresh plant)	2	–	–	–	–	–	–	–	–	–	–	–	2
Sugar-cane	4	5B.	4	–	–	3	–	–	–	or 4B. No. 200	3	–	3⅝B.
Sugar (raw)	5	10¼	3½	6½	3⅓	3⅜	3	4⅜	5	3½	3½	4½	4⅜
Sugar (refined)	7	3	3	3¾	2½	2½	2½	3¼	3	3	2½	3½	3¼
Salt	4½	6¼	7½	6½	6¼	5½	6½	5½	6	6½	5¼	6	6
Ghee	2	1½	1½	1½	1½	1⅓	1	1½	2	1¼	1⅜	1⅜	1½
Milk	16	–	14	14	14	14½	14	15⅜	16	18¼	17	15¼	15⅓
Tobacco	9½	7½	4	9½	3½	3	3	3	4	3½	4½	7	5
Spirit (25° below proof)	3	3	2	–	2½	2¼	3	–	3B.	3¼	2	3¼	2⅜
Raw materials from which spirits are made, viz.:													
Mowha	85	15	20	32	10¾	27¾	–	31¾	–	–	20½	62½	30½
Gur	–	–	–	–	–	–	8	–	–	–	10½	–	9¼
Shira	–	–	15	–	–	–	17	–	–	34	–	–	22
Fire-wood	180	186½	160	122	95½	105	144½	295	160	163¾	234	200	170½
Wages of unskilled labour, annas	2	2	2	2	2	2	1¾	2	2	1½	2	1½	0-1-10¾
1868:													
Paddy	28	23	30	25½	28¾	27¾	28	27½	38½	41⅔	53	44	32⅔
Common rice (husked)	17	13¾	14¼	12½	16	14¼	9½	17	19	19½	14⅓	18¾	15½
Best rice (husked)	9	11⅜	12½	11½	5¼	11½	7	8	9½	6½	11⅜	15½	10
Wheat	22¾	15½	20	17½	22	20	12½	21	29	32⅔	25¼	28	22
Barley	29¼	20⅜	27	23	26½	32⅜	27	30⅜	50	45¼	41½	51½	33⅔
Bajra	27	14	18	18¾	20⅜	24¼	14	27	48½	37	25¼	41½	26⅛
Juár	32	16¼	20¼	33¼	27⅜	29¼	14½	28¼	49½	39¾	43	43	31½
Gram	30½	22½	27	23⅔	34½	26⅜	14½	24⅜	36½	24⅔	33⅜	39	28
Arhar, Cajanus Indicus	32	13¼	26¾	23¾	39	26½	17	29⅔	40	26	40⅜	41¼	29⅔
Urd or Mash, Phaseolus radiatus	24	18¼	22¼	19⅜	28½	24½	17½	23	36	18⅔	27⅜	31¼	24¼
Mothi, Phaseolus aconitifolius	17½	15⅜	27	30½	35½	21⅜	26	25½	44	25¾	38¼	36½	28½
Múng, Phaseolus mungo	17⅜	13½	13¾	14	14	17	11	20¼	24	24½	14¼	18½	16¾
Masur, Ervum lens	19¾	24½	24½	26	34½	25¼	11½	22⅜	44½	32⅔	45	43½	29½
Aksa or Muttaru, Lathyrus sativus	–	25¾	35	–	38	30	–	34¼	–	34	43	41	35
Common peas, Pisum sativum	30	–	35½	25¼	35½	33½	26	28	–	22	–	56¾	32⅔
Potatoes, Solanum tuberosum	16	–	20¼	21½	35	25	29	26½	21	40	37½	44	28½
Ghuian, Colocasia antiquorum	21	–	40	32½	34⅜	30	37	36⅜	27	80	38	56	39¼
Sarson, Sinapis Dichotoma (glauca)	18	17	17	14¼	13½	16¼	13	15⅓	17	17	13⅓	19¼	15⅜
Lahi, Sinapis nigra	–	–	18	14⅜	15¼	18½	16	20¼	–	18	19	17⅜	17½
Cleaned cotton	2¼	–	2½	1⅝	1½	1¾	1	1⅜	2	2	1¾	2	1¾
Indigo manufactured (medium quality)	–	–	¼	¼	–	–	–	–	–	–	–	–	¼
Indigo (fresh plant)	2	–	–	–	–	–	–	–	–	–	–	–	2
Sugar-cane	4	5B.	3	–	–	3	–	–	–	or 4B. No. 200	3	–	3⅔B.
Sugar (raw)	8	10¼	4½	6¾	3½	3½	3	4⅓	4	3⅓	3	4½	4¾
Sugar (refined)	5½	3	4	3¾	3½	2½	3	3½	3	3	2¼	3½	3½
Salt	4	6	8½	6½	6¼	5¾	6½	5½	8¾	6½	6½	6¼	6½
Ghee	1⅝	1½	1½	1⅜	1½	1⅓	1	1¼	2	1¼	1⅜	1⅜	1½
Milk	16	–	14	13½	13⅜	14½	14	15⅝	16	17¼	17¾	15¼	15
Tobacco	9	7½	3¾	9½	3½	2	3	4	4	4⅜	4½	7½	5½
Spirit (25° below proof)	3	3	2¼	–	2½	2⅜	3	–	3	3¼	2	3¼	2⅜
Raw materials from which spirits are made, viz.:													
Mowha	100	37¼	60	40	12¼	27⅜	–	19	–	54	21	47	41⅜
Gur	–	–	–	–	–	–	8	–	–	–	11	–	9⅓
Shira	–	–	17	–	–	–	17	–	–	38¾	–	–	24
Fire-wood	180	186½	160	117½	97	105	145	188½	160	168¾	247½	195	162½
Wages of unskilled labour, annas	2	2	2	2	2	2	1¾	2	2	2	2	1½	0-1-11¼

STATEMENT showing the Comparative Prices of Agricultural Produce and Provisions, &c.—*continued.*

DESCRIPTION OF PRODUCE.	Pratábgarh.	Rai Bareli.	Sultanpur.	Faizabad.	Barabanki.	Lucknow.	Unao.	Hardui.	Sitapur.	Kheri.	Bharaich.	Gonda.	Average.
1869:													
Paddy	26	18¼	24	23	16⅞	17	27	21¼	22½	30½	58½	26¾	25½
Common rice (husked)	10½	11	11½	13½	10	10	12	10½	11½	17½	11½	13	11⅜
Best rice (husked)	8	9	8	9½	5	8½	7½	6⅓	9	5½	10	9¾	8
Wheat	13¼	11¼	12¾	13¾	13	11¼	13	13½	12½	17¾	13¼	14	13¼
Barley	13½	14⅜	16	17½	17	15¼	18	21½	21½	27¼	33	19	19½
Bajra	16¼	14¼	15	13¼	10½	12	17	15½	22½	25¼	–	27	17
Juár	16¾	18¾	16	20	17	14	17	16	22	33½	22¼	27¾	20
Gram	16¼	13	15½	13¼	12	13	14	16	17	18¼	15	19½	15
Arhar, Cajanus Indicus	18	17	17¾	16	17¾	15	18	18	21	18	18¾	21½	18
Urd or Mash, Phaseolus radiatus	15	11	14	13½	14	13	11½	14⅛	17½	14¼	13¾	12	13⅛
Mothi, Phaseolus aconitifolius	15	16	16	16	15	13¾	12	17½	19½	17¾	11⅜	17¼	15½
Múng, Phaseolus mungo	11½	9¼	10½	9	11¾	10½	14	13	13	13½	10¼	19¼	12
Masur, Ervum lens	13	14¾	16	16¼	16	15	11	11½	19	26	19	14⅔	16
Aksa or Muttaru, Lathyrus sativus	–	15	15	13¼	13½	19½	–	25¾	19	36	21¼	19½	19¾
Common peas, Pisum sativum	25	–	35½	15	13¾	20¾	15	24⅛	24	25	–	15	21½
Potatoes, Solanum tuberosum	18	–	20¼	21½	28¾	22	29	30¼	20½	30	37½	44	27¼
Ghuian, Colocasia antiquorum	21	–	16	25	29½	20	29	32¼	28	90	38	50	34¾
Sarson, Sinapis Dichotoma (glauca)	14	14½	15½	13	16	15	14	16¾	17½	16	12¾	14½	14¾
Lahi, Sinapis nigra	–	–	16½	14¼	15½	16½	16	19½	23	17¾	14¾	13½	16¾
Cleaned cotton	1½	–	2¼	1½	1½	2	1	1½	2	1¾	1¼	1¾	1¾
Indigo, manufactured (medium quality)	–	–	¼	¼ or 2B. No. 160	–	–	–	–	–	–	–	–	¼ 2B.
Indigo (fresh plant)	2	–	–		–	–	–	–	–	– or 4B. No. 200	–	–	
Sugar-cane	4	5B.	4	–	–	3	–	–	–	3	–		3⅝B.
Sugar (raw)	6	8¾	4¼	6	4¼	4	3	4	4	3½	3	4½	4½
Sugar (refined)	4½	3	3¾	3	3½	2¾	3	3	3	3	2¼	3¼	3
Salt	5	5½	7½	6½	6¼	5½	6½	5¾	6½	6½	6¾	5¾	6
Ghee	2	1½	1¼	1½	1½	1½	1	1½	2	1½	1⅓	2	1½
Milk	16	–	14	16	13¾	14½	14	15¾	16	16¾	18¼	15¼	15½
Tobacco	9	7½	3½	8½	3½	2¾	3	5¼	4	4¼	4¼	6½	5
Spirit (25° below proof)	3	2¾	2¼	–	2½	2⅓	3	–	3	3¼	2	3¼	2¾
Raw materials from which spirits are made, viz.:													
Mowha	50	28	24	30	14¾	26½	41	25½	–	30	21	43¾	33½
Gur	–	–	–	–	–	–	9	–	–	–	10	–	9½
Shira	–	–	16	–	–	–	18	–	–	22	–	–	18⅝
Fire-wood	180	186½	160	136¾	97	109	166	177½	160	178½	247½	172¼	164¼
Wages of unskilled labour, annas	2	2	2	2	2	2	1¾	2	2	1½	2	1½	0-1-10¾
1870:													
Paddy	25	26¼	31	27	19½	20	20	23¼	26	26½	56¼	32¼	27¾
Common rice (husked)	18	14¾	11¾	13¾	12	12½	13½	10½	13	13¼	14	17¼	13⅜
Best rice (husked)	10	12	8½	11⅝	5	7½	8½	7⅓	8½	5½	13½	11¾	9
Wheat	14	15¾	13¾	19	14⅓	15	16½	19	19	21¼	19¼	19⅓	17
Barley	40	21½	24	22⅓	16⅔	20½	26	26¾	36	31½	26¼	24¼	26¼
Bajra	18½	19⅓	14½	14¼	15	18¾	19	21	20⅛	36	–	24⅓	20
Juár	19½	23¼	16½	24⅓	21½	19⅙	19⅓	22¾	22½	25	27¼	28⅓	22¼
Gram	15	21¼	14	18	18	14¼	17½	24½	17½	17½	17¼	26⅜	19¼
Arhar, Cajanus Indicus	19¼	17⅜	16	19⅓	20	20⅜	22½	26	23	19¼	19⅜	20½	20⅛
Urd or Mash, Phaseolus radiatus	14¾	16¼	13½	15½	14	14½	13½	15	17	16¼	12	13¼	14⅔
Mothi, Phaseolus aconitifolius	20	17½	16	17	17	16½	13	16	19½	18⅜	13½	16	16⅜
Múng, Phaseolus mungo	16	12⅜	14½	13⅓	11½	13½	14	20	13⅓	15⅜	11⅜	15	14¼
Masur, Ervum lens	16½	18¼	14	20	17	16⅜	11	23⅜	19	13	19½	24½	17¾
Aksa or Mutiaru, Lathyrus sativus	–	21⅜	15	22¼	19¾	23	–	35½	20	36	15⅜	32⅓	24
Common peas, Pisum sativum	24	–	35½	22½	31	24½	20	32⅜	19	25	–	32½	26½
Potatoes, Solanum tuberosum	18	–	20¼	24	28½	15⅜	29	30¾	21	37	41⅜	39½	27
Ghuian, Colocasia antiquorum	21	–	16	27	28¼	22	29	35½	28	60	42	50	32½
Sarson, Sinapis Dichotoma (glauca)	8	10¼	15½	10⅓	12⅓	11¾	11	18	14½	16¼	11¾	14½	12¾
Lahi, Sinapis nigra	–	–	16½	12¾	13⅓	14	12	24¼	18	18	15¼	13½	15¾
Cleaned Cotton	1½	–	2	1¾	1½	2	1½	1½	2	1½	1¾	1½	1¾
Indigo, manufactured (medium quality)	–	–	¼	¼ or 2B. No. 160	–	–	–	–	–	–	–	–	¼ 2B.
Indigo (fresh plant)	2B.	–	–		–	–	–	–	–	– or 4B. No. 200	–	–	
Sugar-cane	4	5B.	3	–	–	3	–	–	–	3	–		3⅜B.
Sugar (raw)	5¾	11	4¼	7	4¼	4	3	4½	4	3½	3	4½	4¾
Sugar (refined)	5	3	3¾	3¼	3½	2¾	2½	3¼	3½	2¾	2¼	3½	3¼
Salt	4¾	5½	7½	6½	6	5¼	6	5	6½	6¼	6¾	5½	5¾
Ghee	2	1½	1¼	1½	1½	1½	1	1⅓	2	1½	1⅓	1¾	1⅓
Milk	16	–	14	15¾	13¾	14½	14	15¾	16	16¼	15¾	15¼	15
Tobacco	9	7¼	3½	8½	3½	2	3	5¼	4	5⅛	4	13	5¾
Spirit (25° below proof)	3	3	2½	–	2½	2⅓	3	–	3	3¼	2	3⅛	2
Raw materials from which spirits are made, viz.:													
Mowha	65	46½	48	37	15½	27¾	37	16¼	–	18	21	58½	35½
Gur	–	–	–	–	–	–	8½	–	–	–	10	–	9¼
Shira	–	–	–	–	–	–	18	–	–	13	–	–	15½
Firewood	154	186½	160	135¾	96	107	167½	185	160	178½	247½	140½	159¾
Wages of unskilled labour, annas	2	2	2	2	2	2	1¾	2	2	1½	2	1½	0-1-10¾

STATEMENT showing the Comparative Prices of Agricultural Produce and Provisions, &c.—*continued.*

SUMMARY.

DESCRIPTION OF PRODUCE.	AVERAGES.										
	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.	1869.	1870.	Provincial Average for 10 Years.
Paddy	34¼	39½	41¾	31¼	27⅞	26	30½	32⅜	25½	27¾	31⅜
Common rice (husked)	18½	19	20	16¾	13⅔	13	15⅓	15½	11¾	13⅔	15½
Best rice (husked)	11¾	11¾	12¼	10¾	8½	7¾	9½	10	8	9	9¾
Wheat	24⅞	31½	29¾	21½	17⅔	15	21	22	13¼	17	21⅕
Barley	34½	41¾	43¼	33¾	23¼	21¾	30½	33¾	19½	26¼	30¾
Bajra	26¾	31¾	32½	20½	20½	20	25	26⅓	17	20	24
Juár	33½	36	39¾	27	22⅜	22⅕	30¾	31⅓	20	22½	28½
Gram	25¾	37	35¾	27¾	18¾	17¾	25¼	28	15	19¼	25
Arhar, Cajanus Indicus	31⅓	39¼	33¾	26⅔	19	17⅓	27	29¾	18	20⅛	26⅕
Urd or Mash, Phaseolus radiatus	24	31¾	26½	19¾	14¼	14¾	20½	24¼	13½	14½	20⅓
Mothi, Phaseolus aconitifolius	26¾	33¾	30¾	23	18⅜	18¾	25¼	28½	15½	16⅔	23⅔
Múng, Phaseolus mungo	21½	24¾	20	14¾	13	13¾	17½	16¾	12	14¼	16¾
Masur, Ervum lens	28½	33	31	25½	18¾	16½	23	29½	16	17¾	23¾
Aksa or Muttaru, Lathyrus sativus	38½	50	47¾	36¼	29¼	26¾	33½	35	19¾	24	34
Common peas, Pisum sativum	31½	37⅓	36¼	30	24⅓	22	27¼	32⅜	21¼	26½	28¾
Potatoes, Solanum tuberosum	26½	34½	29½	25¾	25⅓	24⅓	27¾	28½	27¼	27	27⅛
Ghuian, Colocasia antiquorum	37½	46¾	48¾	42¾	34¾	36	42	39¼	34¼	32½	39½
Sarson, Sinapis Dichotoma (glauca)	19½	17½	15¾	16¾	17	17⅓	16¾	15¾	14¾	12¾	16½
Lahi Sinapis nigra	18¼	17¾	17¼	18½	18⅓	19¼	18½	17½	16¼	15¾	17¾
Cleaned cotton	1¾	1½	1½	1½	1½	2	1¾	1¾	1¾	1¾	1 27/40
Indigo, manufactured (medium quality)	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼
Indigo (fresh plant)	2B.	2B.	2B.	2B.	2B.	2B.	2B.	2B.	2B.	2B.	2B.
Sugar-cane	3⅚B.	3⅚	3⅚	4	3⅔	3¾	3⅚	3⅔	3⅚	3⅔	3⅜B.
Sugar (raw)	4¾	5	5¼	5	5	4½	4¾	4¾	4½	4¾	4¾
Sugar (refined)	3½	3½	3¾	3¾	3½	3	3¼	3¼	3	3¼	3½
Salt	6¼	6½	6	6¼	5¾	6	6	6½	6	5¾	6
Ghee	1¾	1½	1¾	1¾	1¾	1⅝	1½	1½	1½	1½	1⅗
Milk	16¼	16½	16	15¾	15¾	15¾	15½	15	15½	15	15¾
Tobacco	5½	5½	5½	5½	6	5⅓	5	5⅓	5	5⅖	5⅓
Spirit (25° below proof)	3	2½	2¾	3	2¾	2¾	2¾	2¾	2¾	2	2⅔
Raw materials from which spirits are made, viz.:—											
Mowha	49⅛	46⅛	45⅛	40	38½	37¾	30½	41¾	33½	35½	39¾
Gur	11¼	10¼	11½	11¾	11¼	9⅓	9¼	9	9½	9¼	10¼
Shira	41⅓	44⅜	38⅛	36	34	47⅝	22	24	18⅜	15½	32¼
Fire-wood	182¼	193¼	184¾	186½	189¼	184⅝	170⅛	162½	164¼	159¾	177¾
Wages of unskilled labour, annas	0-1-10	0-1-10	0-1-10	0-1-10	0-1-10½	0-1-10¾	0-1-10¾	0-1-11¼	0-1-10¾	0-1-10¾	0-1-10½

N. M. T. Horsford, Captain,
For Officiating Personal Assistant, Chief Commissioner, Oudh.

Chief Commissioner's Office, Oudh, Revenue Department;
Lucknow, 8 October 1872.

Appendix, No. 19.

PAPERS handed in by Mr. *Kellner* and Colonel *Johnson*.

(A. 1.)

COMPARISON of the EXPENDITURE in *England* and in *India*, on account of the ARMY in *India*, for the Years 1862-63, 1863-64, and 1871-72, with the Increase and Decrease in 1871-72 compared with the Expenditure in 1863-64.

Expenditure.			ARMY SERVICES.	Increase or Decrease in 1871-72 compared with 1863-64.	
1862-63.	1863-64.	1871-72.		Increase.	Decrease.
£.	£.	£.		£.	£.
463,867	476,588	465,851	Army and Garrison Staff	- -	10,747
190,391	202,827	198,634	Administrative Staff	- -	4,193
6,383,336	6,681,784	6,503,793	Regimental Pay, Allowances and Charges	- -	177,991
2,343,893	2,299,739	1,929,369	Commissariat Establishments, Supplies and Services	- -	370,370
153,571	159,742	180,732	Stud and Remount Establishments, Supplies and Services	20,990	—
152,279	84,952	119,134	Clothing Establishments, Supplies and Services	34,182	—
214,657	285,922	336,350	Barrack Establishments, Supplies and Services	50,428	—
32,284	36,451	45,181	Administration of Martial Law	8,730	—
748,923	388,901	421,500	Medical Establishments, Supplies and Services	32,599	—
356,873	414,766	599,074	Ordnance Establishments, Stores and Camp Equipage	184,308	—
25,448	24,889	20,641	Ecclesiastical	- -	4,248
17,288	27,553	34,711	Education	7,158	- -
15,625	286,855	112,828	Sea Transport Charges	- -	174,027
430,445	314,133	433,740	Miscellaneous Services	119,607	—
10	3,966	6,951	Volunteer Corps	2,985	—
- -	17,121	10,102	Rewards for Military Services	- -	7,019
29,720	27,220	12,236	Retired Officers	- -	14,984
648,585	614,387	567,359	Military Pensions	- -	47,028
8,598	17,421	18,449	Widows' Pensions and Compassionate Allowances	1,028	—
7,803	15,699	19,473	Superannuation Pensions and Gratuities	3,774	—
59,492	66,516	- -	Topographical and Trigonometrical Survey	- -	66,516
127,422	50,184	- -	Unclassified Charges	- -	50,184
353,815	199,453	936,730	Military Stores	737,277	—
139,709	174,357	288,560	Passage Money of Officers and Troops, including Troop Transport Service	114,203	—
172,938	161,410	437,778	Furlough Allowances	276,368	—
675,465	550,000	590,804	Payments to Imperial Government for British Forces in India (effective)	40,804	—
233,080	245,000	457,224	Ditto - - ditto - - ditto - - (non-effective)	212,224	—
- -	- -	32,301	Charge for absorption of Supernumerary Commissions in British regiments, and gratuities to officers of British regiments on their retirement from the service, &c.	32,301	—
9,202	12,241	14,711	Charge for Education of Indian Cadets and Medical Students at Netley, for expenses of officers acquiring scientific knowledge, cost of experiments in the conversion of guns on the Palliser system, cost of Medals and other miscellaneous charges.	2,470	—
794,432	768,072	750,575	Retired pay and Colonel's allowances	- -	17,497
103,778	151,971	133,331	Lord Clive's fund	- -	18,640
14,892,849	14,760,120	15,678,112	TOTAL £.	1,881,436	963,444
			NET INCREASE	£. 917,992	

Appendix, No. 19.

(A. 2.)

STATEMENT exhibiting the Changes involving Increase and Decrease of EXPENDITURE under Grant 1., "Army and Garrison Staff," in the Three Presidencies, for the Years from 1862-63 to 1871-72.

Items of Increase.	Amount.
	£.
1862-63.	
The amalgamation and revision of the Quartermaster General's department with the office establishments	7,000
1863-64.	
The sanction of a revised scale of departmental staff salaries for the three Presidencies (the amount varies yearly, and is not easily calculable).	
The appointment of a fifth Inspector of Musketry in Bengal	480
1864-65.	
The constitution of the commands of the Punjab Frontier Force and the Hyderabad Contingent as 1st class brigades	480
The grant of increased rate of staff salary to the military store-keeper, Bengal	60
The appointment of a permanent Adjutant to the depôt at Poonamallee	180
1865-66.	
An increase of Rs. 500 per mensem to the salary of the Adjutant-general, Bengal	600
An increase in the number of station staff appointments in Bengal	700
The establishment of a convalescent depôt at Parisnauth	750
The grant of command allowance for the station of Delhi (formerly a brigade command)	720
The revision of station staff appointments in the Madras Presidency, and the grant of command allowance for the stations of Tonghoo and Malacca	2,000
The transfer of the depôt at Khandalla to Poona, and the revision of the establishment of the latter	2,000
The constitution of Palaveram and Poonamallee as first-class depôts, and of Mount Aboo as a second-class convalescent depôt	6,000
1866-67.	
The appointment of a Director of Gymnastics in India	1,790
The establishment of a convalescent depôt at Bhagsoo	1,400
The appointment of station staff officers at Deolee and Erinpoorah	240
The appointment of an additional Deputy Assistant Quartermaster-general in Bombay, and the revision of the establishment of Guides and Draughtsmen	1,400
The revision of station staff appointments in Bombay	1,200
An increase to the Conservancy Establishments of Bazars in Bombay	1,400
1867-68.	
An increase to the staff salary of the Chief Inspector of Musketry in Bengal and revision of the Musketry Inspection Establishment	3,500
The grant of command allowance for the station of Jhansie	180
" " for Fort Mackeson	180
The appointment of station staff officers at Arcot, Seetabuldee and French Rocks, and an increase to the Seven Wells Establishment at Madras	240
The grant of a staff salary of 150 rupees a month to the medical officer in charge of the depôt at Ramandroog	180
The extension and improvement of Hill Sanitaria	20,000
The charge of official postage	8,000
1868-69.	
An increase of 300 rupees per month to the staff salary of the Military Secretary to the Commander-in-Chief in India	360

STATEMENT, &c., Grant I., "Army and Garrison Staff"—*continued.* Appendix, No. 19.

Items of Increase.	Amount.
	£.
The appointment of a Native Aide-de-Camp to the Commander-in-Chief in India	660
The appointment of Assistant Armourer Serjeants to Convalescent depôts	400
The appointment of an Assistant Director of Gymnastics in Bombay	800
The revision of office establishments in Bombay	700
1869–70.	
The establishment of an invalid and recruit depôt at Deolalee	6,500
The revision of the station staff appointments in the Punjaub Frontier Force	840
Increased rate of Staff salary to the Military Storekeeper, Bengal	60
Revised rates of pay and allowances for the Interpreters to the Commanders-in-Chief	420
The appointment of a Native Aide-de-Camp to the Commander-in-Chief, Bombay	180
The sanction of an extra establishment for the Quartermaster General's Office, Bombay	1,000
1871–72.	
The appointment of five Garrison Instructors in Bengal, four in Madras, and two in Bombay	14,500
The appointment of Instructors in Army Telegraphy, and the cost of Soldiers' Institutes	1,600
The appointment of a Serjeant Major as Chief Instructor of Gymnastics at Lucknow	105
The establishment of a convalescent depôt at Puchmurree	2,200
The appointment of a station staff officer at Port Blair	180

Items of Decrease.	Amount.
1862-63.	£.
The amalgamation and revision of the Adjutant-General's Department of the British and Indian Forces, with their office establishments	1,500
The revision of the Artillery Staff and office establishments	5,000
1863-64.	
The abolition of the appointment of Embarkation Officer in the Quartermaster General's Department, Bengal	480
1864-65.	
The abolition of the invalid depôt at Cuddalore	650
The appointment of one officer to perform the duties of Adjutant and Quartermaster at the Native Infantry Depôt, Palaveram	120
1865-66.	
The abolition of the appointment of Brigade Major at Delhi	480
The abolition of Garrison and Station Interpreters in Bengal	5,500
The conversion of a divisional into a brigade command at Madras	2,880
The reduction in Bombay of,—	
1 Brigade Major	480
1 Station Staff Officer	180
1866-67.	
The abolition of the invalid depôt at Fort William, and the reorganisation of the Chinsurah depôt	2,250
The discontinuance prospectively of the staff allowance to the senior officers at Sholapore and Maligaum	600

Appendix, No. 19.

Statement, &c., Grant I., "Army and Garrison Staff"—*continued.*

Items of Decrease.	Amount.
	£.
1867-68.	
The abolition of the Depôt at Parisnauth	750
A reduction in the establishments of the Invalid and Recruit Depôts at Madras	600
The discontinuance of the allowance for the appointment of Superintendent of Bazaars at Rangoon	140
The revision of Station Staff appointments in Bombay	1,500
1868-69.	
The reduction of a 2nd Class Brigade Command in Bombay, owing to the Aden Brigade being commanded by the Political Resident, with a consolidated salary from the Civil Department	1,440
1870-71.	
The abolition, under G. G. G., 330 of 1870, of the following appointments:—	
Bengal:	
1 Divisional General	65,000
1 Assistant Adjutant General	
1 Deputy Assistant Quartermaster General	
1 Aide-de-Camp	
2 Brigadiers General, 2nd Class	
4 Brigade Majors (to be replaced by Station Staff Officers)	
Madras:	
1 Divisional General	
1 Assistant Adjutant General	
1 Deputy Assistant Quartermaster General	
1 Aide-de-Camp	
1 Second Divisional General (to be replaced by a Brigadier General, 2nd Class)	
1 Assistant Adjutant General	
1 Deputy Assistant Quartermaster General	
1 Aide-de-Camp	
1 Deputy Assistant Adjutant General, at Head Quarters	
1 Assistant Quartermaster General	
Bombay:	
1 Divisional General	
1 Assistant Adjutant General	
1 Assistant Quartermaster General	
1 Aide-de-Camp	
2 Brigadiers-General, 2nd Class	
2 Brigade Majors (to be replaced by Station Staff Officers)	
The abolition of one of the Inspectors of Artillery in Bengal	12,000
„ „ the appointment of the Inspector of Artillery in Madras	
„ „ „ „ „ „ in Bombay	
„ „ three Brigade Majors to the above Inspectors of Artillery	
„ „ the Kurrachee and Chinsurah Depôts	5,000
A reduction in the Staff of the Poona Depôt	1,200
The reduction of one Assistant Adjutant General in Madras	1,200
The abolition of the appointment of Station Staff Officer at Ramandroog	120
1871-72.	
The abolition of the appointment of Interpreter to the Commander in Chief, Madras	959

Appendix, No. 19.

STATEMENT exhibiting the Changes involving Increase and Decrease of EXPENDITURE under Grant II., "Administrative Staff," in the Three Presidencies, for the Years from 1862–63 to 1871–72.

Items of Increase.	Amount.
	£.
The appointment of six Probationers for the Military Account Departments in the three Presidencies	4,500
The appointment of an officer for compiling the New Pay Code for India	1,100
The appointment of an assistant to the Controller of Military Accounts, Bengal	1,000
Revision of, and increases of pay to Office Establishments throughout India	21,407
The transfer to the Military Accounts of the cost of the Viceroy's and Governor's Bands	2,613
The transfer to Military Department of the Examiners, Military and Medical Funds Accounts	6,500

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Items of Decrease.	Amount.
1864–65.	
	£.
The reorganisation of the Military Finance Department, substituting an Accountant General and an Assistant for the following appointments:—	
1 Chief of the Military Finance Department	
1 Secretary ditto	
3 Assistant Secretaries ditto	6,185
1865–66.	
The abolition of Compilers of Military Expenditure in the three Presidencies	2,800
1867–68.	
The abolition of the appointment of Assistant Examiner of Commissariat Accounts, Bengal	1,100
1869–70.	
Abolition of the appointment of Second Examiner, Pay Department, Bombay	1,000
1871–72.	
The abolition of the appointments of Controller General and Assistant Controller General of Military Expenditure (replaced by an Accountant General and an Assistant Accountant General)	1,700
Abolition of 20 appointments in the Pay Department, from 1862–63 to 1871–72	24,000

Appendix, No. 19.

STATEMENT exhibiting the Changes involving Increase and Decrease of EXPENDITURE under Grant III., "Regimental Pay, Allowances, and Charges," in the Three Presidencies, for the Years from 1863-64 to 1871-72.

Items of Increase.	Amounts.
	£.
1863-64.	
The grant of Good-conduct Pay, at earlier periods than before, to Native Soldiers	57,000
The sanction of a revised scale of staff salaries for European Commissioned Officers serving with Native regiments under the new organisation (the amount varies yearly and is not easily calculable).	
The seconding of Officers of Artillery and Engineers holding permanent appointments in Departments.	
The grant of increased rates of pay to Native Commissioned Officers of Infantry	32,000
The appointment of a trained Bandmaster as an additional Staff Serjeant to all Regiments in India	4,000
The sanction of increased rates of mess allowance, viz., from 60 rupees to 100 rupees a month, to all Native regiments on the new organisation; also from 30 rupees to 40 rupees a month for all batteries of Royal Artillery in India	9,000
The appointment of a non-effective Pay Serjeant to each Garrison Battery of Royal Artillery in India	324
The grant of Bounty Money to men volunteering to remain in India on the departure of their regiments for England	
The grant ef increased pay to Syces attached to cavalry regiments in Bengal	1,800
1864-65.	
The grant of increased rates of pay to medical officers	20,000
The sanction of revised rates of pay for Quartermasters of Royal Artillery and British Cavalry serving in India	3,500
Increased rates of family allowance to the European and East Indian wives of British soldiers	22,500
Revised establishment and rates of staff pay for European Commissioned officers attached to the guide corps, cavalry and infantry	180
The abolition of half-batta rates of pay	53,700
The appointment of an officer and two serjeant instructors of Gunnery to each Brigade of Artillery in India	1,800
The grant of increased rates of pay to serjeant-majors of European Infantry	300
The conversion of Rattray's Seikhs into an Infantry Regiment of the Line	15,000
The grant of increased rates of hutting money to the Native Army	4,000
The formation of the Governor's Body Guard in Bombay	4,136
The grant of increased pay to Native Commissioned Officers of Artillery	
1865-66.	
The reorganisation of the Bengal Sappers and Miners	10,000
A revised and increased establishment for heavy batteries of Artillery	3,400
The reorganisation of the Madras Native Army	20,000
The appointment of Second Doing-Duty Officers to Native Regiments	65,000
The appointment of trained armourer serjeants to all European Regiments in India	3,670
The appointment of a moonshee to each regiment of British Cavalry and Infantry in India	2,124
The grant of prizes for good swordsmanship to British Cavalry Regiments	400
The grant of the allowances of paid Doing-Duty Officers to Officers of Royal Artillery attached to Native Companies of Artillery	1,440
The grant of increased rates of pay to the men of the Meywar Bheel Corps	2,000
The grant of increased pay to Veterinary Surgeons	3,500
1866-67.	
The addition of 200 Sepoys to each of the 42nd, 43rd, and 44th Regiments, Native Infantry, in Bengal	7,000
The grant of 20 rupees per mensem for gram pots, &c., to Officers commanding troops of Native Cavalry in Madras, with retrospective effect from 1st November 1865	600
The grant of Cantonment Batta to Native troops on furlough	15,000
The appointment of a Hospital Serjeant to the Headquarters of a Garrison Brigade of Royal Artillery in India	
The grant of increased rates of pay to riding masters	4,000

Statement, &c., Grant III., "Regimental Pay, Allowances, and Charges"—*continued.* Appendix, No. 19.

Items of Increase.	Amounts.
	£.
1867-68.	
The formation of skeleton companies of Engineers with the Corps of Sappers and Miners in the three Presidencies	3,000
The grant of an increase of 2 *d.* a day to British troops, and an additional 1 *d.* on re-engagement for a second term of service	250,000
The sanction of a revised scale of working pay for the European Artificers of the Corps of Sappers and Miners	
The grant of Presidency House rent to the European Officers of the two Native Infantry Regiments at Alipore	1,600
The grant of Presidency House rent to the European Officers of the Governor's Body Guard at Madras	120
The appointment of a non-effective Hospital Serjeant to all Batteries of Royal Artillery in India	800
1868-69.	
The conversion of one field and one Garrison Battery in Bengal, into Mountain Batteries	3,000
The addition of 40 privates to each of the 12 Punjab Native Infantry Regiments	4,000
The grant to Military Officers in Civil employ of the difference or excess of their Military pay over their Civil Consolidated Salaries	
The grant of increased pay to Paymasters and Quartermasters of British Regiments	15,000
The sanction of a revised establishment, with increased rates of pay, for Medical Subordinates	15,000
The sanction of a revised Pay and Account Establishment for the Royal Artillery	750
The sanction of a revised scale of working pay for Native troops in the three Presidencies	
The sanction of a revised Establishment and Equipment for the Hazara and Peshawur Mountain Batteries	750
The grant of increased rates of pay to the Deolee and Erinpoorah Force	3,609
The formation of the Aden troop of Native Cavalry in Bombay	7,000
1869-70.	
The grant of command allowance at 150 rupees per mensem for all batteries of Native Artillery in India	12,600
The grant of increased rates of pay to Doolee Bearers attached to the Punjab Regiments	2,800
The assimilation, to the Bengal scale, of the staff allowance drawn by Adjutants of European Cavalry and Infantry Regiments in Madras	228
1870-71.	
The grant of Good Conduct Pay, at earlier periods, to European Soldiers and the withdrawal of the additional pay on re-engagement	
The sanction of increased rates of pay to Hospital Serjeants	600
The revision of the Bombay Corps of Sappers and Miners	1,000
1871-72.	
The introduction of a new system of education in Native Regiments in Bengal	150
Revised establishments of Native Drivers for Mountain Batteries of European Artillery	45
The sanction of a Native Establishment (2 Bheesties and one Puckallee) for each troop or company in Native Regiments where the messing system is maintained	
The grant of an annual allowance to British Corps for the maintenance of Libraries	
Revised rates of pay for Orderly Room Clerks of Headquarters of Brigades of Royal Artillery	
The grant of Good Conduct Pay to Jemadars and Sirdars of Drivers of Heavy Batteries of Artillery	
The grant of extra Assam-Batta to the Native Troops serving in that District (with effect from 1st April 1872)	8,000
The grant of an allowance (100 rupees per mensem) for the supply of water to the Aden Troop of Native Cavalry	120

Appendix, No. 19.

Statement, &c., Grant III., "Regimental Pay, Allowances, and Charges"—*continued.*

Items of Decrease.	Amounts.
	£.
1863–64.	
Reduction of the European Battalion at Chunar from four to two Companies, one of Artillery and one of Infantry	10,000
The abolition of the Pegu Sapper Battalion	12,500
The sanction of a revised and reduced scale of allowance for free kit to men of all arms, on re-enlistment after the expiration of their first period of service	
The appointment of European Soldiers as Hospital Writers, on a staff salary of 10 rupees per mensem, instead of Natives on 30 rupees	1,400
The reduction in the strength of Native Cavalry Corps in Bengal	22,680
1864–65.	
The abolition of the appointments of Commandant of Engineers in the three Presidencies	4,600
The reduction, from three to two, of the number of assistant surgeons with British Infantry Corps	19,000
The gradual absorption of Nishanburdars in regiments of Native Cavalry in Bengal	6,566
The withdrawal of seven Light Field Batteries of Artillery	100,000
The disbandment of the Native Horse Artillery Battery, the Local Battery of Artillery, and the reduction of the Golundauze Artillery to one Company in Madras	11,200
The disbandment of four regiments of Native Infantry in Madras	67,500
The disbandment of the Southern Mahratta Horse in Bombay	25,000
The disbandment of the East Indian Regiment	17,500
The removal of the Post Guns from Rajcote	770
1865–66.	
The withdrawal of two regiments of European Infantry	136,000
The abolition of the post of Officer Instructor of Musketry in British Cavalry Regiments, and the appointment of a Serjeant Instructor of Fencing to each regiment	1,480
The discontinuance of Interpreters with Native Regiments on the new organisation	
The discontinuance of Prizes for Good Shooting to the Royal Artillery in India	300
The disbandment of the Lahore Light Horse	10,000
1866–67.	
The removal of the Post Guns from Almorah and Berhampore	390
Reduction of British Regiments of Cavalry and Infantry in India, to the extent of 56 and 60 men respectively	100,000
The withdrawal of one Regiment of European Infantry	68,000
The transfer of the Trigonometrical and Topographical Surveys to the Civil Department	59,490
1867–68.	
The transfer of the expense of the Hyderabad Contingent from the Military to the Civil Department	200,900
The transfer of the Straits Settlements, and of the Military Expenditure therein, to the Crown	6,500
The discontinuance of the practice of placing Regimental Colonels of the Royal Artillery and Engineers on the Supernumerary List, when employed in Manufacturing Departments of the Army	
The restriction of the number of Colonels' allowances in the Staff Corps to one for every 30 Officers, after the last Officer who joined under G.G.O., No. 808 of 1866, has succeeded to the allowance	
The restriction of admissions to the Staff Corps, of Officers of the British Army, to those whose service does not exceed three to seven years, or thereabouts	
The reduction of the Local Battery of Artillery in Bengal	3,000
The discontinuance of the appointments of Interpreters to Artillery Brigades and Divisions in Madras and Bombay	
1868–69.	
The reduction of three Garrison Batteries of Royal Artillery in Madras (in August 1868) on their return from the Straits Settlements	21,880
The withdrawal of hospital carts from all Batteries of Horse and Field Artillery	
The withdrawal of one of the two store carts in each Field Battery of Artillery	
The conversion of three heavy Batteries into Garrison Batteries of Artillery in Bengal	
The abolition of the Assam Mountain Battery of Artillery	3,000
The reduction of six duffadars in each regiment of Native Cavalry in Bombay	1,900

Appendix, No. 19.

Statement, &c., Grant III., "Regimental Pay, Allowances, and Charges"—*continued.*

Items of Decrease.	Amounts.
	£.
1870-71.	
The withdrawal of two regiments of European Cavalry, and a reduction in the strength of the remaining nine regiments from seven to six service troops, with an increased complement of privates	130,000
The withdrawal of two regiments of European Infantry, and a reduction in the strength of the remaining 50 regiments from 10 to 8 service companies, with an increased complement of privates	151,900
The reduction of the Viceroy's Body Guard from two to one troop	5,000
The reduction of the Local Company of European Infantry in Bengal	
The abolition of the second line of waggons in Batteries of Royal Artillery in India, with certain exceptions	25,800
The reduction of the Company of Native Artillery in Madras	
The reduction of one Company of Native Artillery in Bombay, with its division of Mountain Train attached	17,000
The reduction of one of the Punjab Light Field Batteries of Artillery	
The reduction of the Eurasian Battery of Artillery in Bengal	
1871-72.	
The reduction of the Staff and Establishments of two Brigades and five Batteries of Horse and three Batteries of Garrison Artillery, and an augmentation of the number of drivers in the remaining Horse and Light Field Batteries, and of gunners in the Heavy and Garrison Batteries	67,500

STATEMENT exhibiting the STAFF APPOINTMENTS, &c., Created and Abolished in the MEDICAL DEPARTMENT, Grant IX., in the Three Presidencies, for the Years from 1865-66 to 1871-72.

Created.	Amounts.
1865-66.	
1 Garrison Surgeon at Allahabad (abolished 1871-72)	676
1 „ Assistant Surgeon at Allahabad (abolished 1867-68)	591
1866-67.	
Reorganisation of the Medical Administrative Staff.	
Bengal:	
4 Deputy Inspectors General of Hospitals (British Service)	8,640
2 Staff Surgeons-Major (Administrative Officers)	3,360
Madras:	
1 Inspector General of Hospitals (British Service)	3,000
1 Secretary and Statistical Officer to Hospitals (British Service)	1,300
3 Deputy Inspectors General of Hospitals „	6,680
1 Staff Surgeon-Major (Administrative Officer) „	1,680
Bombay:	
1 Inspector General of Hospitals (British Service)	3,000
1 Secretary and Statistical Officer to Hospitals (British Service)	1,560
3 Deputy Inspectors General of Hospitals „	6,630
1 Surgeon-Major (Administrative Officer) „ (abolished 1871-72)	1,680
1867-68, 1868-69, 1869-70, 1870-71, and 1871-72.	
The formation of several Lock Hospitals in the three Presidencies	7,000
Cholera Camp Establishments	1,700

Note.—In showing the cost of the measures of increase or decrease in this Grant, it should be noted that though the sums are taken from the Estimate for the Grant, they do not, in the case of Indian Officers, represent a corresponding financial saving. The pay of these officers continues to be drawn, but in other branches of the Service. In the case of officers of the British Service, the creation or abolition of appointments is a direct increase or decrease of the full cost of these officers.

Appendix, No. 19. Statement, &c., Grant IX., Staff Appointments in the Medical Department—*continued.*

Abolished.	Amounts.
1865-66.	£.
1 Surgeon to the General Hospital at Allahabad	676
2 Assistant Surgeons „ „	1,182
1866-67.	
Reorganisation of the Medical Administrative Staff.	
Bengal:	
2 Inspectors General of Hospitals (Indian Service)	6,000
3 Deputy „ „ „	6,330
Madras:	
1 Inspector General of Hospitals (Indian Service)	3,000
2 Deputy „ „ „	4,320
1 „ „ „ (British Service)	2,580
Bombay:	
1 Inspector General of Hospitals (Indian Service)	3,000
2 Deputy „ „ „	4,320
1 „ „ „ (British Service)	2,160
Medical Store Depôt at Ahmedabad (Bombay)	1,000
1867-68.	
Garrison Assistant Surgeons at Allahabad and Lahore	
„ „ Surgeon at Fort St. George	
Kidderpore Depôt	2,000
1868-69.	
Nil.	
1869-70.	
Nil.	
1870-71.	
Medical Store Depôts at Saugor and Umballa	4,200
„ „ at Bangalore, Bellary, and Trichinopoly	1,249
1871-72.	
Garrison Surgeons at Fort William, Allahabad, and Agra	
The Staff Surgeon-Major, Administrative Officer (British Troops), Bombay	1,680
Station Hospital at Indore	
Medical Store Depôts at Vizagapatam and Cannamore	760

Grant I.—Army and Garrison Staff. Comparison of Charges for 1862-63 and 1871-72.

Amount of Grant I. Actual Expenditure in		Average Effective Strength of the Army in						Increase of Expenditure.	Decrease of Expenditure.	Measures of Increase.	Estimated Average Annual Cost on Estimates of 1862-63 and Actuals of 1871-72.	Measures of Decrease.	Estimated Amount of Saving Annually on Estimates of 1862-63 and Actuals of 1871-72.
		1862-63.			1871-72.								
1862-63.	1871-72.	Europeans.	Natives.	Total.	Europeans.	Natives.	Total.						
£.	£.							£.	£.		£.		£.
463,867	465,841	69,732	137,931	207,663	58,437	115,196	173,633	1,974	–	Higher pay of Commander in Chief's Staff: reorganisation of Office	6,530		
										Reorganisation of Office of Adjutant General's Department	8,056	Reorganisation of Adjutant General's Department	24,674
										Reorganisation of Quartermaster General's Department	10,783	Reorganisation of Quartermaster General's Department	1,465
										Increase to Musketry Inspector's Establishment	802	Reorganisation of Divisional Staff	33,297
										Reorganisation of Musketry Inspector's Office	2,688	Reorganisation of Brigade Staff	1,193
										Organisation of Department of Gymnastic and Garrison Instruction	17,492	Reorganisation of Miscellaneous Staff of Forts, &c.	17,829
										Reorganisation of Brigade and Divisional Staff Offices	1,276	Reorganisation of Staff of Local Forces	17,805
										Reorganisation of Garrison Staff Offices	30,514		
										Revision, Bazaar Establishment	1,947		

(A. 4.)

ARMY CHARGES.—GRANT I.—"ARMY AND GARRISON STAFF," BENGAL.—COMPARISON of Charges for Officers and Office Establishments in 1862–63 and 1872–73 respectively.

Heads of Charge.	Commissioned Officers.	1862-63. Number.	1862-63. Amount.	1862-63. Total.	1872-73. Number.	1872-73. Amount.	1872-73. Total.	Office Establishments.	1862-63. Amount.	1862-63. Total.	1872-73. Amount.	1872-73. Total.
			£.	£.		£.	£.		£.	£.	£.	£.
Commander in Chief		1	15,830		1	10,000		Commander-in-Chief's Office	1,399	1,399	3,577	3,757
Staff		6		15,830	7	7,183	17,183					
Adjutant General's Department	Adjutant General's Department	8	12,435		6	11,696		Adjutant General's Office	11,343		15,717	
	Artillery Staff	–	14,271		2	3,728		Artillery Staff Office	1,320		3,037	
				26,706			15,424			12,663		18,754
Quartermaster General's Department.	Quartermaster General's Department	17	19,721		14	16,123		Quartermaster General's Office	5,224		10,062	
	Storekeeper	1	810		1	1,369		Storekeeper's Office	–		828	
				20,531			17,492			5,224		10,890
Musketry Inspection		–	4,876	4,876	6	5,758	5,758	Musketry Inspector's Office	512	512	2,419	2,419
Gymnastics		–	–	–	1	1,049	1,049	Gymnastic Instructor's Office	–	–	586	586
Garrison Instruction		–	–	–	6	6,589	6,589	Garrison Instruction Office	–	–	1,518	1,518
Divisional Staff	Generals of Division	7	29,576		6	23,858		Divisional and Brigade Offices	–	–	7,478	7,478
	Aides-de-Camp	7	4,781		6	4,137						
	Assistants Adjutant General	7	7,189		6	8,792						
				41,546			36,787					
Brigade Staff	Brigadiers	13	30,795		10	25,500						
	Brigade Majors	21	20,250		18	17,965						
				51,045			43,465					
Miscellaneous Staff of Forts, Cantonments, Stations, &c.	Commandants	–	–		6	4,961						
	Senior Officers Commanding	–	–		12	8,000						
	Fort Adjutants	3	–		2	1,198						
	Garrison Quartermaster	–	–		1	1,004						
	Station Staff	–	–		23	11,264		Garrison and Station Staff Establishments	–	–	3,233	
	Hill Sanitaria	–	–		17	14,439		Hill Sanitaria	–	–	8,949	
	Miscellaneous Depôts	–	–		5	3,524		Miscellaneous Depots	–	–	2,926	
				59,010			44,390					15,108
Staff, Local Forces	Hyderabad	–	8,394									
	Nagpoor	–	1,831									
	Punjab	–	6,271		2	3,722		Punjab Frontier Force	–	–	370	
	Central India Horse	–	1,872		2	1,801		Central India Horse	–	–	6	
	Deolee and Erinpoorah	–	4,960									376
				23,328			5,523					
Bazaar Establishments		–	–	–	–	–	–		–	–	4,586	4,586
Miscellaneous Staff		–	–	–	1	300	300		–	–	680	680
	TOTAL	–	–	242,872	–	–	193,960	TOTAL	–	19,798	–	66,152

ABSTRACT.

	Officers.	Office Establishments.	Total.
	£.	£.	£.
Charges for 1862–63	242,872	19,798	262,670
Charges for 1872–73	193,960	66,152	260,112

(A. 5.)

ARMY CHARGES.—GRANT I.—"ARMY AND GARRISON STAFF," MADRAS.—COMPARISON of Charges for Officers and Office Establishments in 1862-63 and 1872-73 respectively.

Heads of Charge.	Officers.	1862–63. Number.	1862–63. Amount.	1862–63. Total.	1872–73. Number.	1872–73. Amount.	1872–73. Total.	Office Establishments.	1862–63. Amount.	1862–63. Total.	1872–73. Amount.	1872–73. Total.
			£.	£.		£.	£.		£.	£.	£.	£.
Commander in Chief and Staff	Commander in Chief	1	9,946	- -	1	7,000	- -	Commander in Chief's Office	196	196	678	678
	His Excellency's Staff	4			4	3,118						
				9,946			10,118					
Adjutant General's Department	Adjutant General's Department	5	8,049	- -	4	6,607	- -	Adjutant General's Office	3,791	- -	3,749	
	Artillery Staff		3,830	- -		1,839	- -	Artillery Staff Office	345	- -	620	
				11,879			8,446			4,136		4,369
Quartermaster General's Department.	Quartermaster General's Department	11	12,953	12,953	9	12,947	12,947	Quartermaster General's Office	2,940	2,940	4,344	4,344
Musketry Inspection	Inspectors of Musketry	2	1,949	1,949	2	1,738	1,738	Musketry Inspector's Office	120	120	405	405
Garrison Instructor	" "	-	- -	- -	4	3,360	3,360	Garrison Instructor's Office	- -	- -	616	616
Divisional Staff	Generals of Division	6	30,434	- -	3	12,153	- -	Divisional Staff Offices				
	Aides-de-Camp	6	4,337	- -	3	2,211						
	Assistants Adjutant General	7	6,512	- -	3	4,236			1,433	1,433	3,003	3,003
				41,283			18,600					
Brigade Staff	Brigadiers	4	4,925	- -	6	15,909	- -	Brigade Staff Offices				
	Brigade Majors	7	5,865	- -		6,518						
				10,790			22,427					
Miscellaneous Staff of Forts, Cantonments, &c.	Commandants	-	16,529	- -	4	3,326	- -	" " "	- -	- -	8,935	
	Senior Officers Commanding				2	600						
	Adjutants				2	1,296						
	Garrison Quartermasters				-	- -						
	Station Staff				27	3,944						
	Sanitaria				3	2,369						
	Miscellaneous Depôts				2	1,982						
				16,529			13,517					8,935
Staff Local Forces	- - - - - -	-	- -	- -	-	- -	- -	" " "	- -	- -	-	
Bazaar Establishment	- - - - - -	-	- -	- -	-	- -	- -	" " "	- -	- -	240	
Staff, Miscellaneous	Superintendent of Schools	1	590	590	-	- -	- -	" " "	- -	- -	50	
	Telegraphy Instructor	-	- -	- -	1	300	300					290
	TOTAL	-	- -	105,919	-	- -	91,453	TOTAL	- -	8,825	- -	22,640

ABSTRACT.

	Officers.	Office Establishments.	Total.
	£.	£.	£.
Charges for 1862–63	105,919	8,825	114,744
Charges for 1872–73	91,453	22,640	114,093

(A. 6.)

ARMY CHARGES.—GRANT I.—"ARMY and GARRISON STAFF," BOMBAY.—COMPARISON of Charges for Officers and Office Establishments in 1862-63 and 1872-73 respectively.

Heads of Charge.	Commissioned Officers.	1862-63. Number.	1862-63. Amount.	1862-63. Total.	1872-73. Number.	1872-73. Amount.	1872-73. Total.	Office Establishments.	1862-63. Amount.	1862-63. Total.	1872-78. Amount.	1872-78. Total.
			£.	£.		£.	£.		£.	£.	£.	£.
Commander in Chief and Staff	Commander in Chief	—	9,626	9,626	1	7,000	—	Commander in Chief's Office	324	324	2,192	2,192
	His Excellency's Staff	—			5	2,923	9,923					
Adjutant General's Department	Adjutant General's Department	—	6,417	—	3	5,886	—	Adjutant General's Office	2,804	2,804	4,536	4,536
	Artillery Staff	—	11,131	—	—	1,703						
				17,548			7,589					
Quartermaster General's Department.	Quartermaster General's, Head Quarters and Divisional.	—	10,431	10,431	8	11,011	11,011	Quartermaster General's Office	3,789	3,789	7,502	7,502
Musketry Inspector	Inspectors of Musketry	—	1,607	1,607	2	1,738	1,738	Musketry Inspector's Office	—	—	496	496
Gymnastic	Assistant Director of Gymnastics	—	—	—	1	809	809	Director of Gymnastics' Office	—	—	117	117
Garrison Instructors	Instructors	—	—	—	2	2,178	2,178	Garrison Instructors' Office	—	—	220	220
Divisional Staff	Generals of Division	—	16,983	—	3	12,153	—	Divisional and Brigade Staff Offices	1,325	1,325	3,553	3,553
	Aides-de-Camp	—	1,971	—	3	1,713						
	Assistants Adjutant General	—	4,498	—	3	3,731						
				23,452			17,597					
Brigade Staff	Brigadiers	—	20,899	—	7	17,075						
	Brigade Majors	—	9,394	—	8	7,968						
				30,293			25,043					
Miscellaneous Staff of Forts, Cantonments, &c.	Commandants	—			1	1,318	—	Miscellaneous Staff Offices	—	—	—	
	Senior Officers Commanding	—			3	1,080						
	Station Staff	—	15,552	—	19	3,306	—	" "	—	—	652	
	Sanitaria	—			10	7,099	—	" "	—	—	3,063	
	Miscellaneous Depôts	—			4	3,191	—	" "	—	—	1,596	
				15,552			15,994					5,311
Staff Local Forces	—	—	—	—	—	—	—					
Bazaar Establishment	—	—	—	—	—	—	—	" "	9,599	9,549	6,670	6,670
Staff, Miscellaneous	Instructor, Telegraphy	—	—	—	1	300	300	" "	—	—	54	54
	Superintendent of Schools	—	949	949	—	—	—					
	Artillery Select Committee	—	—	—	—	—	—	Artillery Select Committee	72	72	—	—
	TOTAL	—	—	109,458	—	—	92,182	TOTAL	—	17,863	—	30,651

ABSTRACT.

	Officers.	Office Establishments.	Total.
	£.	£.	£.
Charges for 1862-63	109,458	17,863	127,321
Charges for 1872-73	92,182	30,651	122,833

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ARMY CHARGES.—GRANT I.—"ARMY AND GARRISON STAFF."—COMPARISON of Charges in all Three Presidencies in the Years 1862-63 and 1872-73 respectively.

DESCRIPTION OF CHARGES.	OFFICERS.								OFFICE ESTABLISHMENTS.							
	1862-63.				1872-73.				1862-63.				1872-73.			
	Bengal.	Madras.	Bombay.	TOTAL.	Bengal.	Madras.	Bombay.	TOTAL.	Bengal.	Madras.	Bombay.	TOTAL.	Bengal.	Madras.	Bombay.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Commander in Chief and Staff	15,830	9,946	9,626	35,402	17,183	10,118	9,923	37,224	1,399	196	324	1,919	3,757	678	2,192	6,627
Adjutant General's Department	12,435	8,049	6,417		11,696	6,607	5,886		11,343	3,791	2,804		15,717	3,749	4,536	
Artillery Staff	14,271	3,830	11,131		3,728	1,839	1,703		1,320	345	—		3,037	620	—	
	26,706	11,879	17,548	56,133	15,424	8,446	7,589	31,459	12,663	4,136	2,804	19,603	18,754	4,369	4,536	27,659
Quartermaster General's Department	19,721	12,953	10,431		16,122	12,947	11,011		5,224	2,940	3,789		10,062	4,344	7,502	
Storekeeper	810	—	—		1,370	—	—		—	—	—		828	—	—	
	20,531	12,953	10,431	43,915	17,492	12,947	11,011	41,450	5,224	2,940	3,789	11,953	10,890	4,344	7,502	22,736
Musketry Inspection	4,876	1,949	1,607	8,432	5,758	1,738	1,738	9,234	512	120	—	632	2,419	405	496	3,320
Gymnastic Instruction	—	—	—	—	1,049	—	809	1,858	—	—	—	—	586	—	117	703
Garrison Instruction	—	—	—	—	6,589	3,360	2,178	12,127	—	—	—	—	1,518	616	220	2,354
Divisional Commanders and Assistants Adjutant General.	41,546	41,283	23,452	106,281	36,787	18,600	17,597	72,984	—	—	1,325	1,325	7,478	3,003	3,553	14,034
Brigadiers and Majors of Brigade	51,045	10,790	30,293	92,128	43,465	22,427	25,043	90,935	—	1,433	—	1,433				
Miscellaneous Staff of Forts, Cantonments, Stations, Depôts, &c.	59,010	16,529	15,552	91,091	44,390	13,517	15,994	73,901	—	—	—	—	15,108	8,935	5,311	29,354
Staff of Local Forces	23,328	—	—	23,328	5,523	—	—	5,523	—	—	—	—	376	—	—	376
Bazaar Establishments	—	—	—	—	—	—	—	—	—	—	9,549	9,549	4,586	240	6,670	11,496
Miscellaneous Staff	—	590	949	1,539	300	300	300	900	—	—	72	72	680	50	64	784
TOTAL £.	242,872	105,919	109,458	458,249	193,960	91,453	92,182	377,595	19,798	8,825	17,863	46,486	66,152	22,640	30,651	119,443

ABSTRACT.

	ESTIMATE, 1862-63.				ESTIMATE, 1872-73.			
	Bengal.	Madras.	Bombay.	TOTAL.	Bengal.	Madras.	Bombay.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.
Charges for Officers	242,872	105,919	109,458	458,249	193,960	91,453	92,182	377,595
Charges for Office Establishments	19,798	8,825	17,863	46,486	66,152	22,640	30,651	119,443
TOTAL	262,670	114,744	127,321	504,735	260,112	114,093	122,833	497,038
Actuals, 1862-63 TOTAL	234,435	102,806	126,626	463,867				
Actuals, 1871-72 TOTAL	—	—	—	—	242,724	106,289	116,827	465,841

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(A. 8.)

COMPARATIVE AVERAGE STATEMENT of the Salaries of the Appointments in GRANT I. for Bengal, for the Years 1853-57 and 1872-73.

1856-57.					1872-73.					
APPOINTMENT.	Regimental Rank of Holder.	Emolument. Regimental Pay.	Emolument. Staff Salary.	Emolument. TOTAL.	Rank of Holder.	Emolument. Regimental Pay.	Emolument. Staff Salary.	Emolument. TOTAL.	Showing what the Total Emoluments at present Rates of Pay and Staff Salary would be if the Appointments were held by Officers of the same Rank as in 1856.	REMARKS.
		£.	£.	£.		£.	£.	£.	£.	
Commander in Chief	-	10,000	10,000	-	-	10,000	10,000*	10,000	
Military Secretary to Commander in Chief	Lieutenant Colonel	292	2,700	2,992	Major	-	1,800	1,800*		
Interpreter to Commander in Chief	Captain	498	800	1,298	Major	769	540	1,309	989	
Aides-de-Camp	Lieutenant	248	389	637	Lieutenant	271	300	571	571	
Native Aide-de-Camp	-	-	-	-	-	120	180	300		
Medical Officer	Assistant Surgeon	308	480	788	Surgeon	-	1,200	1,200*		
Adjutant General of the Army	Major	219	2,700	2,919	Lieutenant Colonel	-	3,600	3,600*		
Deputy Adjutant General of the Army	Major	947	960	1,907	Lieutenant Colonel	993	1,200	2,193	1,969	
Assistant Adjutant General, 1st	Captain	498	600	1,098	Lieutenant Colonel	993	720	1,713	1,169	
Assistant Adjutant General, 2nd	-	-	-	-	Captain	450	600	1,050		
Deputy Assistant Adjutant General	-	-	-	-	Major	769	600	1,369		
Adjutant General, Queen's Troops	Lieutenant Colonel	292	2,700	2,992	—	—	—			
Assistant Adjutant General, Queen's Troops	Captain	498	600	1,098	—	—	—			
Assistant Adjutant General, Artillery	Lieutenant	282	600	882	—	—	—			
Deputy Adjutant General, Royal Artillery	-	-	-	-	Lieutenant Colonel	993	960	1,953		
Quartermaster General of the Army	Captain	146	2,700	2,846	Lieutenant Colonel	-	3,000	3,000*		
Deputy Quartermaster General of the Army	Major	911	960	1,871	Captain	449	1,200	1,649	1,969	
Assistant Deputy Quartermaster General, 1st	-	-	-	-	Captain	449	720	1,169		
Assistant Quartermaster General	Lieutenant	308	600	908	Captain	449	600	1,049	871	
Deputy Assistant Quartermaster General, 1st Class.	Lieutenant	308	480	788	Captain	449	480	929	751	
Deputy Assistant Quartermaster General, 2nd Class.	Lieutenant	338	360	668	—	—	—			
Quartermaster General, Queen's Troops	Major	219	2,700	2,919	—	—	—			
Military Storekeeper	-	-	-	-	Major	769	600	1.369		
Inspector General of Artillery	-	-	-	-	Colonel, Royal Artillery	1,518	1,284	2,802		
Brigade Major of Artillery	-	-	-	-	Major, Royal Artillery	520	425 *a*	945		*a* Includes office allowance.
Commandant of Artillery	Lieutenant Colonel	1,203	1,920	3,123	—	—	—			
Assistant Adjutant General for Musketry	-	-	-	-	Lieutenant Colonel	993	720	1,713		
Deputy Assistant Adjutant General for Musketry	-	-	-	-	Captain	498	600	1,098		
Director of Gymnastics	-	-	-	-	Captain	449	600	4,049		
Superintendent of Garrison Instruction	-	-	-	-	Lieutenant Colonel	1,203	792	1,995		
Garrison Instructors	-	-	-	-	Captain	449	534	983		
General Officers Commanding Divisions	Colonel	365	4,000	4,365	Colonel	-	4,200	4,200*		
Aides-de-Camp	Lieutenant	308	246	554	Captain	449	300	749	571	
Brigadier General, 1st Class	Lieutenant Colonel	1,203	1,284	2,487	Lieutenant Colonel	993	1,680	2,673	2,673	
Brigadier General, 2nd Class	Lieutenant Colonel	1,203	960	2,163	Lieutenant Colonel	993	1,440	2,433	2,433	
Town Major, Fort William	Captain	408	1,440	1,848	—	—	—			

Assistant Adjutant General	Captain	498	480	978	Lieutenant Colonel	993	762	1,755	1,211		
Deputy Assistant Adjutant General	Captain	498	480	978							
Brigade Major	Captain	498	425	923	Captain	449	642 *a*	1,091	1,091	*a* Includes office allowance.	
Brigade Major, Queen's Troops	Captain	498	545	1,043							
Commandants of Garrisons	Lieutenant Colonel	1,203	960	2,163	Lieutenant Colonel	993	480	1,473	1,473		
Senior Officers Commanding Stations	-	-	-	-	Lieutenant Colonel	993	300	1,293	-		Varies from 360 *l.* to 240 *l.*, but this is the average.
Fort Adjutants	-	-	-	-	Captain	449	162 *a*	611			
Fort Adjutant of Allahabad	Captain	498	288	786	-	-	-	-	611 *a*	*a* Includes office allowance.	
Ditto of Chunar			180	678	Captain	449	162	611			
Ditto of Fort William			514	1,012	Captain	449	162	611			
Garrison Quartermaster	-	-	-	-	Major	769	300	1,069			
Station Staff Officer, 1st Class	-	-	-	- *b*	Captain	449	180 *a*	629		*a* Includes office allowance if held by an otherwise unemployed officer. 13 unemployed, 22 employed.	
Station Staff Officer, 2nd Class	-	-	-	-	Captain	449	120	569			
Station Staff Officer, 3rd Class	-	-	-	-	Lieutenant	271	60	331			
Commandants, Hill Sanitaria	Captain	498	240	738	Lieutenant Colonel	1,203	240 *a*	1,443	689	*a* Includes office allowance.	
Staff Officers	Captain	498	180	678	Captain	498	120	618	569	*b* The staff remuneration for station staff duties in 1856 varied with circumstances, from 30 *l.* to 72 *l.* per annum.	
Medical Officer	-	-	-	-	Assistant Surgeon	542	180	722			
Commandants, Depots	Captain	498	- *c*	-	Major	911	240	1,151			
Paymaster, Depôts	-	-	-	-	Paymaster	535	94	629			
Quartermaster, Depôts	Lieutenant	308	-	-	Quartermaster	308	127	435		*c* These depôts which were for musketry instruction for Native Army, were special, and the rates of staff salary are not available.	
Adjutants, Depôts	Lieutenant	308	-	-	Captain	498	218	716			
Medical Officers, Depôts	-	-	-	-	Surgeon	991	-	991			
Brigadier General Commanding Punjab Field Force.	Captain	498	1,902	2,400	Lieutenant Colonel	993	1,680	2,673	2,129		
Staff Officer of Punjab Field Force	Captain	498	480	978	Captain	449	600	1,049	1,049		
Commandant Central India Horse	-	-	-	-	Major	769	800	1,569			
Brigadier Commanding Oude Irregular Force	Lieutenant Colonel	1,203	1,197	2,400							
Brigadier Commanding Gwalior Contingent	Lieutenant Colonel	-	2,400	2,400							
Brigadier Commanding Nagpore Contingent	-	548	480	1,028	-	-	-	-	-		With command of regiment.

* Consolidated.

(A. 9.)

GRANT II.—ADMINISTRATIVE STAFF.—COMPARISON of Charges for 1862–63 and 1871–72.

Amount of Grant II. Actual Expenditure in		Average Effective Strength of the Army in						Increase of Expenditure.	Decrease of Expenditure.	Measures of Increase.	Estimated Average Annual Cost on Actuals of 1862–63 and 1871–72.	Measures of Decrease.	Estimated Amount of Saving annually on Actuals of 1862–63 and 1871–72.
		1862–63.			1871–72.								
1862–63.	1871–72.	Europeans.	Natives.	TOTAL.	Europeans.	Natives.	TOTAL.						
£.	£.							£.	£.		£.		£.
190,391	198,634	69,732	137,931	207,663	58,437	115,196	173,633	8,243	-	Office Establishment of Viceroy increased (probably by transfer from the Durbar Fund).	616	Reconstruction of Military Finance Department.	6,185
										Re-organisation, Accounts Department	677	Reorganisation, Pay Department	18,210
										Transfer of cost of Bands from Civil Estimate.	2,613	Reorganisation, Pay Department Offices	5,847
										Reorganisation, Accounts Department Offices.	27,254		

(A. 10.)

ARMY CHARGES.—GRANT II.—"ADMINISTRATIVE STAFF."—COMPARISON of Charges in all Three Presidencies in the Years 1862-63 and 1872-73, respectively.

DESCRIPTION OF CHARGES.	OFFICERS.								OFFICE ESTABLISHMENTS.							
	1862-63.				1872-73.				1862-63.				1872-73.			
	Bengal.	Madras.	Bombay.	TOTAL.	Bengal.	Madras.	Bombay.	TOTAL.	Bengal.	Madras.	Bombay.	TOTAL.	Bengal.	Madras.	Bombay.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Personal Staff of the Viceroy	5,975	—	—	—	5,636	—	—	—	180	—	—	180	753	—	43	796
Personal Staff of Lieutenant Governors, Bengal, North West Provinces, and Punjab.	3,343	—	—	—	1,939	—	—	—	—	—	—	—	—	—	—	—
Personal Staff of Governors of Madras and Bombay.	—	1,386	2,821	—	—	2,851	2,992	—	—	—	—	—	—	—	—	—
	9,318	1,386	2,821	13,525	7,575	2,851	2,992	13,418	—	—	—	—	—	—	—	—
Chief of the Military Finance Department	4,365	—	—	—	2,700	—	—	—	—	—	—	—	—	—	—	—
Secretary to ditto	1,920	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Assistant Secretaries	3,600	—	—	—	1,000	—	—	—	—	—	—	—	—	—	—	—
	9,885	—	—	9,885	3,700	—	—	3,700	5,600	—	—	5,600	5,521	—	—	5,521
Controller, Military Accountant, and Compiler	5,955	5,346	5,006	—	5,274	3,738	4,834	—	9,522	8,334	2,104	—	14,455	9,363	7,062	—
Examiners, Pay Department	3,300	3,023	2,021	—	3,487	2,704	1,969	—	7,934		2,413	—	11,249		5,474	—
„ Commissariat Department	3,181	2,270	1,659	—	2,343	2,223	2,073	—	9,863	4,332	2,522	—	8,583	4,239	4,752	—
„ Medical Department	1,530	1,289	1,003	—	1,413	1,697	1,546	—	324	540	—	—	1,881	718	887	—
„ Ordnance Department	956	1,189	883	—	1,259	1,139	1,279	—	4,086	—	2,276	—	6,066	70	3,042	—
Circle and Pension Paymasters	13,258	14,337	11,730	—	10,638	4,475	6,002	—	10,675	7,825	7,562	—	9,483	5,869	4,863	—
	28,180	27,454	22,302	77,936	24,414	15,976	17,703	57,893	42,404	21,031	16,877	80,312	51,717	20,259	26,080	98,056
Examiners, Military and Medical Funds' Accounts.	—	—	—	—	1,860	210	240	—	—	—	—	—	2,098	1,208	857	4,163
Bands of the Viceroy and Governors of Madras and Bombay.	—	—	—	—	1,680	286	647	—	—	—	—	—	—	—	—	—
					3,540	496	887	4,923	—	—	—	—	—	—	—	—
TOTAL £.	47,383	28,840	25,123	101,346	39,229	19,323	21,582	79,934	48,184	21,031	16,877	86,092	60,089	21,467	26,980	108,536

ABSTRACT.

	ESTIMATE, 1862-63.				ESTIMATE, 1872-73.			
	Bengal.	Madras.	Bombay.	TOTAL.	Bengal.	Madras.	Bombay.	TOTAL.
	£.	£.	£.	£.	£.	£.	£.	£.
Charges for Officers	47,383	28,840	25,123	101,346	39,229	19,323	21,582	80,134
Charges for Office Establishments	48,184	21,031	16,877	86,092	60,089	21,467	26,980	108,536
TOTAL £.	95,567	49,871	42,000	187,438	99,318	40,790	48,562	188,670
Actuals, 1862-63 - TOTAL £.	100,402	46,717	43,272	190,391	—	—	—	—
Actuals, 1871-72 - TOTAL £.	—	—	—	—	98,048	50,397	50,188	198,634

(A. 11.)

GRANT III.—REGIMENTAL PAY and ALLOWANCES. Expenditure of 1862-63 compared with that of 1871-72.

1862-63.		ARM OF THE SERVICE.	1871-72.			
Estimated Cost for the Year.	Average Effective Strength during the Year.		Average Effective Strength during the Year.	Actual Cost for the Year.	Increase.	Decrease.
£.		*European:*		£.	£.	£.
759,677	11,519	Royal Artillery	11,069	816,337	56,660	—
340,522	6,207	Cavalry	4,045	316,189	-	24,363
50,784	330	Royal Engineers	134	13,332	-	37,464
1,666,556	51,676	Infantry	43,189	1,803,817	137,261	—
59,629	-	Invalid and Veteran Establishment.	-	37,416	-	46,213
295,765	-	Staff Corps	-	168,475	-	127,290
316,287	-	General List, Cavalry / General List, Infantry	-	104,952	-	211,333
8,054	-	Unattached Officers	-	2,410	-	5,643
—	—	General Officers, unemployed	-	11,252	11,252	—
—	—	Colonels' Allowances	-	9,390	9,390	—
3,497,214	69,732		58,437	3,283,570		
		Native:				
60,781	4,470	Artillery	847	26,860	-	33,921
9,303	21,461	Body Guards	17,521	14,552	5,249	—
1,049,556		Cavalry		935,184	-	114,372
89,690	3,486	Sappers and Miners	2,933	84,353	-	5,337
1,887,803	108,515	Infantry	93,895	2,107,911	220,108	—
3,097,133	137,932		115,196	3,168,860		
		European:				
		Bounty money	-	19,181	19,181	—
		Hutting money	-	208	208	—
		Miscellaneous	-	7,868	7,868	—
		Native:				
		Hutting money	-	14,326	14,326	—
		Marching batta	-	4,904	4,904	—
		Miscellaneous	-	4,872	4,872	—
9,333	-	Officers with Civil Departments	-	-	-	9,333
4,421	-	Warrant Officers with Public Works Department.	-	-	-	4,421
1,790	-	Officers with Irregular Corps	-	-	-	1,790

(A. 12.)

GRANT III.—REGIMENTAL PAY and ALLOWANCES. Expenditure of 1863-64 compared with that of 1871-72.

1863-64.		ARM OF THE SERVICE.	1871-72.			
Actual Cost for the Year.	Average Effective Strength during the Year.		Average Effective Strength during the Year.	Actual Cost for the Year.	Increase.	Decrease.
£.		*European:*		£.	£.	£.
849,902	13,047	Royal Artillery - - -	11,069	816,337	- -	33,565
405,429	5,971	Cavalry - - - -	4,045	316,189	- -	89,240
39,303	304	Royal Engineers - - -	134	13,332	- -	25,971
1,801,259	48,390	Infantry - - - -	43,189	1,803,818	2,559	—
53,641	- -	Veteran Establishment - -	- -	37,416	- -	16,225
237,768	- -	Staff Corps, General Lists, and Unattached Officers, including Colonels' Allowances.	- -	296,481	58,713	—
15,758	- -	Bounty and Kit Money, and Miscellaneous.	- -	27,256	11,498	—
3,403,060	67,712		58,437	3,310,829	72,770	165,001
		Native:				
69,709	2,438	Artillery - - - -	847	26,860	- -	42,849
1,093,659	20,999	Cavalry - - - -	17,521	949,736	- -	143,923
75,112	2,501	Sappers and Miners - -	2,933	84,353	9,241	—
2,040,243	102,315	Infanry - - - -	93,895	2,107,911	67,668	—
—	—	Hutting money, batta, and mislaneous charges.	- -	24,103	24,103	—
3,278,723	128,253		115,196	3,192,963	101,012	186,772
6,681,783	195,965	GRAND TOTAL - - -	173,633	6,503,792	173,782	351,773

NET DECREASE 22,332 men - - - £. 177,991.

(A. 13.)

GRANT IX.—MEDICAL SERVICES. Expenditure of 1863-64 compared with that of 1871-72.

1863-64.	SUB-HEADS OF CHARGE.	1871-72.	Increase.	Decrease.
Actual Cost.		Actual Cost.		
£.		£.	£.	£.
18,365	Medical Establishments, Indian Presidency -	17,207	- -	1,158
146,558	Districts - - - - - - - - -	124,579	- -	21,979
19,523	Medical Store Depôts - - - - -	24,503	4,980	—
24,022	Medical Establishment, British - - - -	96,453	72,431	—
42,169	General Hospitals - - - - - -	11,059	- -	31,110
467	Miscellaneous - - - - - - - -	13,658	13,191	—
137,799	Supplies - - - - - - - - -	134,042	- -	3,757
388,903	- - - - - - - -	421,501	90,602	58,004

NET INCREASE - - - £. 32,598.

Disposition Return of Officers of the Indian Staff Corps and of the Local Services in the Three Presidencies on the 1st April 1862.

Ranks.	In India.					In Europe.				Total in India and Europe.
	In Military Staff Employment.	With Native Regiments.	On Civil, Political, Police, and Miscellaneous Duties.	Unemployed in India.	Total in India.	On Furlough, but holding Appointments in India.	On Furlough, but not holding Appointments in India.	Permitted to reside in Europe.	Total in Europe.	
Lieutenant Colonels:										
Staff Corps, Bengal	2	2	7	-	11	2	1	-	3	14
Local „	10	18	3	17	48	-	1	-	1	49
Staff Corps, Madras	5	-	1	-	6	1	-	-	1	7
Local „	5	27	4	-	36	1	-	-	1	37
Staff Corps, Bombay	6	2	1	-	9	-	-	-	-	9
Local „	3	15	-	-	18	5	-	-	5	23.
Total Lieutenant-Colonels	31	64	16	17	128	9	2	-	11	139
Majors:										
Staff Corps, Bengal	31	30	74	6	141	23	5	-	28	169
Local „	11	8	9	13	41	-	7	-	7	48
Staff Corps, Madras	30	8	35	8	81	13	4	-	17	98
Local „	2	28	1	1	32	6	2	-	8	40
Staff Corps, Bombay	19	7	19	1	46	5	2	-	7	53
Local „	2	13	1	-	16	4	-	-	4	20
Total Majors	95	94	139	29	357	51	20	-	71	428
Captains:										
Staff Corps, Bengal	64	57	118	17	256	24	17	-	41	297
Local „	31	40	34	90	195	3	42	-	45	240
Staff Corps, Madras	31	27	85	9	152	16	10	-	26	178
Local „	8	137	23	31	199	53	16	-	69	268
Staff Corps, Bombay	34	26	54	4	118	3	10	-	13	131
Local „	10	75	8	3	96	30	6	-	36	132
Total Captains	178	362	322	154	1,016	129	101	-	230	1,246
Subalterns:										
Staff Corps, Bengal	9	89	65	16	179	21	10	-	31	210
Local „	19	126	52	401	598	8	90	-	98	696
Staff Corps, Madras	8	26	40	3	77	4	9	-	13	90
Local „	5	423	35	111	574	81	23	-	104	678
Staff Corps, Bombay	11	39	26	5	81	9	5	-	14	95
Local „	9	264	6	42	321	46	5	-	51	372
Total Subalterns	61	967	224	578	1,830	169	142	-	311	2,141
Total of all Ranks	365	1,487	701	778	3,331	358	265	-	623	3,954

(B. 2.)

DISPOSITION RETURN of Officers of the Local Service and General List, Indian Army, on 1st April 1873.

RANK.	IN INDIA.					IN EUROPE.				Total in India and Europe.
	In Military Staff Employment.	With Native Regiments.	On Civil, Political, Police, and Miscellaneous Duties.	Unemployed in India.	Total in India.	On Furlough, but holding Appointments in India.	On Furlough, but not holding Appointments in India.	Permitted to reside in Europe.	Total in Europe.	
Lieutenant Colonels:										
Bengal	8	6	7	24	45	6	10	5	21	66
Madras	1	24	-	6	31	3	10	4	17	48
Bombay	5	10	1	4	20	6	2	-	8	28
TOTAL	14	40	8	34	96	15	22	9	46	142
Majors:										
Bengal	1	4	1	3	9	4	1	-	5	14
Madras	1	-	4	3	8	-	-	-	-	8
Bombay	-	-	-	3	3	-	-	-	-	3
TOTAL	2	4	5	9	20	4	1	-	5	25
Captains:										
Bengal	18	81	31	31	161	41	25	-	66	227
Madras	3	35	21	10	69	10	7	-	17	86
Bombay	2	31	6	1	40	12	7	-	19	59
TOTAL	23	147	58	42	270	63	39	-	102	372
Subalterns (including Probationers):										
Bengal	-	5	-	-	5	-	-	-	-	5
Madras	-	34	18	1	53	3	3	-	6	59
Bombay	1	6	1	1	9	1	-	-	1	10
TOTAL	1	45	19	2	67	4	3	-	7	74
GRAND TOTAL	40	236	90	87	453	86	65	9	160	613

	Bengal.	Madras.	Bombay.	Total.
Officers in receipt of Colonel's Allowance	51	35	20	106
General Officers not in receipt of Colonel's Allowance	5	1	2	8
TOTAL				114

DISPOSITION RETURN of Officers of the INDIAN STAFF CORPS in the Three Presidencies, on 1st April 1873.

RANK.	IN INDIA.					IN EUROPE.				Total in India and Europe.
	In Military Staff Employment.	With Native Regiments.	On Civil, Political, Police, and Miscellaneous Duties.	Unemployed In India.	Total in India.	On Furlough, but holding Appointments in India.	On Furlough, but not holding Appointments in India.	Permitted to Reside in Europe.	Total in Europe.	
Lieutenant Colonels:										
Bengal	44	70	79	22	215	65	17	23	105	320
Madras	35	98	30	19	182	46	11	4	61	243
Bombay	19	49	27	6	101	45	12	3	60	161
TOTAL	98	217	136	47	498	156	40	30	226	724
Majors:										
Bengal	18	50	49	18	135	48	6	- -	54	189
Madras	18	26	36	28	108	16	15	- -	31	139
Bombay	12	35	11	7	65	17	8	- -	25	90
TOTAL	48	111	96	53	308	81	29	- -	110	418
Captains:										
Bengal	28	119	104	18	269	75	11	- -	86	355
Madras	19	105	73	6	203	39	18	- -	57	260
Bombay	17	57	42	1	117	29	10	- -	39	156
TOTAL	64	281	219	25	589	143	39	- -	182	771
Subalterns (including Probationers):										
Bengal	7	161	43	1	212	28	- -	- -	28	240
Madras	1	29	16	- -	46	7	- -	- -	7	53
Bombay	2	74	14	2	92	7	4	- -	11	103
TOTAL	10	264	73	3	350	42	4	- -	46	396
GRAND TOTAL	220	873	524	128	1,945	422	112	30	564	2,309

	Bengal.	Madras.	Bombay.	Total.
Officers in receipt of Colonel's Allowance	30	24	10	64
General Officers not in receipt of Colonel's Allowance	18	2	3	23
TOTAL				87

(B. 4.)

STATEMENT of the Number and Cost of the Officers of the Indian Staff Corps, of those on the General Lists of Cavalry and Infantry, and on the Cadres of old Regiments, in the Years 1857, 1862, and 1873 respectively.

	1857.		1862.		1st April 1873.	
	Number.	Cost per Annum.	Number.	Cost per Annum.	Number.	Cost.
STAFF CORPS.		£.		£.		£.
Officers, with Colonel's Allowances	—	—	—	—	64	71,992
General Officers	—	—	3	1,369	23	10,488
Lieutenant Colonels	—	—	29	28,810	724	719,258
Majors	—	—	312	239,944	418	321,463
Captains	—	—	588	263,960	771	346,112
Subalterns	—	—	406	109,985	396	107,276
TOTAL Staff Corps	—	—	1,338	644,068	2,396	1,576,589
CAVALRY.						
Colonels with Colonel's Allowances	21	26,560	21	26,560	10	12,648
Lieutenant Colonels	21	29,154	13	18,048	18	24,989
Majors	21	23,421	11	12,268	9	10,038
Captains	147	99,317	102	68,914	106	71,617
Subalterns	273	119,656	159	69,690	22	9,643
TOTAL Cavalry	433	298,108	306	195,480	561	128,935
INFANTRY.						
Colonels, with Colonel's Allowances	167	187,853	165	185,603	98	110,237
Lieutenant Colonels	155	191,998	105	130,064	131	162,270
Majors	155	146,797	98	92,813	17	16,100
Captains	1,085	540,818	545	271,655	267	133,086
Subalterns	2,480	763,840	1,610	495,880	48	14,784
TOTAL Infantry	4,042	1,831,306	2,523	1,176,015	561	436,477
TOTAL Staff Corps, Cavalry, and Infantry	4,525	2,129,403	4,167	2,015,563	3,122	2,142,001
Add, Retired Pay of Officers in Europe	—	369,452	1,426	420,540	1,358	359,285
GRAND TOTAL	—	2,498,866	5,593	2,436,103	4,480	2,501,286

ABSTRACT.

	1857.		1862.		1873.	
	Number.	Cost.	Number.	Cost.	Number.	Cost.
		£.		£.		£.
Number and Cost of General and Field Officers	352	391,370	571	523,316	1,340	1,264,606
Number of Captains and Subalterns	3,985	1,523,631	3,410	1,280,084	1,610	682,518
TOTAL	4,337	1,915,001	3,981	1,803,400	2,950	1,947,124
Number of Colonel's Allowances	188	214,413	186	212,163	172	194,877
Number of Retired Officers	—	369,452	1,426	420,540	1,358	359,285
TOTAL	—	583,865	1,612	632,703	1,530	554,162
GRAND TOTAL	—	2,498,866	5,593	2,436,103	4,480	2,501,286

Appendix, No. 19.

(B. 5.)

AVERAGE EFFECTIVE STRENGTH of the European and Native Army in India, compared with the established Strength, in the following Years.

YEAR.			Presidency.	Effective Strength.		Established Strength.	
	Europeans.	Natives.		Europeans.	Natives.	Europeans.	Natives.
1862–63:							
Artillery	11,519	4,470	Bengal	43,981	75,395	—	—
Cavalry	6,207	21,461	Madras	13,860	36,700	—	—
Infantry	51,676	108,515	Bombay	11,891	25,837	—	—
Sappers	330	3,486					
	69,732	137,932		69,732	137,932	69,324	134,246
1863–64:							
Artillery	13,047	2,438	Bengal	42,412	68,729	—	—
Cavalry	5,971	20,999	Madras	12,977	35,212	—	—
Infantry	48,390	102,315	Bombay	12,323	24,312	—	—
Sappers	304	2,501					
	67,712	128,253		67,712	128,253	69,363	134,246
1864–65:							
Artillery	12,989	1,755	Bengal	41,750	70,069	—	—
Cavalry	5,961	20,872	Madras	13,468	32,210	—	—
Infantry	48,116	100,764	Bombay	12,104	23,922	—	—
Sappers	256	2,810					
	67,322	126,201		67,322	126,201	65,646	134,246
1865–66:							
Artillery	12,481	1,663	Bengal	37,527	68,594	—	—
Cavalry	5,673	20,353	Madras	13,483	31,599	—	—
Infantry	44,485	100,214	Bombay	11,847	25,027	—	—
Sappers	219	2,990					
	62,857	125,220		62,857	125,220	67,131	131,517
1866–67:							
Artillery	11,553	1,587	Bengal	35,940	69,160	—	—
Cavalry	5,326	20,348	Madras	11,675	31,450	—	—
Infantry	42,645	100,800	Bombay	12,105	25,254	—	—
Sappers	196	3,129					
	59,720	125,864		59,720	125,864	62,454	131,576
1867–68:							
Artillery	10,698	1,021	Bengal	32,882	61,695	—	—
Cavalry	4,603	17,917	Madras	10,797	29,718	—	—
Infantry	39,789	94,836	Bombay	11,558	25,158	—	—
Sappers	147	2,797					
	55,237	116,570		55,237	116,571	62,439	123,161*
1868–69:							
Artillery	11,546	1,153	Bengal	34,813	63,202	—	—
Cavalry	4,494	17,996	Madras	10,841	29,084	—	—
Infantry	39,601	96,772	Bombay	10,102	26,521	—	—
Sappers	115	2,886					
	55,756	118,807		55,756	118,807	62,350	130,412†
1869–70:							
Artillery	11,648	1,179	Bengal	35,209	61,344	—	—
Cavalry	4,667	17,691	Madras	10,903	29,598	—	—
Infantry	40,328	94,793	Bombay	10,660	25,712	—	—
Sappers	129	2,991					
	56,772	116,654		56,772	116,654	61,995	122,442‡
1870–71:							
Artillery	11,557	885	Bengal	34,501	60,778	—	—
Cavalry	4,104	17,555	Madras	11,354	29,191	—	—
Infantry	40,924	93,820	Bombay	10,839	25,295	—	—
Sappers	109	3,004					
	56,694	115,264		56,694	115,264	60,425	122,122
1871–72:							
Artillery	11,069	847	Bengal	36,132	60,813	—	—
Cavalry	4,045	17,521	Madras	11,265	29,323	—	—
Infantry	43,189	93,895	Bombay	11,040	25,060	—	—
Sappers	134	2,933					
	58,437	115,196		58,437	115,196	60,445	121,981

* Decrease caused by transfer of Hyderabad Contingent.

† Increase owing to augmentation of native regiments in Bengal and Bombay in connection with the Abyssinian Expedition.

‡ Decrease by absorption of supernumeraries.

(B. 6.)

STATEMENT of the Effective Strength of the Army in *India*, European and Native, from the Year 1862 to the Year 1872.

	European Troops.					Native Troops under Commander in Chief.					Native Troops *not* under Commander in Chief.				Total Native Troops in all the Three Presidencies of India.	Total Native and European Troops in all the Three Presidencies of India.
	Artillery.	Cavalry.	Infantry.	Sappers.	Total.	Artillery.	Cavalry.	Infantry.	Sappers.	Total.	Artillery.	Cavalry.	Infantry.	Total.		
1 May 1862:																
Bengal - -	6,242	3,882	34,392	139	44,655	1,216	8,462	25,998	635	36,311	1,165	7,868	32,268	41,301		
Madras - -	3,076	1,252	9,469	108	13,905	465	1,594	33,186	2,398	37,643	—	—	—	—		
Bombay - -	1,700	1,253	8,769	88	11,810	1,496	4,600	21,221	580	27,897	—	—	—	—		
Total - -	11,018	6,387	52,630	335	70,370	3,177	14,656	80,405	3,613	101,851	1,165	7,868	32,268	41,301	143,152	213,522
1 May 1863:																
Bengal - -	6,671	3,851	32,436	173	43,131	79	8,986	31,540	568	41,173	1,158	6,625	18,883	26,666		
Madras - -	3,663	1,148	7,895	113	12,819	460	1,593	32,055	1,244	35,352	—	—	—	—		
Bombay - -	2,949	1,112	8,376	41	12,478	1,063	3,894	19,254	560	24,771	—	—	—	—		
Total - -	13,283	6,111	48,707	327	68,428	1,602	14,473	82,849	2,372	101,296	1,158	6,625	18,883	26,666	127,962	196,390
1 May 1864:																
Bengal - -	6,641	3,886	31,414	142	42,083	77	8,803	33,789	752	43,421	1,169	6,524	18,741	26,434		
Madras - -	3,445	1,084	8,602	103	13,234	458	1,579	31,512	1,263	34,812	—	—	—	—		
Bombay - -	2,784	911	8,390	44	12,129	375	3,853	18,898	563	23,689	—	—	—	—		
Total - -	12,870	5,881	48,406	289	67,446	910	14,235	84,199	2,578	101,922	1,169	6,524	18,741	26,434	128,356	195,802
1 May 1865:																
Bengal - -	6,681	3,654	27,408	112	37,855	105	8,768	33,751	1,141	43,765	992	6,486	17,524	25,092		
Madras - -	3,457	999	8,723	90	13,269	289	1,584	28,549	1,295	31,717	—	—	—	—		
Bombay - -	2,525	968	8,219	29	11,741	272	3,424	19,520	578	23,794	—	—	—	—		
Total - -	12,663	5,621	44,350	231	62,865	666	13,766	81,820	3,014	99,276	992	6,486	17,524	25,092	124,278	187,143
1 May 1866:																
Bengal - -	5,935	3,368	26,246	123	35,672	100	8,642	33,207	1,168	43,117	1,065	6,553	17,414	25,032		
Madras - -	3,206	1,061	7,650	74	11,991	168	1,565	28,445	1,283	31,461	—	—	—	—		
Bombay - -	2,367	946	8,461	16	11,790	264	3,500	20,842	573	25,179	—	—	—	—		
Total - -	11,508	5,375	42,357	213	59,453	532	13,707	82,494	3,024	99,757	1,065	6,553	17,414	25,032	124,789	184,242
1 May 1867:																
Bengal - -	5,986	2,981	26,432	98	35,497	73	8,679	34,132	1,121	44,005	529	4,267	11,951	16,747		
Madras - -	2,732	967	7,268	64	11,031	186	1,537	26,977	1,272	29,972	—	—	—	—		
Bombay - -	2,374	853	8,139	16	11,382	245	3,512	20,820	574	25,151	—	—	—	—		
Total - -	11,092	4,801	41,839	178	57,910	504	13,708	81,929	2,967	99,128	529	4,267	11,951	16,747	115,875	173,785
1 May 1868:																
Bengal - -	6,010	2,879	24,480	58	33,427	73	8,304	36,007	1,127	45,511	525	4,105	12,133	—		
Madras - -	2,994	890	6,574	42	10,500	151	1,486	26,486	932	29,055	—	—	—	—		
Bombay - -	2,353	794	9,727	24	12,898	264	3,585	20,950	578	25,377	—	—	—	—		
Total - -	11,357	4,563	40,781	124	56,825	488	13,375	83,443	2,637	99,943	525	4,105	12,133	16,763	116,706	173,531
1 May 1869:																
Bengal - -	6,190	3,137	26,552	59	35,938	53	8,749	35,290	1,136	45,228	733	4,078	11,748	—		
Madras - -	3,161	911	7,120	66	11,258	145	1,421	26,638	1,281	29,485	—	—	—	—		
Bombay - -	2,521	793	8,145	11	11,470	301	3,564	21,669	565	26,099	—	—	—	—		
Total - -	11,872	4,841	41,817	136	58,666	499	13,734	83,597	2,982	100,812	733	4,078	11,748	16,559	117,371	176,037
1 April 1870:																
Bengal - -	6,216	2,193	25,957	46	34,412	–	8,653	34,862	1,106	44,621	732	4,065	11,838	—		
Madras - -	3,068	890	7,673	64	11,695	141	1,368	26,784	1,312	29,605	—	—	—	—		
Bombay - -	2,552	932	6,479	8	9,971	290	3,564	20,907	566	25,327	—	—	—	—		
Total - -	11,836	4,015	40,109	118	56,078	431	13,585	82,553	2,984	99,553	732	4,065	11,838	16,635	116,188	172,266
1 April 1871:																
Bengal - -	6,140	2,216	27,846	47	36,249	–	8,665	34,561	1,146	44,372	613	4,015	11,812	—		
Madras - -	2,677	925	7,873	48	11,523	–	1,319	26,650	1,323	29,292	—	—	—	—		
Bombay - -	2,281	984	6,947	11	10,223	231	3,557	20,673	483	24,944	—	—	—	—		
Total - -	11,098	4,125	42,666	106	57,995	231	13,541	81,884	2,952	98,608	613	4,015	11,812	16,440	115,048	173,043
1 April 1872:																
Bengal - -	6,313	2,205	28,759	94	37,377	–	8,664	34,777	1,142	40,583	623	4,056	11,912	16,591		
Madras - -	2,999	980	8,317	28	12,324	–	1,280	26,783	1,313	29,376	—	—	—	—		
Bombay - -	2,360	971	7,941	14	11,286	216	3,492	20,620	477	24,805	—	—	—	—		
Total - -	11,678	4,156	45,017	136	60,987	216	13,436	82,180	2,932	98,764	623	4,056	11,912	16,591	115,355	176,342

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PAPERS handed in by Colonel *Johnson* and Mr. *Kellner*.
(Referred to in Question 7131.)

Extract from Military Rules and Regulations.

SECTION IV.—COMMISSIONS AND PROMOTIONS.

Bengal Staff Corps.

129. No staff appointment, except those tenable for five years only (paragraph 304) and personal staff appointments, can be held by an officer of the British service, unless by his entering the Staff Corps. This prohibition is not, however, applicable to appointments in the public works, survey and telegraph departments in the case of engineer officers, and to what are considered regimental appointments in the case of engineer and artillery officers, such as appointments in the sappers and miners which are held by engineer officers, and in native batteries of artillery and the ordnance department which are held by artillery officers.

130. All officers under the rank of a regimental field officer serving in India, who have completed two years' service, of which one shall have been passed in India, have less than seven years' service, have passed the higher-standard examination and are qualified in all other respects (paragraph 134), are eligible for admission on probation to the Staff Corps, provided there is a permanent vacancy in the Native army, to which they can be appointed.

131. Officers of British regiments are eligible for appointment to the Staff Corps of any Presidency, without reference to the Presidency in which their regiments may be serving; but officers of the Bengal army can only be appointed to the Bengal Staff Corps.

132. Commanding officers are required to give the fullest encouragement to officers under their command to prepare themselves for the Staff Corps. They cannot refuse to forward, for the consideration of the Commander in Chief, applications from officers under their command for admission to the Staff Corps, though it is open to them to state therein any objections they may have to offer.

133. Previous to final transfer to the Staff Corps, officers of the British service must serve on probation for one year with native troops, and such service must, excepting in very special cases, precede their entering on probation any civil or military department they may desire to join.

134. Applications for admission on probation to the Staff Corps are to be accompanied by certificates in the following form: and *these certificates should also accompany the application for final transfer to the Staff Corps* (paragraph 136).

Certificate of the Commanding Officer.

Certified that of the regiment , a candidate for the Staff Corps, completed two years' service from the date of his first commission on the 18 , one year of which (or the whole period of which, as the case may be) was spent in India.

has passed an examination in the native languages by the higher standard, and has attained such a knowledge of his drill and duty as an officer of infantry (or cavalry) in all its branches, as to qualify him for the command of a company (or troop) in all situations: he also possesses a fair knowledge of the Articles of War and of the Queen's Regulations, as well as of the Bengal Army Regulations, besides having gained some general acquaintance with the organization and nature of the duties of all branches of the army serving in Bengal.

I further certify that during the period has served with this regiment, he has been attentive to his duty, and that his conduct has been in all respects unexceptional.

(Station and date.) (Signature of the Officer commanding the regiment.)

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Medical Officer's Certificate.

I certify that, to the best of my belief, is in good bodily health, and apparently well capable of undergoing the vicissitudes of service in India.

(Station and date.) (Signature of the Medical Officer of the regiment.)

Candidate's Certificate (to be made out in his own handwriting).

I hereby declare upon my honour as an officer and a gentleman that I have not, nor, to the best of my belief, has any person on my behalf or in my interest, directly or indirectly, received or agreed to receive any sum of money, valuable security, or other thing, in respect of my appointment to the Indian Staff Corps, and I promise honourably and unreservedly that I will not receive the same, or in any manner recognise or benefit by its receipt hereafter. In this declaration I do not refer to the sum which may be awarded to me by the Army Purchase Commission.

(Station and date.) (Signature of Applicant.)

135. When certificates of character and qualifications are granted to candidates differing in form from that laid down above, commanding officers must explain in a letter why they cannot adhere to the prescribed phraseology, pointing out the difference which exists; or, if necessary, they must substitute an explanatory letter for the certificate.

136. The application for final transfer to the staff corps is further to be accompanied by a certificate from the commanding officer, and one from the head of the department, if the qualifying appointment is a departmental one, as to the conduct of the candidate while on probation with the regiment or department, and also by a medical certificate of the form given in paragraph 134, to be obtained at the completion of the period of probation.

137. The period of probation has been fixed to enable an officer to show his aptitude for, and zeal in the performance of duties with Native troops. During this time a commanding officer should satisfy himself that the probationer's temper, general habits and qualifications are such as to render him an efficient officer in the Native Army; and he should employ him generally on all duties (paragraph 144), calculated to test his fitness for the Native Army.

138. At any time during the period of probation, it will be open to the commanding officer to represent to the Commander in Chief that he does not think the probationer, either from temper or other cause, suited for employment with Native troops; in which case it will be competent for the Commander in Chief (with the sanction of Government), if satisfied with the reason assigned, to direct the officer to rejoin his regiment, or, if he is in the local service, to do duty elsewhere. The same rule applies to probationers in departments.

139. An officer who fails at the expiration of one year's probation to pass a satisfactory examination, according to the tests laid down, will be remanded to his regiment, and his name struck off the list of probationers. Circumstances of a very special nature may, however, procure for an officer so situated a further extension of his probationary service, but under no circumstances whatever is it to exceed two years in all (paragraph 147).

140. An officer of a British regiment, who is actually on probation for the Staff Corps when his regiment is ordered home, may, if the regiment is to embark not long before his period of probation terminates, be allowed by the Government to remain in India in order to complete the period, pass the tests and join the Staff Corps, provided that fair reason for expecting him to pass the tests satisfactorily can be shown, and the application is supported by his commanding officer or the head of his department and by the Commander in Chief. The position of probationers is not affected by their regiments being moved to another Presidency.

141. Officers on probation for the Staff Corps who may proceed on leave to Europe, are held to have resigned their probationary appointment. This will also be the case if they are placed upon the half-pay list.

142. It is open to an officer at any period of his probation to apply for permission to revert to regimental duty, should he find the nature of the employment unsuited to him.

143. At the end of the period of his probation or within two months of its expiry, the officer under whom the probationer may be serving will apply for a Committee of Examination with the view of his being examined according to the tests laid down in paragraph 146 (*see* paragraphs 342–379, and paragraphs 1935–41 for departmental or civil employ). This Committee can only be assembled at the head quarters of divisions, district

tricts or brigades, and will be presided over by the general officer commanding, with two commandants of Native regiments, or one commandant and one second in command, as members; the members being selected from the cavalry or infantry according to the branch of the service to which the candidate belongs.

144. The Committee will give their opinion on the result of the examination in each portion of the test separately, and will conclude by stating that they consider the candidate qualified (or not, "as the case may be") for permanent employment with Native troops. They are to embody in the report a statement as to whether the candidate has had the opportunity afforded him of acting as adjutant on parade, or has been detached under a senior officer on escort duty, and whether he has been in the habit of frequently attending the orderly-room with the commanding officer, and thereby obtained a full insight into the system of the regiment.

145. The examination papers are to be prepared on foolscap paper, on half margin, and the Committee are to note in the margin, *in red ink*, their correction of any mistakes made by the candidate. The papers and report of Committee are to be sent to the adjutant-general, through the usual channel, who will transmit them to Government with the recommendation of the Commander in Chief.

146. The following are the tests for admission to the Staff Corps in virtue of qualifying appointments in Native regiments under the Commander in Chief, or the Government of India.

Native Infantry.

(*a.*) Knowledge of the native articles of war and the army regulations, particularly all such as affect the conduct, pay, pension, clothing, &c. of Native troops, which is to be tested by an examination of a somewhat searching character, consisting of not less than fifty questions and answers, all of which are to be recorded in the report of the examination.

(*b.*) Knowledge of the system pursued in the Native infantry, and especially in the regiment to which the candidate has been attached, as to the mode of investigating, and dealing with, offences, complaints, and petitions from the men; the manner in which the rosters for furlough and guard are kept; the deductions usually made from the men's pay on account of half-mounting or for other purposes, and the system of accounts followed in the corps, together with an acquaintance with all the forms in use.

(*c.*) Knowledge of every article of equipment used by the men of the regiment, their usual or fixed cost, mode of carrying them, &c.

(*d.*) Ability to act as adjutant on parade, to be tested on parade with a battalion; knowledge of reconnoitring and outpost duty, and ability to write a report of a reconnaissance. The reconnaissance report must be written in a legible hand.

Native Cavalry.

(*a.*) An officer nominated to the Native Cavalry will be required to pass the same tests, *mutatis mutandis*, as laid down for Native Infantry. He will, however, before being attached to a Native Cavalry Regiment, be required to furnish satisfactory evidence of his aptitude for riding.

(*b.*) In addition to all the points laid down for the Native Infantry, the Committee will report on the candidate's qualifications as regards a knowledge of cavalry drill, and of the system peculiar to the Native Cavalry in regard to purchase of horses, &c. He should also prove himself to be well acquainted with the system of stable management in the corps, the district whence horses are usually obtained for it, their prevailing defects and good qualities, their usual price, &c. He should also show himself to be possessed of some general knowledge of farriery, and of the diseases and injuries to which horses are liable, as well as their treatment.

147. The date of transfer of an officer to the Staff Corps will be that of his appointment on probation, provided he obtains no regimental or cadre promotion during his period of probation, in which case he is allowed the option of entering the Staff Corps from the day following his promotion, instead of from the prior date of his appointment on probation; no leave, except privilege leave, and leave to study the native languages, will be allowed to count as portion of the year of probation, but the date of final admission to the Staff Corps will not be affected on that account.

148. Commanding officers, heads of departments and civil officers are held responsible for the examination of candidates within the time allowed by paragraph 139, and for at once reporting any circumstances arising to prevent it (paragraph 1936).

149. An officer of the Indian Army who has served for a year in a staff appointment may be admitted into the Staff Corps without further probation, on complying with the

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other regulations laid down for officers of line regiments, and his admission will date from the general order appointing him.

150. Officers serving as probationers in departments or offices for which no entrance examination tests are laid down, must satisfy the Government as to their fitness for the Staff Corps, and must fulfil all the general preliminary conditions required in other candidates.

151. Officers are not exempted from passing the tests laid down for any appointment or department they may be transferred to, subsequent to their admission to the Staff Corps.

152. The promotion of officers of the Staff Corps is regulated as follows (*see* paragraph 153):—

(*a*). Officers, if not lieutenants, when permanently transferred to the Staff Corps, will be promoted to that rank; other officers will have the rank which they hold in their regiments.

(*b.*) Officers of 12 years' service, of which four shall have been in the Staff Corps, will become captains. After 20 years' service, of which six shall have been in the Staff Corps, they will become majors. After 26 years' service, of which eight shall have been in the Staff Corps, they will become lieutenant-colonels.

(*c.*) Five years' service in the Staff Corps as substantive lieutenant-colonel, will entitle the officer so employed to the brevet rank of colonel (*see* also paragraphs 169–173).

(*d.*) Colonels of the Staff Corps will rise to the rank of major general on the amalgamated list of colonels, and to the ranks of lieutenant general and general on the fixed establishment of general officers of the British Army (paragraph 167).

153. Leave of absence, excepting privilege leave, forms no portion of the qualifying service in the Staff Corps required for promotion from one rank to another under paragraph 152; but all authorised leave is included in the five years' service required for the brevet rank of colonel. Time passed when on half-pay, or when out of employment, or when doing general duty subsequently to removal from a staff appointment for inefficiency or misconduct, will not count towards promotion in the Staff Corps.

154. Officers of the Staff Corps not entitled to substantive rank are granted the brevet rank of captain, major, and lieutenant colonel, allowed to officers of the Indian Army in clauses (*c*) of paragraphs 174 to 176. But this system of brevet promotion will cease in its application to the several grades of the Staff Corps on the extinction of those grades among the officers of the Indian Army. Majors on the half-pay list of the Staff Corps are eligible for the brevet rank of lieutenant colonel by seniority, and colonels for that of major general.

155. All unemployed officers of the Staff Corps are at the disposal of the Commander in Chief. Whenever, therefore, an officer of the Staff Corps becomes unemployed, he will at once report himself to the Adjutant General, and also to the officer commanding the nearest military station.

156. Staff Corps officers cannot decline any employment they may be selected for, or throw themselves out of employment by resignation. Applications for permission to decline or resign under special circumstances will, however, be duly considered by the Government in the Military Department.

156 *a*. No officer of the Staff Corps can be removed from his appointment without the sanction of the Governor General in Council.

157. Officers of the Staff Corps of one Presidency may, with the sanction of the Government of India, hold appointments in any other Presidency other than appointments in the Army Staff Departments or Corps of the regular Native Army.

158. All officers joining the Staff Corps from British regiments are required to furnish the Adjutant General's Office with a statement of their services, in War Office Form, No. 360. They are also required to state whether they are married or not, and to furnish a statement in the form given in Appendix (A), signed by their late commanding officers. This latter statement is to be forwarded to the Secretary to the Government of India in the Military Department at Calcutta, and a copy of it is to be sent to the Adjutant General's Office at Simla.

167. The names of the officers of the Staff Corps shall be retained on the Indian List in italics until their death or retirement, for the purpose of regulating the promotion of the officers below them on that list (clause *d*, paragraph 152).

168. On the occurrence of a vacancy in the fixed number of general officers on the Indian List, specified in paragraph 160, whether among those who remain effective on that list, or among those whose names are merely retained in italics, and who shall be considered as forming part of the said fixed establishment, the name of the senior officer in each grade on the Indian List below that in which the vacancy may occur (with the exception

exception of the grade of lieutenant colonel), shall be moved up to the next higher grade; but in the case of the officers whose names remain in italics there shall be no actual promotion, the arrangement being limited to the transfer of the names for the purpose of regulating the promotion of those officers who remain effective on the Indian List; and the promotion of an effective colonel on the Indian List to the rank of major general shall in no case be affected by casualties among the general officers of the Staff Corps until the number of general officers to be added to the British Establishment under Clause 24 of the Royal Warrant of the 27th December 1870 shall be complete.

189. Officers of the Staff Corps, under the substantive rank of field officer, are allowed to exchange with regimental officers of the same rank, with the concurrence of the Government and the Commander in Chief in India, and subject to the confirmation of Her Majesty; but it is to be understood that the regimental officer must possess all the qualifications required by Staff Corps rules. In like manner exchanges may be permitted between officers of the Staff Corps of the different presidencies under the substantive rank of field officer.

190. When an officer of the Staff Corps wishes to exchange into a regiment of the line, he is to forward with his application a recommendation, signed by the Adjutant General, of his fitness for line service, and a certificate, signed by himself and countersigned by the commanding officer, or the head of the department under whose orders he may be serving at the time of application, to the effect that the exchange solicited and recommended does not originate in any regimental (or departmental) proceeding of any kind, or in any cause affecting the honour and character of the applicant, and that there are no grounds of personal objection which have, in the smallest degree, induced the application for the exchange.

198. Officers of the Staff Corps under the rank of major general, who may be considered unfit for employment, will be removed from the service by authority of Her Majesty, exercised through the Secretary of State for India, and will be placed upon half-pay or pension, provided that, in the latter case, they are entitled to pension, or, in the former case, they have served three years in India in the Staff Corps.

199. Officers on the half-pay list of the Staff Corps are eligible for re-employment on the effective list if their health permits of their return to India, and if the Government is desirous of availing itself of their service.

200. Officers of the Staff Corps compelled to retire to England on half-pay will be allowed the benefit of any rank they may attain within the leave granted to them.

SECTION VI.—STAFF OFFICERS AND EXAMINATIONS.

303. Officers of the Staff Corps and of the Indian Army, including the late Bengal Artillery and Engineers on succeeding to colonels' allowance will be considered to have vacated any appointments they may then be holding. They are, however, eligible for re-appointment or employment in any other capacities (regimental appointments excepted) at the discretion of the Government, and with the sanction of the Secretary of State for India.

342. Officers, whether of the Staff Corps or of the British (paragraph 133) or Indian Service, desirous of entering the departments of the Judge Advocate General, Military Account Department, Commissariat, Stud, Survey, Civil, or Foreign (*see* paragraphs 1935-41), must qualify according to the test laid down for each department in the following paragraphs.

Department of Judge Advocate General.

343. The examination for permanent appointment to this department consists of:—

(*a.*) A *vivâ voce* examination before a Committee as to the candidate's knowledge of military law.

(*b.*) Replies in writing to a series of questions which will be propounded to the candidate by the Deputy Judge Advocate General.

344. The Committee of Examination will assemble at divisional or district head quarters, and will be composed of the Deputy Judge Advocate attached to the division or district, and two selected field officers, and their report will be forwarded to the Deputy Judge Advocate General.

345. The examination must be conducted so as to show the amount of the candidate's knowledge of the different Mutiny Acts and Articles of War, the Queen's Regulations, the Bengal Army Regulations, and of the Indian Penal Code. The candidate's capacity

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to review the proceedings of minor courts martial will be tested by questions put to him by the Committee, his fitness to conduct the proceedings of a general court martial being ascertained in the same manner, and by requiring him to frame a skeleton charge under any specified article, and to write out in their presence the proper form to be observed in recording the proceedings of such court martial, entering the punishment awardable on conviction of the charge indicated.

346. The series of questions to be propounded by the Deputy Judge Advocate General, will be prepared at army head-quarters, under the orders of the Commander in Chief, and sent to the Committee, in whose presence they must be replied to, and by whom they, as well as the candidate's replies, will be forwarded with their proceedings. The examination papers are to be prepared and corrected, as laid down in paragraph 145.

347. This examination will precede the period of probation (paragraph 133), which will be terminable after one year's performance of duty, on a satisfactory report as to the probationer's practical qualifications from the officer commanding the division or district to whose staff he is attached, and the Deputy Judge Advocate General.

Appointments in the Military Account Department.

348. Under this heading are included all situations of whatever kind (save that of regimental paymaster) held in the departments connected with the pay accounts or audit accounts of the army or of its establishments. No appointment on probation will be made without proof that the candidate is a fair accountant.

349. On an officer being selected as a probationer (paragraph 133) he will, in the first place, appear before the nearest divisional paymaster, who will examine him as to his general knowledge of accounts and book-keeping, and also question him as to the extent to which he has mastered the pay regulations.

350. The certificate of the divisional paymaster, in the following form, is to be forwarded to Government through the Controller of Military Accounts, and if it is found to be satisfactory, the candidate will be appointed on probation:—

"Certified that , a candidate for employment in the department of Military Finance, appears to me to have a good general knowledge of accounts and book-keeping, and that, on a *vivâ voce* examination, his answers to a series of questions put showed that he possesses a fair acquaintance with the pay code."

351. The probation will extend over a year, and will be passed at the Presidency. During this period the probationer will be employed under the orders of the Controller of Military Accounts, and he will be attached in succession to the different branches of the Controller's Department.

352. At the end of this time, on the Controller reporting that the candidate has been regular in attendance, and gives promise of being useful in the department, the probationer will appear before a Committee composed of the Controller, the Military Accountant, and a Pay Examiner.

353. The examination will embrace the practical branches of arithmetic and book-keeping, as well as questions involving a ready acquaintance with pay and audit rules, and the general principle on which these rules are based. It will be conducted by means of a series of written questions, and by testing the ability of the candidate to check selected abstracts and bills.

354. If the report of the Committee be favourable, the candidate will be confirmed in the department, and will be attached to an office at the Presidency or to one of the larger divisional pay offices.

Appointments in the Commissariat Department.

355. The period of probation in this department will be one year (paragraph 133); but, before a candidate can be appointed as a probationer, he must pass a preliminary examination; and, before he can be permanently appointed to the department, he must pass a final examination on the expiry of the year of his probation.

356. The subjects of the preliminary examination will be:—

I. The rules of arithmetic, including vulgar and decimal fractions, involution and evolution, mensuration and the computation of areas and solid contents, and the system of book-keeping by single and double entry.

II. He will be required to read aloud correctly and with tolerable ease three Urdu or Hindostani papers. These papers are to be taken from official records at random, and written in the Persian character by different persons in fairly legible running hands. After having read them aloud, the candidate must explain their contents in English correctly.

III. He must translate, without assistance, from English into Urdu and Hindi, an instruction to a subordinate commissariat officer, or other official paper to be furnished

furnished by the Examining Committee. The translation must be precise and correct in meaning, and perfectly intelligible to a native, tolerably correct in grammar and spelling, and free from any very bad errors of idiom.

IV. He must dictate with some fluency the translation into Hindostani of an English letter or other official paper also to be furnished by the Examining Committee, whereof the translation is to be written down exactly as dictated. The dictated paper must be intelligible and correct in meaning.

V. He must undergo a thorough and careful test in conversation with two or three natives in such manner and to such extent as shall suffice completely to satisfy the Committee as to the degree of his power of understanding natives of different classes, and of making himself understood by them both in common conversation and in the usual course of departmental business. This test is in addition to the higher standard examination.

357. The preliminary examination will be held at the head-quarters of divisions or districts, and will be conducted by the senior commissariat officer and the executive engineer or officer acting as such. The committee will test the candidate's acquaintance with arithmetic by requiring him to show not only the answers to the arithmetical questions, but also the details by which they are worked out. He will prove his knowledge of the fundamental rules of book-keeping by furnishing written replies to a series of questions which will be given to him by the examiners. The examination in the native languages will be conducted by the board of examiners or by other qualified committee.

358. The probationer will have to undergo his final examination at the expiration of his term of probation. The heads of the examination will be:—

I. His acquaintance with his responsibility and duties in the care and custody of the cattle and stores under the charge of a commissariat officer.

II. His knowledge of the system of procuring supplies by departmental agency or contract, as circumstances may require, and the rules affecting the preparation of contract deeds and the liability of contractors.

III. His acquaintance with the mode of rationing British troops, and the different articles comprising their rations.

IV. His acquaintance with the mode of rationing Native troops, and the circumstances under which rations are issued to them.

V. His knowledge of departmental rules, and of the forms of returns furnished periodically to the heads of his department.

VI. His ability to draw up with accuracy estimates and average statements of the cost of victualling troops and of feeding cattle.

VII. His knowledge of the equipments of cattle and stores required for the Cavalry, Artillery and Infantry, with reference to their numbers, and the distance to be marched.

VIII. His knowledge of the animals in use for food, as to their breeding and where the best are produced; where the best transport animals are found, and the weight they respectively carry.

IX. His facility in reading Gomashtahs' accounts as presented in Persian or Hindi, and in writing purwanahs in the above languages.

X. His ability to prepare monthly disbursements from the checked accounts of native agents with an account current, and his knowledge of the vouchers required to support charges under the different heads of expenditure.

XI. His acquaintance with the general system of accounts in the Commissariat Department.

359. The examination in the final test will be held at the Presidency, and will be conducted by a committee composed of a selected civil officer, the Deputy Commissary General of the Circle, and the Examiner of Commissariat Accounts. A selected field officer of a British regiment will be associated with the Committee in that part of their examination which relates to the rationing of British troops.

360. On nomination to the department on probation, an officer will, under the orders of the Commissary General, proceed at the public expense to join one of the first-class executive charges for six months for the purpose of learning the executive duties of the department. At the expiration of this time he will proceed to the office of the Examiner of Commissariat Accounts, and will remain there three months to learn the system of audit; for the remaining three months he will join the Presidency Office, and will then appear before the Committee for his final examination.

Appointments in the Stud Department.

361. The period of probation in this department will be one year (paragraph 133). There will be no preliminary examination. At the expiration of the term of probation the probationer will be examined by a Committee, who will forward their report to Government for approval.

362. The Committee will be composed of the superintendent, or, in his unavoidable absence, of a deputy superintendent, as President, with the next senior available stud officer, and a selected field officer, or Captain of Cavalry, as members. A selected veterinary surgeon will be associated with the committee during the examination of the candidate under heads 5, 6, and 7 of paragraph 365.

363. An officer appointed on probation will join a stud depôt, and the deputy superintendent of the stud will be required to see that he is punctual in attendance during office hours, that he attends stables regularly, that he accompanies the depôt officer in his tours of inspection of the stud stock of the breeding districts, and that he attends all purchases of the same by the deputy superintendent of the stud.

364. The deputy superintendent will furnish the Examination Committee with a certificate that the probationer has fulfilled the foregoing conditions. He will also state whether, from his personal observation, he considers him likely to make a good stud officer. The qualities to be considered in forming this estimate are intelligence, industry, activity, health to enable him to bear considerable exposure, willingness to learn, a fondness for, and a knowledge of, horses, and temper and disposition likely to render him popular with natives.

365. The subjects of examination will be:—

I. Arithmetic, including vulgar and decimal fractions, and the system of book-keeping by single and double entry.

II. His acquaintance with his responsibility and duties in the care of stud cattle and stores under the charge of a depôt officer.

III. His knowledge of the system of procuring grain and fodder for the stud cattle, both by contract and by departmental agency.

IV. His knowledge of departmental rules and of the forms of returns furnished periodically to the heads of the department.

V. His knowledge of the management and feeding of young cattle on admission into stud stable.

VI. His knowledge of what constitutes unsoundness in horses, his ability to age them from inspection of their teeth, his ability readily to discover external injuries in any way received by stud cattle, together with some general knowledge of the veterinary art, and of shoeing.

VII. His knowledge of the qualifications of horses, their power, shape, action, &c., and for which branch of the mounted service they are best fitted.

VIII. His ability to make out estimates and the average cost of the feed of cattle.

IX. His ability to prepare monthly disbursements from checked accounts of Native agents, with an account current, and his knowledge of the vouchers required to support charges under the different heads of expenditure.

366. The knowledge required under heads 6 and 7 of above paragraph will be tested practically, the probationer being required to class a stable of colts to the different branches of the service, rejecting such as he thinks unfit, and making any remarks regarding any unsoundness or peculiarities in any animal. The accuracy and judgment of this classification will be reported on by the Committee.

367. The remaining subjects for examination will be tested by requiring written answers from the candidate to a paper of questions which the Committee will previously prepare.

Appointments in the Survey Department.

368. For this department the period of probation will be one year (paragraph 133). If, in any case, strong special reasons under an extension of this term are expedient, application should be made through the Surveyor General, or the head of the department in which the probationer is serving, in full time to permit of orders being passed before the period of probation expires.

369. Every candidate will be required to furnish a certificate from his commanding officer (paragraph 134), and from a surgeon a certificate of the following form:—

"I certify that, to the best of my belief, is in good bodily health, has good eyesight, and is apparently well capable of undergoing the vicissitudes of service in India."

370. There

370. There will be distinct examinations, both preliminary and final, for the topographical and revenue surveys (including the topographical branch of the trigonometrical survey) and for the great trigonometrical survey. Appendix, No. 20.

371. For the topographical and revenue surveys, the preliminary examination will embrace the following subjects:—

I. Arithmetic, including involution and evolution, arithmetical and geometrical progression, proportion, or rule-of-three, vulgar and decimal fractions, logarithmic calculations and mensuration of surfaces.

II. Elementary geometry, first four books of Euclid.

III. Algebra as far as quadratic equations, inclusive.

IV. Elements of plane trigonometry.

V. Topographical, mechanical or civil drawing, to be executed in the presence of examiners.

372. Artillery officers and officers holding certificates of qualification granted at the institutions of Addiscombe and Woolwich, or the Staff College, or Civil Engineering Colleges, or who may have passed an examination in surveying according to the army standard, will be exempted from undergoing any preliminary examination, and will, on being nominated, at once enter as probationers and be attached to survey parties to learn their practical duties in the field and during the recess.

373. The final examination for the topographical and revenue surveys, to he held at the close of the period of probation, will comprise :—

I. The satisfactory execution, unassisted, of a small area of country, including the computation and entire mapping involved in the same.

II. Perfect use and knowledge of all the instruments employed in the department, and adjustment of the same.

III. The elements of astronomy, sufficient for ascertaining time, azimuth, and latitude.

IV. A fair knowledge of all rules in force for the general conduct of the survey establishments in the department to which the probationer is attached.

374. Each candidate will also be required to produce a certificate of having passed the higher standard examination in any vernacular language prescribed by the Government under which the probationer is employed.

375. The examination for the topographical and revenue surveys will be conducted by the head of the department in which the probationer is serving, aided by such professional officers, to the number of two, as may be available. Whenever desirable, sealed examination questions may be transmitted in view to their being answered by the probationer in the presence of the officer in charge of the survey party to which he is attached, in lieu of obliging him to appear at departmental head-quarters for the purpose of examination.

376. For the geodesical branch of the trigonometrical survey, the preliminary examination will be theoretical only, comprising mathematics up to conic sections and the principles of construction of instruments in common use. The final examination will be theoretical and practical, embracing analytical geometry of three dimensions, statics, dynamics, astronomy, the construction of the instruments of the great trigonometrical survey, and a practical familiarity with their management. Candidates will also be required to produce the certificate required by paragraph 136.

377. The examiners will be the superintendent of the great trigonometrical survey, with any two available officers of the department at his head-quarters.

378. The degree of proficiency attained by candidates will be ascertained in both branches of the Survey Department by written questions, the examination papers being framed at departmental head-quarters.

379. The certificates laid down in paragraphs 134, 136, and 369, must, on all occasions, be forwarded by officers, of all services, entering the Staff Corps from the above departments, not only with the applications for appointment on probation, but also with those for final admission to the Staff Corps.

SECTION XVII.—CIVIL AND POLITICAL AUTHORITIES.

1935. A candidate for civil or political employ, qualifying for admission to the Staff Corps, must have been previously attached, for a period of not less than one year, to a Native regiment, but such period may form part of the two years' regimental duty with a regiment required by paragraph 129. He will be required to produce the certificates described

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described in paragraphs 134–6, and a certificate from his superior officer testifying to his efficiency and good conduct, and especially to his conciliatory demeanour towards the Native soldiery and other people of the country with whom he has been brought in contact.

1936. The period of one year, reckoned (paragraph 133) from the date of the first half-yearly examination held subsequent to appointment, is fixed as the limit within which an officer, admitted on probation for civil or political employ, will be required to qualify himself to undergo the examinations hereinafter mentioned, on passing which he will have a claim to have his services retained, and he will then, under the orders of the Government in the Military Department, be appointed to the Staff Corps.

1937. Examinations will be held half-yearly, in October and April of each year. A candidate may appear at the first examination held after the expiration of the first six months of his probation, and, if he fail to pass, must again appear at the next examination six months later. A candidate failing to pass at the first examination held after the expiration of his year of probation will be remanded to his regiment.

1938. The head of the Administration will, not less than a month in advance, fix the exact date on which, and the place where, the examinations will be held. He will also, a fortnight before the date fixed for the examination, appoint a Committee to frame the questions, conduct the examination, and determine the marks obtained by each candidate.

1939. The subjects and books for the examination of candidates for employment in the civil administration of the non-regulation provinces, or as cantonment magistrates, are as follow:—

Indian History.—The last edition of Marshman's "History of India."

Political Economy.—Fawcett's "Manual of Political Economy."

Jurisprudence.—Bentham's "Theory of Legislation."

1940. Every officer in civil employment will, in addition to the above examination, and notwithstanding his appointment to the Staff Corps, be required to undergo the local and departmental examinations prescribed for covenanted civil servants in the province in which he is serving.

1941. Candidates for political employ are required to pass an examination in the following books and subjects, in addition to those detailed in the preceding paragraph:—

(1.) "Wheaton's International Law."

(2.) "Aitchison's Treaties," more particularly those portions relating to the province in which the officer is serving.

(3.) The "Persian" language. (In British Burmah the test will be the higher standard in Burmese.)

The production of a certificate showing that the candidate has passed an examination in Persian elsewhere, will exempt him from further examination in that language.

1942. For the examination in the Persian language, the candidate will be required to—

(1.) Translate a passage of Persian into English.

(2.) Translate a passage of English into Persian.

(3.) Hold with moderate fluency a conversation in Persian with some proficient in that language to be appointed by the Committee.

(4.) Read a Persian manuscript with a fair amount of facility.

To each of the above four tests a maximum of 20 marks will be allotted, and the attainment of not less than 45 marks in the aggregate will entitle the candidate to pass.

1943. As a general rule, military officers will be appointed to the Political Department from among those who are already in civil employment, and every officer so transferred will be required to pass, within one year from the date of his transfer, the additional examination in International Law and Indian Treaties prescribed for the Political Department, failing which he will forfeit his appointment.

1944. The case of any officer, who has been formerly in civil or political employment, and who, having quitted such employment, may hereafter be reappointed to it, will be specially dealt with, as the circumstances of the case may require.

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PAPERS handed in by Mr. *Nowrozjee Furdoonjee.* Appendix, No. 21.

STATEMENT regarding the Enhancement of ASSESSMENT in the BOMBAY PRESIDENCY.

I WILL put in the figures, which the Select Committee require, regarding the amount of the assessment which has lately been enhanced by Government in the Bombay Presidency. I quote the following figures from the report of Mr. Beyts regarding the revision of assessment of the Soopa Talooka in Guzerat, dated 22nd November 1868 (p. 57).

	Acres.
Area of Government land in year of settlement, 1867–68 - - -	54,523
	Rs.
Assessment according to old rates on area in 1867–68 - - -	2,45,293
Assessment according to experimental rates introduced in 1867–68 -	3,18,432
Proposed revision - - - - - - - - - - -	3,01,526
Increase according to experimental rates introduced in 1867–68 - -	73,687
Increase according to proposed revision - - - - - -	56,488
Per-centage of increase of experimental revision - - - -	30
Per-centage of proposed revision - - - - - - -	23

Analysis.

In	17	villages the assessment has been enhanced from -	31	to 104 per cent.
„	48	ditto - - - - - - - - -	11	to 28 „
„	9	ditto - - - - - - - - -	2	to 8 „
„	4	ditto - - - - (reduced from) -	½	to 9 „
Total	78	villages.		

In Madeh Talooka of the Sholapoor Collectorate, which was re-assessed in 1871, the enhancement of assessment was, on an average, 77 per cent. I give the following figures and remarks from the report of the Survey and Settlement Commissioner, Colonel Francis, dated 14th March 1871:—

	Cultivated Land.	Waste Land.	Total.
	Rs.	*Rs.*	*Rs.*
Assessment according to proposed rates - - - -	1,77,933	115	1,78,048
Assessment according to present rates - - - -	1,00,531	48	1,00,579
Increase - - - *Rs.*	77,402	67	77,469

"The average rate being 9 annas 4 pies per acre. Above twenty thousand of this increase represents the assessment on the excess in culturable area of the present over the former survey, and Mr. Grant puts this down under the head of 'concealed cultivation.' It may literally be said to be so, but, as it has been held for a lengthened period by the cultivators, it forms in reality part of the area on which the former assessment has been paid, and cannot consequently be considered to be extra or new land, now made over to them, which is what Mr. Grant represents it to be, and no set-off from the new assessment can therefore be fairly made on this account."

This rate is considered too high for the Deccan by the highest authority, as appears from the following passage of the report made to Government, by Mr. W. H. Havelock, Revenue Commissioner, S. D., dated 13th April 1871.

"But the Revenue Commissioner thinks 77 per cent. a high total enhancement for the Deccan, which is liable to excessive fluctuation of rainfall, and that if the rate is to be taken as a precedent for revision in other cases, it would be well to inculcate a caution, and to keep the scale nearer to 50 per cent., as in Indapoor, which, over a large tract of country, will give a sensible increase of revenue, and will lessen the risk of over-assessment in any case where the recent general fall in the value of money may be so checked as to render it difficult for the ryots to meet a high enhancement in bad years. It was one of the cardinal

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virtues of the survey assessment hitherto that it left profits enough in good years to enable cultivators to meet the comparative losses of a year of drought or other failure."

In the Bhimthuree Talooka the assessment has been enhanced 73 per cent., as appears from the following figures and remarks contained in the Report of Colonel Waddington, dated 12th July 1871:—

"STATEMENT, showing the effect of the proposed Rates, contrasted with the last year's payments in 48 Villages of the Bheemthuree Talooka.

	Cultivated Land.		Waste Land.		TOTAL.	
	Acres.	Assessment.	Acres.	Assessment.	Acres.	Assessment.
		Rs.		*Rs.*		*Rs.*
Assessment according to proposed rates - - -	186,776	1,28,971	2,019	871	188,795	1,29,842
Assessment according to present rates - - -	164,618	74,222	1,884	644	166,502	74,866
Increase - - -	22,158	54,749	135	227	22,293	54,976

"This shows an increase of 54,976 rupees, which is equivalent to 73 per cent. on the last year's payments; but it must be recollected that a considerable portion of this increase is on account of land hitherto held in excess of former recorded area, which amounts to 22,293 acres. The average rate per acre by the proposed rate is 11 annas, at which rates the land found to have been held in excess will represent 15,326 rupees, so that the actual increase due to the imposition of a higher rate may be said to be 39,650 rupees, which will give an increase of 53 per cent. over present assessment."

There are in all 48 villages in the above-mentioned district. The increase of assessment ranges from 94 to 166 per cent. in 11 villages, from 51 to 92 per cent. in 29 villages, and from 16 to 86 per cent. in the remaining eight villages.

It appears from Government Resolution, dated 25th January 1868, that, owing to the extremely heavy rates of enhancement of assessment imposed in Chickle and Bardolee, the ryots relinquished their lands in these districts, and Government were therefore obliged to reduce the rates.

MEMORANDUM on the working of the FOREST DEPARTMENT.

THE Forest Department, though the latest born of the departments, has, in the Thana district especially, been exacting and oppressive to a degree unequalled by any other department. Not only have the guaranteed rights of private proprietors in the forest, reserved by them, been interfered with, but all manner of exactions and levies of a miscellaneous kind have been made without any legal authority; the result has been that a large number of suits have been brought against Government, in most of which the acts of the Government officers have been condemned by the judges, and the Government saddled with the costs. As only a few persons have the courage and means to fight their disputes in civil courts, the illegal oppressions in the large number of cases continue with more or less force even to this day. The full details of the oppression exercised by the forest officers, backed by the revenue and magisterial agency of the Government, will be seen from the following summary, which is too plain to need any further comment.

Witness No. 31, from Combergaum Talooka, of the Tanna district, states that, by the custom of the country and the guarantee of Government, when a rate has been once fixed upon revenue-paying land, firewood and timber trees, which the ryot plants in his own lands, belong, like other produce, to him. The British Government has all along professed to act on this understanding (*vide* Proclamation, No. 108 of 1847, and Bombay Government Resolutions, No. 49 of 1847, and No. 1240 of 1868, as also joint rules, clauses 1 and 10). Of late, however, Government officers in the Forest Department have shown a disregard of these guarantees, and disputed the ryot's claim of property in his own trees.

In those Talookas of the Tanna district which were settled before 1863-64, the prohibition to cut timber growing in the ryot's own lands extends to teakwood and blackwood only. In the Talookas, which were subsequently settled, viz., Dhanoo, Shahpoor, and Waddeh, the ryots were told, at the time of the settlement, that they should not cut teak and blackwood growing in their own numbers without the permission of Government, but that they might cut all other trees without asking for such permission. In spite of this assurance given at the time of the settlement, the prohibition has been extended to every variety of timber trees. By a subsequent circular it has been formally declared that the ryot is not the owner of the timber trees growing on his land. This subsequent Circular was not

not explained nor published for the information of the people. This was made evident in one case of the Mamlutdar of Dhanoo, Mr. Trimbak Sadasheo, who was charged with having negligently caused loss to Government by allowing the ryots to cut their own trees against the orders contained in this unpublished Circular. The inquiry was held before Mr. Trevor, first assistant collector, in which the Mamlutdar's innocence was established, chiefly by the favourable testimony of village patels and tullatees, who stated the particulars of the assurance given to them at the time of the settlement, and denied all knowledge or publication of the prohibitory Circular. The Circular Order, No. 100, dated 6th March 1866, expressly affirms the ryot's right in his own trees, by declaring that if any person wanted to cut down timber growing on land not his own, permission would be given to him, with the consent of the owner of the number. This old Circular could not be repealed by the unpublished private Circular, No. 1,004 of 1866, from the Survey Department, referred to before.

In the year 1869-70, the right to remove dry wood from Government forests was sold by auction. The auction purchaser was subsequently, by an order of the Deputy Conservator of Forests, permitted to remove dry wood from the ryots' numbers. The ryots of Shapoor accordingly sent a memorial to Government, remonstrating against this oppressive order, which memorial was published in the local papers of Tanna, that the matter might be reported to Government through the reporter on the native press, but no notice was taken by Government of this complaint, and the oppression continues. Independently of the circular orders before referred to, the ryot's claim to the trees growing on his land is good both in law and equity. It takes 40 years for timber trees to grow to a condition fit for cutting. During all that time the owner bears the loss of the ground under the trees planted by him, and pays the full Government assessment; and yet, when the trees grow, and are in a condition to be cut, the Government step in and prohibit the owner from deriving the full benefit of his investment. Such a demand cannot but appear to be unjust and unreasonable.

Great oppression is at times exercised by the unauthorised orders of the forest officers, obedience to which is secured by criminal prosecution, and convictions before the subordinate magistrates.

In the year 1863-64 Mr. Ellis, late Revenue Commissioner, issued an order that in the case of those private forests, from which it was customary to exact a share of the produce of the trees growing on them, the Government should give up its right for ever to interfere with the owner of such land on receipt from him of 10 years' value of the estimated produce. Further, it was ordered that in future Government forest numbers, in which teak and other timber trees of full growth were found, should not be given to private individuals. If, however, any Government number contained only the inferior kinds of timber, a valuation should be made of the teak and blackwood trees, if any growing on it, and the remaining inferior kinds of trees should not be valued, but should become the property of the ryots who took up the forest number from Government. Rules were framed by the Collector of Thana in accordance with this Circular; but instead of confining the two last rules to Government numbers, they were made to extend to land which was the ryots' private property, and lists of timber trees of all kinds were made of all forest numbers, whether belonging to Government or to private persons.

Two years after, when the Government had received the commutation value of the 10 years' produce for the forest numbers, which were the private property of the ryots, so far from ceasing to interfere any further with the numbers so settled, its forest officers required that the ryots should not, without their permission, cut timber from trees growing on their own lands, if the trees were not included in the lists made for valuation purposes. The result was that a suit was filed against Government by a forest proprietor, which was decided by the assistant judge of Tanna in March 1869 against Government, and this decision was upheld by the High Court in December 1872. Notwithstanding the result of this suit, the Government officers still interfere with the ryots' management of numbers settled under the 10 years' commutation, but poor people are oppressed and obtain no redress.

Up to the year 1869-70, a practice obtained of levying a small fee for written passes, or permission to cut timber from private forests, and, if the pass was not shown, the timber was confiscated as belonging to Government, and the party that cut the timber was criminally prosecuted. The levy of this fee, and the confiscation, were both illegal, and the illegality was established in a suit brought against Government by a man from the Bassein Talooka, and in consequence of the decision in this suit, the payment of the fee was made optional.

In the Southern Konkan all the rights of the State were given away to the people by a proclamation issued by the Collector, Mr. Dunlop, in 1851. The Bombay Government, at the recommendation of their local officer, attempted to cancel this grant by issuing another proclamation, but it has been now finally decided by the Bombay High Court that the second proclamation has not cancelled the first (*see* Bombay High Court Reports, Vol. VIII., pp. 1-6). Notwithstanding this decision, the officers of Government are taking advantage of their position, and are ruining the people by expensive litigation. Government has no right in any forests except those reserved by the proclamation issued by Mr. Dunlop. This has been decided by the Secretary of State for India, and yet the Bombay Government and its officers are oppressing landholders throughout the country; and heavy suits are pending before the High Court and the District Court in consequence. The Conservator of forests induced several landholders in the Bombay Presidency to enter into agreements, agreeing to give up two-thirds of their own forests and to remain content with one-third. This

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in itself was irregular and illegal; for, as Government had no right to cancel their first notification, they had no right to procure agreements from private landholders, and to convert men from full into part owners. In one case, a man named Naro Ballal Athawley, had entered into such an agreement whereby he had consented to become owner of only one-third of the produce of certain forests which had till then belonged entirely to himself. There was no legal consideration for his agreement. But there can be no question that he was at least part owner to the extent of a third of the produce. Some of the villagers alleged that the said Naroo had cut some wood in this forest, and, on their evidence, he was on the 2nd July 1867 convicted of theft, and sentenced to three months' rigorous imprisonment and a fine of 150 rupees, which sentence was inflicted by the district magistrate. Now, in this case there was no criminal offence at all, for even if Naroo had cut the wood, at the most it might have been deducted from his share, and yet he was condemned to jail with hard labour for three months. In this case, before the man could get copies of the proceedings, the whole sentence had been suffered, and there was no time to appeal to the High Court. Under the present code of criminal procedure there can be no appeal at all in such a case. In another case, the Mamlutdar of Dapooree convicted several persons for cutting wood belonging to the landlord of the village of Kharaoten, and punished them as criminals, and advertised the wood for sale. A lawyer's notice was then served on him, when he quietly made over the wood to the owner, who had to undergo heavy expense in defending some of his own men in the first case, and in getting legal advice in the second.

In the village of Danee Limra, near Ahmedabad, several poor villagers have recently been oppressed and heavily fined at the instance of the forest officials. These ryots had purchased from Government the trees growing on their fields, and yet they were prosecuted and fined for cutting their own trees. In December last, Kisori, a cultivator of the village of Pusonje in Duskroee near Ahmedabad, was fined 50 rupees for cutting off the branch of a tree of the value of a few annas. Four cultivators of the village of Muthakulee, in the same district, were fined 50 rupees each for cutting wild Neem trees. In confirmation of my complaint, I will quote the testimony of a Government officer of special experience, employed in the Deccan. Mr. Bell, first assistant collector of Poona, in his report to Government, says:—

"It seems to me that the Forest Department, in the use they make of their establishment, aim too much at the restriction of the rights of outsiders to cut, or in other words, at the maintenance of a monopoly, and not enough at the improvement of the jungles they have in their charge. Their peons and inspectors turn their attention more to inquiring where Bapoo or Rama got the bundle of firewood he carries home on his head, than to the dressing of promising trees, and clearance of the underwood which chokes their growth."

Faults of the Revenue Survey.

The following is a correct description of the faults and shortcomings of the New Revenue Survey as conducted in Rutnagherry, and other districts of the Bombay Presidency.

Section 27 of Bombay Act I., of 1865, provides for the preparation of "a record, showing the area and assessment of each field, and containing all necessary information in regard to landed tenures, and the obligations, rights, interests, and circumstances of the various classes of the community." So far at least as the Southern Konkan is concerned, no such record has been prepared and published, so that the rights and interests of the people have not been fixed or recorded as they ought to have been.

There are cases in which the same land has been entered in the names of three different persons on three different occasions during the survey. In other cases without any inquiry into the rights of the different classes of tenants, persons who were cultivating land only for one year, and who had no proprietary in the soil whatever, have been entered as occupants thereof to the detriment of the proprietary interests of the land-owners. These facts will be borne out by the survey papers of the village of Shevren in the Veslivi Turf, and other villages in this Peta; and to the survey records of the Khed Mahal of the present Chiploon Taluka.

That there are many kinds of land tenures, and various classes of tenants, has been admitted; but the Revenue Survey Department has sought to invest them all with an indefeasible tenant right without giving any compensation to the superior landlords.

Even the measurement has not been properly made in the case of villages along the coast, where the Kulâragi and Dharekari tenures principally prevail, the greater part of the lands are warkas or rocky lands fit for the cultivation of inferior kinds of cereals and pulses. No boundary marks of fields have been laid down in the case of warkas lands, which have been divided into lots or numbers of 50, 75 or 100 and more acres, assigning no definite boundaries of people's holdings; so that, for all practical purposes, the present survey, which has cost so much time, trouble, and annoyance to the people, is practically of no use whatever. Such lands have been entered by guesswork in the survey papers, and numerous errors have occurred in consequence. This will be made evident by an examination of the village records by an independent authority. Even in cases where the ryots have commenced to pay Government the amount of their assessments according to the mode prescribed by the Survey Department, they are not certain of the precise dimensions and boundaries of their holdings; and the proportion of warkas to other lands in this district being as ten to one, the present measurement and recordation, and demarcation, have failed

to

to effect one of the primary objects of the survey. That the measurement of warkas lands has been imperfect is now all but generally admitted. (*See* Col. Francis's deposition in the Ambergan case.) But no redress has yet been given in consequence of this material error.

KOWLEE TENURE.—Even old contracts have been set at naught by the Survey Department; as in the case of certain old Kowls. Section 25 of the Bombay Act provides that assessment may be levied on lands liable thereto, "provided that it shall not be leviable from any land held and entered in the land registers as wholly or partially exempt from payment of land revenue, except to such an amount as is in accordance with previous practice, or any law which has been or may hereafter be enacted relating to land so held." Now, Inam or rent-free lands are, of course, not amenable to the land-tax, but Kowli and lease-hold lands have always been, and ought to be, assessed according to the terms of the Kowls or leases. This has always been the mode of the assessment of such lands, both under the former Governments and under the British Government. In fact, the Survey Department cannot give retrospective operation to Bombay Act I. of 1865, and abridge grants which have been hitherto upheld and respected by the British Government. As one of the examples to prove the fact of such inequitable and illegal assessment, I would refer to the case of the Kowli lands of the Mehendalés of Rohe in the Rajpoori Talooka of the Kolaba Collectorate, decided by the High Court on 19th February 1873.

Revenue Establishments.

Rough Outline of a Scheme for the Entire Separation of Executive and Judicial Functions in the Bombay Presidency.

Existing Establishments.		Proposed Establishments.	
	Rs.		*Rs.*
2 Revenue and Police Commissioners, on a monthly salary of 3,800 rupees each	91,200	2 Revenue and Police Commissioners, on 2,000 rupees each	48,000
1 Collector of Bombay and Superintendent of Stamps and Stationery	30,000	1 Collector of Bombay, and Superintendent of Stamps and Stationery	18,000
12 Senior Collectors and Magistrates, on 2,500 rupees each	3,60,000	12 District Collectors, on 1,300 rupees each	1,87,200
8 Junior Collectors and Magistrates, on 2,465 rupees each	2,36,640	12 Assistant Collectors, on 800 rupees each	1,15,200
1 Extra First Assistant Collector and Magistrate	19,200	12 Deputy Collectors, First Grade, on 600 rupees each	86,400
17 First Assistant Collectors and Magistrates, on 1,000 rupees each	2,04,000	12 Deputy Collectors, Second Grade, on 500 rupees each	72,000
2 First Assistant Collectors and Magistrates, on 900 rupees each	21,600	12 Deputy Collectors, Third Grade, on 400 rupees each	57,600
3 Second Assistant Collectors and Magistrates, on 700 rupees each	25,200	12 Deputy Collectors, Fourth Grade, on 350 rupees each	50,400
15 Second Assistant Collectors and Magistrates, on 650 rupees each	1,17,000	12 Deputy Collectors, Fifth Grade, on 300 rupees each	43,200
46 Supernumerary Assistant Collectors and Magistrates, on 500 rupees each	2,76,000	30 Mamlutdars, First Grade, on 200 rupees each	72,000
10 Supernumerary Assistant Collectors and Magistrates, on 450 rupees each	54,000	30 Mamlutdars, Second Grade, on 175 rupees each	63,000
11 Supernumerary Assistant Collectors and Magistrates, on 400 rupees each	52,800	30 Mamlutdars, Third Grade, on 150 rupees each	54,000
4 First Grade Deputy Collectors and Magistrates, on 700 rupees each	33,600	30 Mamlutdars, Fourth Grade, on 125 rupees each	45,000
5 Second Grade Deputy Collectors and Magistrates, on 600 rupees each	36,000	20 Mamlutdars, Fifth Grade, on 100 rupees each	24,000
5 Third Grade Deputy Collectors and Magistrates, on 500 rupees each	30,000	12 District Magistrates, on 1,200 rupees each	1,72,800
10 Fourth Grade Deputy Collectors and Magistrates, on 400 rupees each	48,000	12 Deputy Magistrates, First Grade, on 600 rupees each	86,400
13 Fifth Grade Deputy Collectors and Magistrates, on 300 rupees each	46,800	12 Deputy Magistrates, Second Grade, on 500 rupees each	72,000
2 Dufterdars, on 290 rupees each	6,960	12 Deputy Magistrates, Third Grade, on 400 rupees each	57,600
1 Ditto - on 250 „	3,000	12 Deputy Magistrates, Fourth Grade, on 350 rupees each	50,400
21 Mamlutdars, First Grade, on 250 rupees each	63,000	18 Deputy Magistrates, Fourth Grade, on 250 rupees each	54,000
33 Mamlutdars, Second Grade, on 200 rupees each	79,200		
36 Mamlutdars, Third Grade, on 175 rupees each	75,600		
58 Mamlutdars, Fourth Grade, on 150 rupees each	104,400		
1 Mamlutdar, Fourth Grade, on 125 rupees each	1,500		
2 Mamlutdars, Fourth Grade, on 100 rupees each	2,400		
Total Amount of existing Annual Salaries - - *Rs.*	20,18,100	Total Amount of proposed Annual Salaries - - *Rs.*	14,29,200

Annual saving - - - - - - - - - *Rs.* 6,51,900

Appendix, No. 22.

PAPERS handed in by Mr. *Dadabhai Naoroji.*

STATEMENT of the REVENUE and EXPENDITURE of *Travancore* for the Years 1863–64 and 1870–71.

NET REVENUE.	1863–64.	1870–71.
	Rs.	*Rs.*
Balance of last Year - -	- -	42,69,115
Land Revenue - - -	16,51,208	16,43,954
*Miscellaneous Revenue -	4,94,796	4,86,687
Judicial Fees - - -	- -	1,20,813
Customs - - - -	4,57,997	3,55,244
Arrac and Opium - -	81,789	1,05,494
Tobacco - - - -	7,88,901	8,10,511
Salt - - - - -	5,15,748	10,03,336
Cardamoms and other goods -	95,321	4,09,923
Timber - - - -	89,309	1,20,174
Interest on Government Security.	- -	1,59,079
Arrears of Revenue collected in the Year.	59,576	29,257
Rs.	43,10,727	52,44,472
TOTAL with the Balance from last Year - - - - *Rs.*		95,13,587

NET EXPENDITURE.	1863–64.	1870–71.
	Rs.	*Rs.*
The Davasom, or Religious Institutions.	5,70,843	5,52,827
Ootooperah, or Charitable Institutions.	2,95,192	3,05,950
The Palace - - -	4,57,460	4,99,549
Huzir Kuthery, and the Civil Establishment.	4,90,696	5,65,867
Judicial Establishment -	85,984	1,57,415
Police Establishment - -	74,375	1,32,956
Nair Troops - - -	1,25,969	1,77,597
Elephant and Horse Establishment.	30,107	65,096
Education, Science, and Art† -	-	1,23,244
Pensions - - - -	1,06,498	1,21,517
Public Works - - -	2,60,169	11,68,728
Costs and Charges of Goods sold, &c. &c., and Advances made for the Purchase of Goods.	3,05,263	4,13,969
Contingent Charges - -	2,21,044	1,96,593
Subsidy to the British Government.	8,10,127	8,10,652
Amount expended for Poolicoody Ceremony of Her Highness the Nemir Rane.	2,659	—
Ditto ditto for Moorajapam ditto.	1,63,611	—
Rs.	39,99,997	52,92,560
Amount part of Inefficient Balance now charged to Account.		17,627
		53,10,187
Balance to be carried to next Year's Account		42,03,400
TOTAL - - - *Rs.*		95,13,587

* The principal items in Miscellaneous are refunds and recoveries of various kinds, sale proceeds of books in Government depôt, sale of grain in the public granaries, fines imposed by the magistracy, and adeyarah fees—a kind of succession tax, which is levied on a distant kin. There are no items in the above revenue corresponding to export duty on opium, income tax, public works, and some minor ones in the revenues of British India.

† In 1864-65 *Rs.* 57,039.

Appendix, No. 22.

DETAILS of PUBLIC WORKS in *Travancore* for the Year 1870-71.

ENGINEER DEPARTMENT.

THE following is the Report furnished by Mr. Barton, the chief engineer, on the operations of the department under his charge:—

1. "I have the honour to report on the administration of the Public Works Department for the year 1870-71, M. E. 1046.

2. "There has been again a steady increase over past years in the operations of the department, and this year I have to record the progress of several large and important works, and the commencement of others, which no doubt must soon have a beneficial influence in assisting communication and in developing the resources of the country.

3. "A comparison of the abstract statement of expenditure on public works for the current with that of the past year will be convenient here.

Abstract of Statements.

	1869-70.		1870-71.	
Repairs and Maintenance:	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Communications	68,505		87,565	
Civil buildings	3,763		4,307	
Irrigation works	2,914		12,620	
Military buildings	2,314		948	
Miscellaneous public improvements	2,747		2,166	
		1,06,343		1,07,601
Original Works:				
Communications	3,72,404		4,92,588	
Civil buildings	1,60,673		1,62,600	
Irrigation Works	6,104		6,582	
Military buildings	12,834		6,105	
Miscellaneous public improvements	77,388		49,390	
Surveying and tracing	15,997		22,530	
		6,45,400		7,39,795
Establishment Pay and Allowances		79,926		86,441
Sundries		22,815		33,826
Cash in hand		19,935		22,611
Outstanding advances		1,03,541		1,09,964
Stock		81,418		91,924
Tools and plant		40,208		74,723
TOTAL *Rs.*		10,99,586		12,66,885

4. "It will be seen that in the outlay for maintenance, there has been an increase of some 20,000 rupees on communications; a slight increase on public buildings.

5. "A large decrease of irrigation works, accounted for by the absence of such heavy floods as were experienced in the previous year.

On Original Works.

6. "There is an increase of 94,400 rupees, which will be fully accounted for by an examination of the detailed statement of works.

7. "The expenditure on military buildings and irrigation works is about the same.

8. "In the item of Miscellaneous Improvements a decrease of 28,000 rupees, accounted for by the absence during the current year of such expenditure as lighting the public roads, fitting up Durbar Hall, &c.

9. "Attached to this report will be found the usual tabulated statements.
(A.)—Receipts and disbursements of the department during the current year.
(B.)—Detailed statement of expenditure on each work.
(C.)—Abstract of Statements A. and B.

10. "I will now make such notes as may illustrate the general progress upon the more important works upon which the Engineer Department has been engaged.

Repairs.

11. "Under the head of Repairs, an item of 9,000 rupees for macadamising part of the Aramboli road calls for remark. The work has been rendered absolutely necessary by the great

great increase of cart traffic through the pass, and I anticipate that before long it will be found necessary to metal other portions of the Southern road, over which, owing to the extended system of roads in the interior of Travancore, heavy traffic has now commenced.

Original Works.

Construction of Quilon and Shencottah road.—Expenditure, 1,13,000 rupees.

12. " During the year under review, operations on this line have been kept steadily going —most extensive works in the shape of rock blasting, retaining walls, embankments and bridge building have been successfully accomplished; a large amount of cart traffic is using the new road, already sufficient to prove the importance of this new route.

13. " I have it on authority that the markets of Quilon and along the road in Travancore have, during the current year, been favourably influenced by the direct communication with Tinnevelly.

Road from Nedoovengad to Thainmullay.

Estimate, 1,32,290 rupees.—Expenditure, 53,889 rupees.

14. " This is the southern line of communication through the Arienkavoo Pass, and forms the direct route between Shencottah and Trevandrum.

15. " On this line too, work has been kept steadily going, and, notwithstanding many and great difficulties, good progress has been made, and a district which before was hardly passable for coolie traffic, will soon be traversable by carts; very extensive tracts of land have been taken up for cultivation, and signs of civilization are appearing along the road side. I believe, however, it will be necessary for the Government to encourage settlement on the mid-section of this road, namely, from Pallode to Colatoorpully; the country is very wild and infested with elephants. If a good bazaar and the nucleus of a town could be established at Muddatoray Cawny (a perfectly healthy spot, I believe, at all seasons of the year), it would form an admirable halting ground, and there are in its neighbourhood valuable teak forests at present totally unworked, and land which might be laid under dry or wet cultivation.

16. " The Unjel or Tappal has been using the new route during the whole of the present season, not, however, without some adventures with elephants on the part of the runners, and protests on the part of the Unjel Department; but the distance from Trevandrum to Shencottah being now shorter by 40 miles than the old route *viâ* Quilon, it would be a great pity to disestablish the post line.

17. " It is due to the assistants and subordinates in charge of both these roads, to allude to the difficulties they have had to contend with; a section of 20 miles on either line is uninhabited, and at periods of the year unhealthy, and consequently divested of labour or supplies. Oftentimes, only with great trouble, have coolies been kept together at all, and supplies obtained for them; we have had to pay much higher rates of wages than were calculated upon at first, and I fear excess of expenditure beyond the estimate must be anticipated. We shall, however, have to show in return valuable and good work, and, on completion, a good investment of the public funds.

18. " There is still another branch road connected with the Arienkavoo Pass, from Ponalur to Kayencolum—distance 35 miles—traced out last year and commenced this season on an estimate of 1,16,549 rupees. The expenditure has been 14,000 rupees and odd; a good portion of the simpler earthworks has been done. The heavier embankments, and the collection of materials for bridges and drains all along the line are well in hand, and there is little doubt that, with sustained energy, this line will be opened for cart traffic before the end of the present year.

Road from Shorlacode to foot of the Ashamboo Hills.

19. " This line has been opened for traffic during the current year, and enabled the coffee planters to use it in the dispatch of the season's heavy crop.

20. " The road from Coolitoray to Tengaputnom has also been opened to cart traffic.

21. " Good progress has been made in the road between the Rajakamungalom salt-pans and the southern terminus of the Victoria Canal.

22. " On the Peermade Ghat road a good deal of heavy rock-cutting and clearing has been effected, and the line rendered perfectly easy for cart traffic to the crest of the ghauts, 3,500 feet above the sea. The line of country across the plateau to the Madura frontier has been surveyed, half the distance regularly traced out, and, I am happy to say, a preliminary sanction obtained for opening out a 14-feet cart road.

23. " Various new roads of short lengths, in the neighbourhood of Trevandrum, Quilon, Alleppey, Cotyam, have been constructed, and are of unquestionable convenience.

24. " The department has not been idle in preparing for the extension of road communication.

 25. " In

Appendix, No. 22.

25. "In the Southern Division several lines of short lengths, but aggregating 50 miles, have been traced and surveyed.

26. "A commencement has been made for laying down a new road from Trevandrum, passing through the central part of the Quilon Division and extending to Cotyam, the intention being to extend this through North Travancore. This road is designed not only as a main line of communication through the country, but to form connecting links between important inland towns and the nearest points of water communication. The section between Cotyam and Chunganachery, although a district road in the first instance, is a part of the system, and has been lately sanctioned.

27. "The road across the Peermade Plateau I have already referred to.

Bridges.

28. "Besides the construction of such bridges as are needed on the roads already reported upon, various other structures have been taken in hand. The large bridge at Coolitoray, 11—60 feet span, has been opened for traffic, the masonry and erecting of the iron girders and timber platform having been completed during the season under review.

29. "The bridge at Moondakayom, 3—60 feet span, has been opened for traffic.

30. "Similarly, the bridge at the old landing-place, Trevandrum—that over the Atoor river, and the two iron bridges over the Paroor Canal, have been completed and opened to traffic. Other bridges in various parts of the districts are in course of erection.

31. "There have been, I am glad to report, no failures, and the repairs needed on such work have been very small.

Canals.

32. "The Wurkullay Barrier Canal has absorbed a lac of rupees during the year. A very large amount of earthwork has been got through, but the progress has not been so rapid as I anticipated, the fact being that we cannot command as much labour as I calculated upon. The new roads in the neighbouring districts of Quilon and Trevandrum were in competition for the labour of those districts, and, without an inordinate advance of wages, with corresponding increase of the rates of cost for the work, labour from a distance could not be obtained. We have had from 2,000 to 3,000 men at work regularly, but I would wish double that number. There has also been delay in getting the needful superintendence and machinery from England; but both have now arrived, and I hope still better progress will be made in the coming season. But I must report that, although the progress has not been equal to my expectations, the work done has been by no means unsatisfactory either in extent or in the result, so far as the ultimate successful completion of this important undertaking is concerned. More water has been met with in the excavations than was anticipated, and the work is thereby delayed and a little more costly, than would otherwise have been the case; but there is no reason for any sort of doubt or anxiety.

33. "Among the items of repairs to canals have been included extensive deepenings of the canals and backwaters, and the outlay of 3,000 rupees and odd in clearing away a barrier on the Mavalicurray river; the latter work was intended specially to facilitate the passage of timber down the river, and to prevent the damage which hitherto occurred to it in transit —the object appears to have been effected. There are numbers of similar barriers in other rivers, which sooner or later may be taken in hand with advantage.

Civil Buildings.

34. "The outlay on these needs little comment.

Hospitals.

35. "The outlay has chiefly been in completing outhouses, &c., surroundings, and in the progress of work commenced last season at Mooatoopolay, Alwaye, and Shertallay. The progress on these has not, I regret to say, been as satisfactory as could be wished, but may be attributed to the removal of the third assistant from his division, to act for the second assistant while on leave. But the extensive additions to the hospital at Trevandrum have progressed fairly; additional wards have been constructed in the old building; two new wards for females, and a hospital store; cook-rooms, latrines, and dead-houses nearly completed.

Court Houses.

36. "Tasildars' Cutcherries and Moonsiffs' Courts and Registration Offices under one roof have been in steady progress at 10 different places, and during the year an outlay of nearly 30,000 rupees has been spent on them. Sanction has been received for constructing similar buildings at other places, but they are so scattered about that very rapid progress could not be made without withdrawing the supervising establishment from other important works.

Schools.

Schools.

37. "The new college at Trevandrum is progressing well; all the brickwork is completed, but some little time is still required for the stonework, for which it has been found impossible to obtain sufficient skilled labour in Travancore, and we have therefore been obliged to get down labour from the Madras Presidency. The schools at Nedoovengaud and Kotar are very nearly ready for occupation.

Residences.

38. "A large number of public bungalows rendered necessary by the opening of new roads have been taken in hand, and during the past year well advanced towards completion. The buildings afford only moderate accommodation, and are not very expensive; the estimate for second class bungalows with outhouses, aggregating 11,326 rupees, and the first class bungalows 16,824 rupees.

39. "The residency at Peermade, staff quarters, stabling and outhouses have been completed during the past year.

Military Buildings.

40. "Beyond the completion of the brigade hospital and gun-shed, nothing has been done this year.

Miscellaneous Works.

41. "*Rs.* 2,449 have been expended in extending the lighting of the main roads and interior of the fort in Trevandrum.

"There can, I think, be no question of the utility of such work in the capital, and that it requires to be extended. The lamps, when once in position, cost very little to maintain; a couple of miles more of road might with advantage be lighted.

42. "The old sea-wall at Tangacherry (Quilon), gave way during last monsoon, and serious encroachment commenced upon a valuable building there; the wall was partially re-built, but probably the whole wall will eventually have to be re-built, as no protective measures can with advantage be adopted.

43. "New beacons have been erected at various places along the lines of backwaters, their up-keep and regular lighting have been attended to, and with much assistance to the traffic.

44. "Sundry works have been undertaken at the cost of, and on behalf of the British Government; indeed these works have increased so much lately as to require the services of a special overseer, and hence, overworked as the Travancore Engineer Department is at present, I have been constrained to recommend that we should be relieved of this duty.

45. "Under the heading of

Surveying and Tracing Roads, &c.

will be found in more detail than I can give in a general Report, instances of various projects which have received the attention of the department in the shape of projected works. One large item of 10,330 rupees appears for preliminary operations in connection with the Perinjany reservoir. This is for completing the elaborate and difficult surveys and clearance of jungle necessary for such a work. Difficult and adventurous has the work been, for the locality is unhealthy and the jungle infested with wild beasts, which at times have given much trouble; indeed I have to state with regret that several deaths among coolies have occurred from the occasional raids of a rogue elephant.

46. "In the course of the ensuing year I confidently hope that a commencement of actual work on this irrigation project will be made. It is deserving, however, of consideration that already the department has its hands as full of work as possible; that from year to year instead of relief, it appears a greater demand than ever is made upon its service, and that there is a limit to the elasticity of the fixed establishment at present sanctioned. In fact, there is no doubt that, if the same rate of progress is to be continued in public works as has now for a long series of years prevailed, a much larger staff of subordinates must be entertained.

47. "During the past year there has been an expenditure of eight and a-half lacs of rupees on *bonâ fide* public works; the establishment costing with all allowances and other contingent expenses about 10 per cent. on the outlay. This is just one-half the rate obtaining in the Public Works Department of British India."

(A.)

RECEIPTS and DISBURSEMENTS of the Public Works Department for the Year $\frac{1046.}{1870 \& 1871.}$

Dr. *Cr.*

	Rs. *ch.* *c.*	*Rs.* *ch.* *c.*		*Rs.* *ch.* *c.*	*Rs.* *ch.* *c.*
To Balance as per last year's Account—Cash	19,934 25 –		By Works as per Progress Reports	8,47,396 13 11	
„ Outstanding Advances	1,03,540 25 10		„ Establishment (Pay and Allowances)	86,441 14 13	
„ Stock	81,418 6 3		„ Sundries	33,826 3 14	
„ Tools and Plant	40,207 21 11				9,67,664 4 6
		2,45,101 22 8			
„ Drafts cashed during the year		9,79,297 8 11	„ Cash in hand	22,610 22 14	
„ Miscellaneous Receipts	15,452 7 9		„ Outstanding Advances	1,09,963 15 –	
„ Unclaimed Wages	12,965 21 4		„ Stock	91,923 18 2	
„ Deposits, Fines, Sundries, &c.	14,068 12 10		„ Tools and Plant	74,723 12 4	
		42,486 13 7			2,99,221 12 4
TOTAL *Rs.*		12,66,885 16 10	TOTAL *Rs.*		12,66,885 16 10

(B.)

DETAILED Statement of EXPENDITURE on each Work.

		COMMUNICATIONS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*
I.—Roads	Repairs	Maintenance	41,575			
		Closing breaches	1,477			
		Macadamising five miles of the main Southern road, Aramboly frontier	9,055			
		Metalling road from Moluncadavoo to Comanatumbalom and Teroovelarom	1,457			
		Metalling road from Protestant Church at Quilon to Itticurray	943			
		Gravelling Ashamboo road	1,284			
		Repairing road from Oolore to Caniaporam	311			
		Metalling road from Comanatumbalom to Neendakarray bar	2,364			
				58,466		
	Original Works	Road from Quilon to Shencottah	1,13,367			
		Ditto Nedoovengaud to Thainmullay	53,889			
		Ditto Trevandrum to Nedoovengaud	10,290			
		Ditto Kayencolum to Poonalore	14,344			
		Ditto Shorlacode to the Coffee Estate roads	22,358			
		Ditto Eraneel to Shorlacode	7,132			
		Ditto Coolitoray to Tengaputnom	6,169			
		Ditto the terminus of A. V. M. Canal to Rajakamungalum	6,389			
		Peermade Ghat road	33,682			
		Road from Colithotum to Nadayarah	2,447			
		Ditto Theroovataur to Theroomundikurry	1,621			
		Ditto Pairaday to Oolore	1,582			
		Ditto Church to the landing-place on the river bank at Cottayom	1,182			
		Alleppey roads	2,638			
		Road on the Eastern valley in which the P.W.D. Brickfield is situated	340			
		Road from Cantonment to Pairkaday	38			
		Approaches to Coolithoray Bridge	1,667			
		Expenditure on five works; estimates below 500 rupees each	406			
				2,79,541		
	Alterations and Improvements.	Improvements and alterations to the 36th mile of Southern road	650			
		Improving the existing tract of the Puthnapoorum road	520			
		Improving the road from Pooliaray to Shencottah	3,934			
		Expenditure on two works; estimates below 500 rupees each	532			
				5,636		
					3,43,643	
			Carried forward *Rs.*			3,43,643

(B.)—Detailed Statement of Expenditure on each Work—*continued.*

			Rs.	Rs.	Rs.	Rs.
		Brought forward - - -	- -	- -	3,43,643	
		Communications—*continued.*				
II.—Bridges and Drains.	Original Works -	Iron girder bridge at Coolithoray - - -	69,022			
		Ditto - Mondakyem - - - -	6,146			
		Ditto - across A. V. M. Canal - -	166			
		Ditto - „ Authoor river - -	2,748			
		Ditto - Alagiapandiapoorum - -	2,537			
		Ditto - across Nadayarah Canal -	36			
		Ditto - at old landing-place - -	6,559			
		Ditto - at Oolore - - - -	116			
		Ditto - at Puttum - - - -	10			
		Ditto - across Paroor Canal - -	3,232			
		Ditto - Cariapolay - - - -	2,469			
		Ditto - at Alleppey - - - -	1,410			
		Ditto - at Thodycadavoo - - -	2,922			
		Ditto - at Kayencolum - - -	1,748			
		Ditto - at Upper Killiar - - -	59			
		Bridge at Poothapandy - - - - -	3,258			
		Wooden bridge across the A. V. M. Canal at Parakaday - - - - - - -	431			
		Wooden bridge on the third mile of road from Cottayam to Peermade - - - - -	1,442			
		Re-construction of a culvert on 42nd mile Southern road - - - - - -	153			
		Re-construction of a culvert on 47th mile Southern road - - - - - -	208			
		Constructing culvert on the 11th mile of Nedoovengaud road - - - - - - -	9			
		Constructing culvert on the ninth mile of Nedoovengaud road - - - - - - -	19			
		Bridge across Chittar river - - - - -	678			
		Expenditure on 25 works—estimates below 500 rupees each - - - - - - - -	1,588			
				1,06,966		
	Repairs - - -	Repairing Chowray bridge - - - - -	39			
		Repairing wooden bridge at Alleppey - - -	513			
		Expenditure on 10 works—estimates below 500 rupees each - - - - - - -	1,046			
				1,598		
					1,08,564	
	Original Works -	Wurkallay Barrier Junction Canal - - -	1,00,385			
		Extension of A. V. M. Canal from Poowar to Kurrachel - - - - - - - -	60			
				1,00,445		
III.—Canals - -	Repairs - - -	Repairing A. V. M. Canal - - - - -	4,737			
		Deepening Trevandrum Canal - - - -	8,380			
		Ditto Quilon Canal - - - - -	4,922			
		Ditto Canals and backwaters from Nadayarah to Alleppey - - - -	1,430			
		Ditto Alleppey Canal - - - - -	3,589			
		Ditto Nadayarah Canal - - - -	282			
		Removing rock from the Mavalicurray river for navigation purposes - - - - -	3,159			
		Closing breaches on the banks of the Alleppey Canal - - - - - - - -	774			
		Expenditure on two works—estimates below 500 rupees each - - - - - - - -	228			
				27,501		
					1,27,946	
						5,80,153
		Civil Buildings.				
I.—Civil Buildings -	- - -	Fitting up new public offices - - - -	4,931			
		Construction of clock tower—new public offices -	3,821			
		Fixing lightning conductor of clock tower—new public offices - - - - - - -	948			
		Railing round enclosure of clock tower—new public offices - - - - - - - -	1,523			
				11,223		
					11,223	
II.—Hospitals - -	Original Works -	Hospital and outhouses at Nagercoil - - -	2,546			
		Ditto - ditto at Parachallay - -	1,614			
		Ditto - ditto at Quilon - - -	648			
		Ditto - ditto at Mavalicurray - -	891			
		Ditto - ditto at Alleppey - - -	1,186			
		Ditto at Moovatoopallay - - - -	2,188			
		Ditto at Alwaye - - - - - -	1,837			
		Ditto at Shertallay - - - - -	3,069			
				13,979		
	Additions and Improvements.	Making additional rooms and alterations to the Civil Dispensary, Trevandrum - - -	23,845			
				23,845		
	Repairs - - -	Repairing and re-thatching Charity Hospital -	554			
		Expenditure on four works—estimates below 500 rupees each - - - - - - -	610			
				1,164		
					38,988	
		Carried forward - - -	*Rs.*		50,211	5,80,153

(B.)—Detailed Statement of Expenditure on each Work.

			Rs.	*Rs.*	*Rs.*	*Rs.*
		Brought forward - - -	- -	- -	50,211	5,80,153
		Civil Buildings—*continued.*				
III.—Court Houses -	Original Works -	Tahsildar's Cutcherry and Registration Office at Nedoovengaud - - - - - - -	5,401			
		Ditto - ditto - at Erneel - -	3,873			
		Ditto - ditto - at Coonathoonaud	2,325			
		Ditto - ditto - at Alengaud -	161			
		Ditto - ditto - at Shertallay -	3,277			
		Ditto Moonsiff's Court, and Registration Office at Neyattincurry - - - - -	3,305			
		Ditto - ditto - at Kartigapully -	1,858			
		Ditto - ditto - at Ambalapoolay -	5,649			
		Ditto - ditto - at Vycome - -	1,842			
		Ditto - ditto - at Mooatoopollay -	1,788			
		Old Court House at Alleppey - - - -	192			
				29,671		
	Repairs - - -	Repairing the Tahsildar's Cutcherry, Quilon -	158			
				158		
					29,829	
IV.—Schools - -	Original Works -	New College, Trevandrum - - - - -	56,083			
		English School at Cottaur - - - - -	2,447			
		Vernacular School at Nedoovengaud - - -	2,280			
		English School at Alleppey - - - -	21			
				60,831		
					60,831	
V.—Residences - -	Original Works -	Lady Superintendent's bungalow - - -	392			
		Young Princes' - - ditto - - - -	892			
		Mr. Harvey's - - ditto - - - -	1,059			
		Travellers' bungalow and outhouses at Ponalore -	497			
		Ditto - ditto - at Uddoor - -	1,628			
		Ditto - ditto - at Pullical - -	1,144			
		Ditto - ditto - at Ariencavoo -	538			
		Ditto - ditto - at Colathoorpallay	163			
		Ditto - ditto - at Nedoovengaud	106			
		Ditto - ditto - at Cottayam -	1,325			
		Ditto - ditto - at Alleppey - -	112			
		Ditto - ditto - at Vadasary - -	88			
		Ditto - ditto - at Aramboly -	937			
		Ditto - ditto - at Shorlacode -	1,214			
		Ditto - ditto - at Kottaracurray -	178			
		Durbar Physician's bungalow (portico) - -	63			
		Chief Engineer's new head quarters' storeroom -	1,571			
		Engineer's storeroom and office at Shencottah -	907			
		Re-construction of Chief Engineer's bungalow at Peermade - - - - - - - -	169			
		Expenditure on two works—estimates below 500 rupees each - - - - - - - -	169			
				13,152		
	Alterations and Improvements.	Additions and Improvements to the Peermade Residency and staff quarters - - - -	8,162			
		Ditto - Residency at Trevandrum - -	375			
		Ditto - to the Chief Engineer's Office -	375			
		Ditto - to Professor Mr. Ross' bungalow	987			
				9,899		
	Repairs - - -	Repairing the Peermade Residency and staff quarters - - - - - - - -	139			
		Repairs to the Quilon - ditto - -	750			
		Repairing Chief Engineer's bungalow and outhouses at Trevandrum - - - - -	376			
		Expenditure on 26 works—estimates below 500 rupees each - - - - - - - -	1,720			
				2,985		
					26,036	
						1,66,907
		Irrigation Channels and Works.				
	Repairs - - - -	- - - - - - - -	3,311			
		Closing Breaches - - - - - - -	9,309			
				12,620		
					12,620	
	Original Works -	Constructing aqueduct and improving the channel at Maycode - - - - - - - -	1,509			
		Re-constructing Alagastry surplus Calingulah -	774			
		Re-constructing sluice and embankment across Keelsary Vycaul - - - - - -	647			
		Re-constructing Poothumuthan aqueduct in Pulpanapooram, Poothanar - - - - -	649			
		Expenditure on 25 works—estimates below 500 rupees each - - - - - - - -	3,003			
				6,582		
					6,582	
						19,202
		Carried forward - - - *Rs.*		- -		7,66,262

(B.)—Detailed Statement of Expenditure on each Work.

		Rs.	Rs.	Rs.	Rs.
	Brought forward - - -	- -	- -	- -	7,66,262
	Military Buildings.				
Original Works -	New Brigade Hospital at Trevandrum - -	2,908			
	New Brigade Gun-shed - - - - - -	2,591			
	New Brigade Powder Magazine - - - -	7			
	Expenditure on four works—estimates below 500 rupees each - - - - - - - -	351			
			5,857		
				5,857	
Alterations and Improvements.	Levelling Parade ground - - - - -	248			
			248		
				248	
Repairs - - -	Repairing regimental stores, Quilon - - -	79			
	Ditto dooly shed - - - - - - -	40			
	Ditto the regimental barracks at Trevandrum	140			
	Expenditure on seven works; estimates below 500 rupees each - - - - - - -	684			
			943		
				943	
					7,048
	Miscellaneous Public Improvements.				
	Entrance to Vettimooricha fort gate - - -	2,676			
	Completing chief engineer's office compound wall and erecting stables - - - - - -	775			
	Providing and fixing lanterns on the sides of main roads of Trevandrum - - - - - -	2,449			
	Wooden shelves to the tobacco bankshall at Alleppey - - - - - - - -	1,709			
	Re-constructing fallen portion of sea-wall at Tangacherry, Quilon - - - - - - -	1,434			
	Renewing lamp-posts along the backwaters from Quilon to Alleppey - - - - - - -	695			
	Re-constructing head-quarters' workshop shed -	1,228			
	Constructing new band-stand at Trevandrum -	956			
	Providing stores for the Huzzoor and Commercial Department - - - - - - - -	2,407			
	Expenditure on 26 works; estimates below 500 rupees each - - - - - - - -	9,375			
	Repairing St. Thomas Church, Quilon - - -	92			
	Expenditure on 21 works; estimates below 500 rupees each - - - - - - - -	2,074			
	Sundries - - - - - - - - -	696			
	Charges incurred on account of transmission of stores - - - - - - - - -	13,551			
	Lighting canals - - - - - - - -	474			
	Lighting roads - - - - - - - -	878			
	Contingencies - - - - - - - -	10,087			
			51,556		
				- -	51,556
	Surveying and Tracing Roads and Irrigation Projects.				
	Preliminary operations in connection with the Perinjany Reservoir project - - - - -	10,336			
	Trace of extension of Ashamboo-road - - -	152			
	Preliminary operations in connection with the reconstruction of the Paundian Dam - - -	7			
	Trace from Thadicarencomun to Alagia Pandiaparam - - - - - - - - -	207			
	Trace from Theroomundicurray to Meloony - -	477			
	Ditto Edalacoody and Manacady - -	105			
	Ditto Shorlacode to Moovatoomoogum -	1,389			
	Ditto Arambooly to Poothapandy - -	284			
	Ditto Maycode to Aathoor - - - -	90			
	Ditto Valnapoorum to Curichel - - -	15			
	Ditto Nedoovengaud to Coviattencoodel -	824			
	Ditto short lengths of road Trevandrum -	231			
	Trace at Covalong - - - - - - -	6			
	Trace from Nedoovengaud to the Kowdiar estate	305			
	Survey operations and staking out lines for the Wurkalay Canal - - - - - - -	142			
	Trace parallel to Wurkalay Canal - - -	144			
	Ditto - Nadoongayem - - - - -	45			
	Ditto between Cottayam and Chunganacherry - - - - - -	1,420			
	Nedoovengaud district surveys - - - -	5,808			
	Quilon district surveys - - - - -	543			
			22,530		
				- -	22,530
			Total - - -	*Rs.*	8,47,396

Appendix, No. 22.

ABSTRACT OF STATEMENTS (A. and B.)

		Rs.	*Rs.*
Repairs	Communications	87,565	
	Civil buildings	4,307	
	Irrigation works	12,620	
	Military buildings	943	
	Miscellaneous public improvements	2,166	
			1,07,601
Original Works	Communications	4,92,588	
	Civil buildings	1,62,600	
	Irrigation works	6,582	
	Military buildings	6,105	
	Miscellaneous public improvements	49,390	
	Surveying and tracing roads and irrigation projects	22,530	
			7,39,795
Establishment (pay and allowances)			86,441
Sundries			33,826
Cash in hand			22,611
Outstanding advances			1,09,964
Stock			91,924
Tools and plant			74,723
	TOTAL *Rs.*		12,66,885

MARAHMUT DEPARTMENT.

THE following Statement exhibits the Work done by this Agency. The outlay is about 4,500 rupees less than in the previous year.

Number.	WORKS.	Expenditure.
		Rs.
1	Repairs to his Highness the Maha Rajah's palace	5,226
2	„ his Highness the Eliah Rajah's palace	2,410
3	„ the palace of their Highnesses the Ranees	2,558
4	„ his Highness the First Prince's palace	1,533
5	Minor repairs	10,513
6	Annual thatching of public buildings	21,361
7	Repairs to salt godowns	2,065
8	Repairs to Huzzoor cutcherry, court-houses, Taluq cutcherries	17,136
9	Construction of, and repairs to, vernacular district schools	1,915
10	Repairs to the Trevandrum Residency	2,772
11	„ to Quilon Residency	726
12	„ of bungalows occupied by European officers	9,074
13	Excavating and repairing irrigation works	11,791
14	Re-construction and repairs of pagodas	18,766
15	„ „ cotpoorahs	4,788
16	Repair of copper and brass utensils	1,596
17	„ boats and jangars	934
18	Construction and repair of wooden bridges and repairing village roads	26,719
		1,41,891
	Cost of Establishment	18,905
	Total *Rs.*	1,60,796

About 20,000 rupees of the amount of sanctioned estimates remained unexpended when the year ended.

Appendix, No. 22.

EXTRACT from SETTLEMENT REPORT of *Indapore* (*see* Questions 6721 and 6726).

(For Paragraphs 146 to 153, *see* Answer to Question 6512.)

154. I think it has been fully established in the review of the settlement that, at the end of the first decennial period, the cultivators were not in a position to pay a higher assessment had a revision taken place at that time. The average price of grain for the 10 years is 56 seers per rupee; consequently we may conclude that the assessment was not light when gauged by the prices of that period.

155. In our remarks upon Mr. Green's review, which took place six years after in 1852-53, we have come to the conclusion that though a decided improvement in the condition of the people was noticeable at that period, no considerable accumulation of capital had taken place. The turning point had been past, and the steady rise in prices which set in from that date soon made a marked change in the state of the district. The revenue was being regularly paid without remissions, and as indifferent seasons occurred at that time, its payment shows that the cultivators had some funds to fall back upon, and were not entirely dependent on the crop of the year.

156. I think, therefore, we may fairly assume that towards the latter end of the second decennial period the cultivators had acquired that amount of capital and that well-to-do position which we would assign to them as the measure of profit to be left after payment of the Government assessment. I am consequently of opinion that we may take the average price of grain during the latter half of the second decennial series as the index by which we may estimate from prices what our present assessment ought to be. In other words the percentage increase which has taken place during the last 10 years will represent generally the percentage addition to the present assessment which may now be made.

157. Applying this rule to the case, I find the average price of grain for the two periods indicated stood as follows, viz.:—

Average for the last five years of the second decennial series, viz., from 1851-52 (dating from the period of Mr. Green's review) to 1855-66 - - -	42
Ditto for the 10 years, from 1855-56 to 1865-66 - - - -	26
	16

We may assume approximately, therefore, that between 50 and 60 per cent. is the addition (considered solely with reference to the price of grain) which may now be made to the present assessment.

158. I find that a maximum rate of one rupee per acre, with a reduction of 2 annas for some villages and a special increase of 2 annas for Indapoor itself (details to be explained in the sequel), will give about the required amount of assessment. Twelve annas is the maximum on which the present assessment is based. An increase to a rupee is equivalent to an addition of 33 per cent. only. But it has been shown that according to the new survey a considerable extent of land has hitherto been held in excess of the assessed area. The assessment now placed upon this, and the assessment resulting from the adoption of a comparatively higher standard of valuation for the best soils, form a special fund of increase to our new settlement. And these sources, swelling the general amount, raise the percentage increase higher than is indicated by the difference between a 12 and a rupee maximum rate. That is to say by the application of the latter rate to new measurements and new classification, the assessment will be raised to 53 instead of 33 per cent., which is the actual difference between the two given rates.

STATEMENT contrasting Present and Proposed ASSESSMENT for Villages belonging to the *Indapoor* Talooka.

Numbers.	NAMES of VILLAGES.	Present Assessment according to Cultivation Returns for the Year 1865-66.		Proposed Assessment calculated on the Area under Cultivation in 1865-66.		Increase in Area and Assessment according to proposed Settlement.		Per-centage Increase.		
						Area.	Assessment.	Area.	Assessment.	
		Acres.	*Rupees.*	*Acres.*	*Rupees.*	*Acres.*	*Rupees.*	*Acres.*	*Rupees.*	
1	Indapoor	16,028	4,981	19,443	7,372	3,415	2,391	21	48	Maximum rate, *Rs.* 1. 2.
2	Shah	1,440	400	1,838	803	398	403	27	101	Maximum rate, *Rs.* 1.
3	Kanndulgaon	2,638	928	2,861	1,424	223	496	8	53	Ditto.
4	Turtgaon	553	249	623	367	70	118	13	48	Ditto.
5	Heengungaon	1,589	553	1,789	997	200	444	13	80	Ditto.
6	Baboolgaon	2,244	741	2,461	1,401	217	660	10	89	Ditto.
7	Bhatnimgaon	1,470	415	1,723	926	253	511	17	123	Ditto.
8	Bedsingh	902	292	988	522	86	230	10	79	Ditto.
9	Owsuree	1,928	1,653	2,200	1,111	272	458	14	70	Ditto.
10	Bhandgaon	2,888	1,242	2,999	1,914	111	672	4	55	Ditto.
11	Bhowreh	17,348	6,787	18,503	10,780	1,155	3,993	7	59	Ditto.
12	Wajreh	625	258	686	353	61	95	10	37	Ditto.
13	Gopee	948	426	1,027	501	79	75	8	18	Ditto.
14	Loomewaree	1,340	726	1,410	883	70	157	5	22	Ditto.
15	Suratee	1,668	905	1,732	1,272	64	367	4	41	Ditto.
16	Neerneemgaon	1,357	601	1,415	906	58	305	4	51	Ditto.
17	Chakatee	1,650	684	1,824	951	174	267	11	39	Ditto.
18	Rednee	3,746	1,415	4,212	2,163	466	712	12	49	Ditto.
19	Redah	1,909	589	1,994	906	85	317	4	54	Ditto.
20	Setphal	3,510	1,394	3,599	2,054	89	660	2	47	Ditto.
21	Kathee	3,947	1,121	4,117	1,671	170	550	4	49	Ditto.
22	Peetkeshwur	1,962	585	2,206	789	244	204	12	35	Ditto.
23	Neemgaon Ketkee	7,574	2,212	8,252	2,657	678	445	9	20	Ditto.
24	Gokhlee	1,511	272	1,922	537	411	265	27	97	Ditto.
25	Wungulee	811	182	1,110	366	299	184	37	101	Ditto.
26	Rajehwaree	309	63	434	157	125	94	40	149	Ditto.
27	Gagurgaon	733	180	950	369	217	189	30	105	Ditto.
28	Beejowdee	1,961	360	2,745	710	784	350	40	98	Ditto.
29	Bulpooree	966	213	1,491	277	525	64	54	30	Ditto.
30	Bhowree	1,286	469	1,428	784	142	315	11	67	Ditto.
31	Chandgaon	1,025	416	1,164	774	139	358	14	87	Ditto.
32	Wurkooteh (Bk.)	14,322	1,194	49,592	2,287	630	1,093	15	92	Ditto.
33	Agotee	1,853	715	1,944	1,254	91	539	5	75	Ditto.
34	Gunjeewulun	1,251	488	1,458	999	207	511	17	105	Ditto.
35	Kulasee	2,002	726	2,182	1,181	180	455	9	63	Ditto.
36	Kaltun	3,386	1,254	3,880	2,121	494	867	15	69	Ditto.
37	Seersooree	1,824	604	2,186	1,124	362	520	20	86	Ditto.
38	Parusthul	1,557	578	1,768	1,009	211	431	14	75	Ditto.
39	Ajotee	1,438	559	1,559	1,125	121	566	8	101	Ditto.
40	Soogaon	1,288	533	1,436	931	148	398	11	75	Ditto.
41	Pimpree (Khoord)	945	217	1,139	366	194	149	2	69	Ditto.
42	Kullus	9,655	2,744	12,396	3,767	2,741	1,023	28	37	Ditto.
43	Rooee	4,301	1,058	4,544	1,535	243	477	6	45	Ditto.
44	Vehalee	2,193	608	2,505	823	312	215	14	35	Ditto.
45	Gotoondee	3,248	836	3,558	1,469	310	633	10	76	Ditto.
46	Shelgaon	11,032	3,384	12,580	5,095	1,548	1,711	14	51	Ditto.
47	Hatoorneh	4,956	1,266	5,547	2,090	591	824	12	65	
48	Lasoorneh	8,153	2,396	8,643	3,836	490	1,440	6	60	
49	Kulumb	5,539	2,400	5,930	3,511	391	1,111	7	46	
50	Cheeklee	669	298	712	423	43	125	7	42	
51	Kurowlee	1,517	716	1,565	988	48	272	3	38	
52	Jamb	1,171	393	1,228	658	57	265	5	68	14 annas is the maximum rate for these villages.
53	Oodhut	1,390	685	1,485	862	95	117	7	26	
54	Tawsee	1,295	672	1,399	923	104	251	8	37	
55	Sunsur	4,716	1,549	5,285	2,341	569	792	12	51	
56	Kajhur	4,745	1,538	5,606	1,855	861	317	18	21	
57	Neemboree	1,504	417	1,834	653	330	236	22	56	
58	Lakree	2,102	593	2,589	770	487	117	23	30	
59	Neergoodeh	6,678	1,753	7,893	2,715	1,215	962	18	55	
60	Shetphal Gareh	3,595	1,131	4,535	1,620	940	489	23	43	Maximum rate, *Rs.* 1.
61	Pimpleh	1,560	545	1,765	769	205	224	13	41	Ditto.
62	Mudunwaree	3,858	1,431	4,282	2,221	424	790	11	55	Ditto.
63	Akoleh	3,582	1,173	4,068	1,756	486	583	13	50	Ditto.
64	Badulwaree	1,636	584	2,218	879	582	295	36	51	Ditto.
65	Halgoolwaree	306	129	416	170	110	41	36	32	Ditto.
66	Bheegwun	2,344	863	2,449	1,766	105	903	4	105	Ditto.
67	Decksal	1,625	840	1,734	1,480	109	640	7	76	Ditto.
68	Koombhargaon	1,474	600	1,991	1,079	517	479	35	80	Ditto.
69	Daeejh	3,688	1,326	3,859	2,212	171	886	5	67	Ditto.
70	Pulusdeo	6,385	2,578	7,417	4,001	1,032	1,423	16	55	Ditto.
71	Poondhoree	2,221	718	2,630	1,128	409	410	18	57	Ditto.
72	Tukrarwaree	547	233	583	481	36	248	7	107	Ditto.
73	Loonee	3,249	1,261	3,405	1,805	156	544	5	43	Ditto.
74	Kowtulee	2,143	463	2,720	712	577	249	27	54	Ditto.
75	Neerwangee	5,644	2,620	5,984	3,895	340	1,275	6	49	Ditto.
76	Khurochee	3,615	1,752	2,615	2,276	- -	524	–	30	Ditto.
		2,30,068	78,769	260,620	121,658	30,552	42,889	–	–	

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TO THE

REPORTS

FROM THE

SELECT COMMITTEE

ON

EAST INDIA FINANCE.

Ordered, by The House of Commons, *to be Printed,*
28 *July* 1873.

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7. *Recommendations as to the Period of Appointment of the Committee of the House on the Indian Accounts; also as to the Audited Accounts for the past Financial Year, and the Estimated Accounts for the Current Year, being laid upon the Table on the opening of the Session:*

Review by the Committee of the system hitherto as regards the making up of the Indian Accounts, *First Rep.* iii, iv—— Conclusions adverse to any alteration of the Indian financial year, *ib.*—— Expediency of the Committee of the House on the Indian Accounts being appointed within the first three weeks of the Session, *ib.* iv—— Recommendation also, that the audited accounts for the past financial year, and the estimated accounts for the current year, be laid on the Table, and, distributed to Members, on the opening of the Session, *ib.*

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Aden. Formation in 1868–69 of a troop of native cavalry for service at Aden; reasons for this, *Kellner and Johnson* 3566–3568. 3655, 3656.

Adjutant General (*India*). Grounds for the large increase of pay of the Adjutant General of the army of India, *Johnson* 3128–3131.

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Adoption (*Native Princes*). Satisfaction expressed with the decision of the Governor General in Council, subject to the control of the Secretary of State in Council, in cases of adoption or disputed succession, *Lord Lawrence* 5502–5507.

Affghan War. Very costly result of the Affghan war, the East India Company having been over-ruled in the matter by the Queen's Government, *Sir C. E. Trevelyan* 960–966. 1005.

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Ahmedabad. Grievances of the inhabitants by reason of their treatment at the hands of the Revenue collector, *Nowrozjee Furdoonjee* 4942–4984. 4987, 4988—— Influential petition, signed by 700 inhabitants of Ahmedabad, setting forth in detail the various grievances of the municipality; grounds for the statement that when the Governor of Bombay visited Ahmedabad in January last, the local officials used their influence to prevent this petition being presented to the Governor by a deputation of the inhabitants, *ib.* 4978–4984—— Numerous and oppressive fines levied upon the inhabitants for infringing petty municipal regulations; these were set aside on appeal, *ib.* 4980. 4987, 4988.

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Ajmere and Mhairwarrah. Recent transfer of Ajmere from the government of the North Western Provinces to the Supreme Government; witness is not aware of the reason for this arrangement, *Harrison* 1776, 1777.

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Statement of certain local rates and taxes levied in Ajmere and Mhairwarrah for local purposes, distinguishing the rates and taxes levied before the scheme of provincial services and those levied subsequently, and showing the produce and estimated produce of each rate and tax, *App.* 700, 701.

Detailed statement of municipal cesses in Ajmere and Beawur for 1870–71 and 1871–72, *App.* 702, 703——Receipt and expenditure report of the municipal fund for the year 1870–71, *ib.* 704——Approximate estimate of receipts and expenditure of the municipal fund for the year 1871–72, *ib.* 705——Statement of actual and estimated receipts and expenditure of the Beawur municipality (Ajmere) for the years 1870–71 and 1871–72, *ib.*

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Ardaseer Cursitjee Wadia. Exceedingly efficient services rendered by Mr. Ardaseer Cursitjee Wadia, formerly in charge of the Government Steam Factory at Bombay, *Nowrozjee Furdoonjee* 5260–5262.

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Explanation that witness was strongly opposed to the absorption of the local European army, but would not now advocate its re-establishment, *Lord Lawrence* 5508–5510—— Unanimous objection by the Council of India, including witness, to the abolition of the local European army; impracticability, however, of any successful opposition to the will of the Cabinet and of Parliament in the matter, *ib.* 5779. 5837–5843—— Inexpediency of a further change by a restoration of the Local European army, *ib.* 5791–5793—— Circumstances of the Governor General, as well as the Home Council, having objected to the army amalgamation scheme, but without success, *ib.* 5837–5844.

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II. *As to the Strength of the European and Native Armies respectively*—continued.

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Statement showing that, exclusive of officers, the average strength of the European force in 1862-63 was 69,732, and in 1871-72 was 58,437, *Kellner* 3605-3610——Large reduction in the strength of the Native army in 1871-72 as compared with 1862-63; average strength of 116,196 in 1871-72, *ib.* 3611-3613——Statement on the subject of the established strength being given for 1862-63 and the following years, and as to the means of ascertaining this accurately, *ib.* 3632-3638.

Explanation of the data for witness' calculation that the established strength of the European force in 1862-63 was 69,732; several modifications to which this estimate may be subject, *Kellner* 7249-7268——Data for the calculation that the established Native strength in 1862-63 was 134,246, *ib.* 7269-7271.

Statement as to the calculations of comparative cost in 1862-63 and 1871-72 having been made with reference to the effective strength; witness will endeavour to show the relation between the effective strength and the established strength at the two periods, *Kellner* 7272-7278.

Conclusion that the effective strength, as computed by witness, does not includethe boys of Bombay and Madras, *Kellner* 7535-7543——Witness undertakes to furnish corrected and verified returns in addition to those already submitted to the Committee, *ib.* 7544-7548. 7553-7563 — Character of the additional information proposed to be furnished by witness on his return to India from the data which will be then at his disposal, *ib.* 7564-7566. 7570.

Explanations with further reference to the returns prepared by witness relative to the strength of the different branches of the service; embarrassing discrepancies between the returns of the Adjutant General and the Quartermaster General, *Kellner* 7581-7584——Important difference between the established and the effective strength of the European troops, owing to various causes, *ib.* 7587.

Return showing the average effective strength of the European and Native army in India, compared with the established strength in the years 1862-63 to 1871-72, *App.* 909——Statement of the effective strength of the army in India, European and Native, from the year 1862 to the year 1872, *ib.* 910.

2. Amended

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II. *As to the Strength of the European and Native Armies respectively*—continued.

2. Amended System proposed as regards the Returns of Strength:

Suggestion that the responsibility for the monthly returns of strength be fixed upon some officer at army head quarters, and that the returns should be checked by the Military Account and Medical Departments, *Kellner* 7585, 7586.

3. Part taken by the Indian and Home Authorities respectively, with a View to Reduction of Force:

Views urged by witness, when Finance Minister of India, in favour of reduction of the Native army, but without effect; Minutes hereon handed in, *Sir C. E. Trevelyan* 1290——Explanation in connection with correspondence between the Secretary of State and the Government of India in 1869-71, relative to the extent and character of the reduction to be effected in the Native army and in the European artillery, *ib.* 1298-1304——Larger reductions urged by the Government of India than were sanctioned by the Home Government, *ib.* 1298-1302.

Initiative taken by witness' Government in reducing the European army; obstacle on the part of the Home authorities, *Lord Lawrence* 4752-4757. 5622-5624——Concurrence generally of Sir William Mansfield with witness (when Governor General) as to the expediency of reductions, *ib.* 5377-5379——Twofold objection made by the Home Government to the reductions proposed by witness and his council in the military force, *ib.* 5756, 5757.

Schemes proposed by the Government of India in 1869 and 1870, for reducing the Native infantry and cavalry; reference hereon to a despatch from the Secretary of State in January 1869, in which a large annual saving is contemplated, *Kellner* 7503-7510——Considerable reductions proposed in the Native army in 1869-70; these however were not effected, *Johnson* 7511, 7512.

Minute by Sir Charles Trevelyan, as member of the Council of the Governor General, dated 22 July 1864, on the general question of the military force to be maintained in India; reduced establishment contemplated, *App.* 670-672.

4. How far Reduction is feasible at the present Time:

Statement as to the standard of European troops in India after the meeting having been fixed at about 70,000 men, and since reduced to 60,000, *Sir C. E. Trevelyan* 768-772. 784-787——Much less necessity for a large European force since the reduction of the Native army, *ib.* 773——Necessity, however, of a considerable European force in India, though involving an immense cost, *ib.* 1156, 1157.

Large and unnecessary increase of expenditure beyond the amount as settled by the military commission, owing to the numerical maintenance of the Native army; room for great economy by a reduction of the Madras and Bombay armies, *Sir C. E. Trevelyan* 1321-1327. 1524-1526——Belief that the European force may be further reduced though the greatest care should be observed before reduction, *ib.* 1323. 1328.

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Various reasons for maintaining a considerable Native army; grounds for the conclusion that for all India there should be 130,000 Native troops, *Lord Lawrence* 4687-4689——Ample sufficiency of a British army of 60,000 men for the suppression of any mutiny or insurrection, *ib.* 4756, 4757.

Witness further contends that on various grounds the Native army must be maintained at its present strength, save in Madras; multifarious duties which it is called upon to perform, *Lord Lawrence* 5334-5342——Impracticability of using the Government police in reduction of Native troops, whilst the village police are not available for Government employment at all, *ib.* 5336.

Conviction that India cannot be held without a considerable Native army, *Lord Lawrence* 5338-5340——Belief that people in England greatly depreciate the importance of the Native army, *ib.* 5342——Witness would, in fact, prefer an army half English and half Native to an exclusively English army of the same number, *ib.*

Impolicy of any reduction of the army which should in any way compromise our tenure of the country, *Lord Lawrence* 5374, 5375——Very large reduction of the native army since the time of the mutiny, *ib.* 5376. 5380-5382.

Question whether any reduction can be made in the strength of the cavaly, *Johnson* 7520.

5. Question of Reduction of the Madras Army:

Especial room for reduction in the case of the Madras army, the Madras Presidency being peculiarly peaceful; recommendations hereon, *Sir C. E. Trevelyan* 824, 825. 828,

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II. *As to the Strength of the European and Native Armies respectively*—continued.

5. Question of Reduction of the Madras Army—*continued.*

829. 842–844——Information relative to the extensive economy effected by Sir George Balfour und witness in the Madras military expenditure, *Sir C. E. Trevelyan* 1328. 1381, 1382——Facility with which the reduction of the Madras Native army was affected after the mutiny, the European officers being the only difficulty in the way of further reduction, *ib.* 1518, 1519.

Room for reduction in the Madras Native army, *Lord Lawrence* 4689——Advantage of the Madras army as a revenue force rather than as a fighting force out of the Presidency, *ib.* 5524, 5525——Comparatively small active service of the Madras army in the last fifty years, *ib.* 5799–5802.

Minute by Sir Charles Trevelyan, as member of the Council of the Governor General, dated 17th December 1863, on the subject of the military expenditure of Madras, *App.* 667, 668.

6. Question of Reduction of the Artillery:

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Difficulty experienced by witness when Governor General in obtaining a reduction of the artillery, *Lord Lawrence* 4755.

Saving of expense in 1861–69 by the conversion of certain field batteries into garrison batteries, *Kellner and Johnson* 3572, 3573——Important reduction in 1871–72 in the number of horse artillery batteries in India, *Johnson* 3645, 3646——Doubt as to there being any room for further reduction in the artillery; there might, however, be fewer brigades with more batteries to each brigade, *ib.* 7521–7532——Large reduction to be effected by the foregoing plan, the cost of the artillery being considerable, *Kellner* 7533, 7534.

III. *As to the Expenditure:*

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Statement of the gross military expenditure in 1856–57, and in each year since 1861–62, including the estimated expenditure for 1872–73 and 1873–74; large increase within this period, *Kellner* 2962–2967——Amount of the net annual charge in 1856–57, and in each year since 1868–69; increase of nearly two millions as between 1856–57, and 1873–74, *ib.* 2973, 2974.

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Revised returns prepared by witness showing the annual military expenditure according to the figures of the Finance and Revenue Accounts; discrepancy in previous returns prepared by him by reason of his mode of dealing with the item for stores, *Kellner* 3331–3334——Several and important charges no longer borne in the Military Department, such as the charge for the Hyderabad contingent, the Topographical Department, &c., *ib.* 3335–3338.

Witness proposes to submit a printed statement showing the financial effect of all the charges since 1862–63, *Kellner* 3603, 3604——Revised statement of the military charges and receipts in England and in India connected with the army in India for the year 1856–57, and for the years from 1861–62 to 1871–72, together with the estimates for 1872–73 and 1873–74, *ib.* 3659–3661—— Total of 14,758,000 *l.*, as the estimated net charge for 1872–73, and of 14,654,000 *l.* for 1873–74, *ib.* 3961——Exception to the rule of charging in the year's accounts everything paid for within the year, *ib.* 3839–3863.

Comparison between the strength and cost of the army in 1871–72 and 1863–64, showing the increase of cost under various heads; paper submitted containing details of such increase in England and in India, *Kellner* 6990–6995——Reference to the year 1863–64 as one of severe economy, the military expenditure having been lower than in any year since the mutiny, *ib* 6990, 6991——Large increase in the charge per man since 1863–64, *ib.* 6993——Net increase of 917,000 *l.* between 1863–64 and 1871–72, *ib.* 6993–6995.

Necessity of relying upon such data as are available in the India Office for the preparation of the comparative statements now submitted by Colonel Johnson and witness relative to the annual military expenditure since 1863–64, *Kellner* 6996, 6997——

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III. *As to the Expenditure*—continued.

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Important reduction in 1869 in the staff of the army, it being considered that the reductions have been brought to the lowest point, *Kellner* 3032-3038——Counterbalance of the foregoing saving by several new staff services and appointments, which have added about 60,000 *l.* or 70,000 *l.* a year to the grant for Army and Garrison Staff, *ib.* 3039, 3040——Considerable reduction made since 1857 in the divisional and brigade command, *Kellner and Johnson* 3249. 3256——Particulars with reference to the cost of the head-quarter staff of Bengal, Madras, and Bombay respectively in 1862-63 and 1873-73, *Kellner* 7565-7567.

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3. Amount of Charge in respect of the Grant for Administrative Staff:

Information in detail relative to the grant for the Administrative Staff, the transfers to and from the grant since 1856-57, and the item of increase and of decrease, *Kellner* 3339-3376. 3383-3402——Several heads of charge comprised in the Administrative Staff Grant, *ib.* 3339, 3340——Large portion of the grant which is due to the Military Account Department transferred in 1861, *ib.* 3340-3347.

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Particulars of charge of a European cavalry regiment under different heads, in 1856-57, 1869-70, and 1871-72; economy by re-organisation though the pay per head is increased, *Kellner* 3432-3462——Several items included in the contract allowances in European cavalry regiments, *ib.* 3443——Statement of the charges for a regiment of European infantry in 1856, 1869, and 1872; considerable saving since 1869 by organisation, *ib.* 3463-3473.

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III. *As to the Expenditure*—continued.

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6. Miscellaneous Services:

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7. Rewards for Military Services:

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8. Retired Officers Resident in India:

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9. Military Pensions:

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11. Superannuations

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11. Superannuations to Uncovenanted Servants:

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12. Postage:

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13. Military Account Department:

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18. Commissariat and Land Transport—*continued.*

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6. Non-agricultural Cess; Objections thereto:

Act passed in 1871 imposing duties upon the non-agricultural classes in the Presidency, in the form of an income tax; threefold classification of incomes for the purposes of the Act, *Harrison* 1985-1991. 2015-2019——Production of 53,509 *l.* under the foregoing Act in 1871-72; *ib.* 1987. 1990——Suspension of the application of the Act; the Act, however, has not been repealed, and is still liable to be applied to incomes exceedingly small, *ib.* 1987-1991. 2015-2021.

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8. Statistics of Taxation in the Presidency:

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1. Taxation and Expenditure generally; Grievances urged—*continued.*

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2. Immense Increase of Taxation since 1864:

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5. Esplanade Fee Fund:

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III. *Legislative Council:*

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IV. *Executive*

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IV. *Executive Council:*

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1. Complaint as to injudicious and extravagant Expenditure generally:

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2. Bunder Fees Act, and Receipts from Bunders:

Exception taken to the Bunder Fees Act, and the dues levied on goods and packages in Bombay harbour, *Maclean* 2477-2482.

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Comment upon the transfer of the Elphinstone Land Company at Bombay to Government, and the heavy cost involved; *Sir C. E. Trevelyan* 498, 499——Large rise in the value of the shares of the Elphinstone land scheme on its becoming known that Government was likely to be a purchaser, *ib.* 668.

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Witness (whose firm managed the Elphinstone Company) submits a written statement explanatory of the circumstances under which the company was formed, and showing in detail the operations of the company in reclaiming foreshore, &c., at Bombay, the expenditure and income, the value of the works in the interests of commerce and shipping, and the terms of their sale to Government, *Fleming* 6069-6071.

Depreciated value of the Elphinstone's Company shares in the market previously to their purchase by Government; evidence hereon in denial that the purchase was a prodigal one, *Fleming* 6071. 6103-6110. 6369 *et seq.*——Circumstance of no protest having been made on the part of the public during the long period pending the final acceptance of the offer of Government, *ib.* 6071——Payment of 1,859,082 *l.* by Government for the company's property; extensive and varied character thereof, *ib.* 6071. 6114-6118——Views of Colonel Fraser as to the value of the property, and the expediency of the prosecution of the works, *ib.* 6071. 6129-6132.

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V. *As to the Foreshore and Wharfage of Bombay Island or City, &c.*—continued.

4. Elphinstone Land Company—*continued.*

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Question further considered as to the financial position of the company in regard to the depreciated value of its shares and the want of a loan of 600,000 *l.* previously to the purchase of the shares at par by Government, *Fleming* 6388 *et seq.*

Inability of Government to have brought the concern under its par value; statement hereon as to witness having been instrumental in refusing an offer of 3,000,000 *l.* for the property during the financial excitement of 1865, *Fleming* 6368. 6406–6419——Better return from the works if properly developed; delay on this score pending the construction of the Port Trust, *ib.* 6426–6435.

5. Foreshore at Mazagon:

Reference to the sale by Government of some foreshore land at Mazagon (Bombay); subsequent speculation in this land, *Maclean* 2646-2649.

6. Moody Bay Estate:

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VI. *Expenditure on Government House near Poonah:*

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Explanation that the outlay of 157,836 *l.* on the Bombay Government House including the charge for guard rooms, &c., *Crommelin* 2387——The cost of furniture is not included, *ib.* 2388——Steps have been taken by the Government of India to check the expenditure in question, *ib.* 2389.

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Explanation of the circumstances under which the Governor of Bombay expended a very excessive sum on the Government House near Poonah in defiance of the representations of witness and his council; this did not call for a recommendation that the Governor should be dismissed, *Lord Lawrence* 5612–5616. 5750, 5751——Sale in the first instance of the old Government House for some 35,000 *l.*; this was a very good price, but the matter should first have been brought before witness as Governor General, *ib.* 5612, 5613. 5615——Sanction given to the expenditure of the sum realised by the sale of the old house, *ib.* 5613—— The Governor of Bombay spent, however, 90,000 *l.* (or some such sum) without previous reference to witness, and this expenditure did not suffice, *ib.* 5613, 5614.

VII. *Staff and Household Expenses of the Governor of Bombay:*

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VII. *Staff and Household Expenses of the Governor of Bombay*—continued.

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VIII. *Bombay High Court and Small Cause Court:*

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Bombay Bank. See *Banks of Bengal, Bombay, and Madras.*

Bombay (Land Revenue). See *Land Revenue,* II.

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British Rule. Argument and statistics in support of the view that the English connection is financially advantageous to India, *Maclean* 2530–2556. 2590. 2615–2619. 2665–2667.

Tendency to progressive improvement over the whole country, under British rule, *Lord Lawrence* 4481——Primary importance of the contentment of the agricultural population as being the main security for the maintenance of British rule, *ib.* 5661, 5662.

Great misfortune to India if the British connection were cut off; it is essential however that the cost of administration be reduced, *Dadabhai Naoroji* 6729. 6866, 6867. 6867, 6898.

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Bungalows. Absence of analogy between the cost of bungalows and of permanent barracks; large increase, moreover, in the cost of bungalows, *Crommelin* 216, 217. 235.

Complaint as to the large expenditure out of local funds or cesses upon the erection of bungalows for Europeans, *Nowrozjee Furdoonjee* 4992–4998——Necessary sanction on the part of the superior authority before local monies are expended on bungalows, or other objects, *ib.* 4999–5001.

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Statement showing the area and population of each district under the administration of the chief commissioner of the province of British Burmah, taken from the Administration Report for 1871–72; total population of 2,562,323. *App.* 611.

Letter from the Officiating Secretary to the Chief Commissioner, British Burmah, to the Secretary of the Government of India, Financial Department, dated 25th October 1872, relative to the rates and taxes levied in British Burmah at different periods, *App.* 754 ——Letter from the Officiating Deputy Accountant General, British Burmah, dated 13th September 1872, containing explanations in reference to certain returns or accounts of local and Imperial taxes, *ib.* 754, 755.

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Detailed statement of Imperial rates and taxes for the years 1858–59 and 1871–72, *App.* 758–767——Abstract of Imperial rates and taxes for 1858–59 as compared with 1871–72, *ib.* 768, 769.

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1. *Exceptions taken to this Project.*
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1. *Exceptions taken to this Project:*

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2. *Advocacy of the Policy of Reduction of Expenditure, as opposed to Increase of Taxation.*
3. *Degree of Responsibility of the Home Government as regards enhanced Expenditure.*
4. *Local Check in India.*
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LOCAL TAXATION AND FINANCE (DECENTRALISATION SCHEME)—continued.

1. *As to the Introduction of the Decentralisation Scheme of Finance, and the Resolution of the Government of India on the Subject in December 1870:*

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2. *Views of Sir Charles Trevelyan in strong Approval of the Principle of Local Taxation and Finance:*

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2. *Views of Sir Charles Trevelyan in strong Approval of Local Taxation, &c.*—cont^{d}.

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7. *Question of Local Taxation in disregard of the Land Revenue Settlement:*

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7. *Question of Local Taxation in disregard of the Land Revenue Settlement*—cont^{d}.

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9. *Returns and Statistics of Local and Municipal Taxation throughout India*—cont^d.

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10. *Large Aggregate of Local Taxation:*

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2. *Views of Lord Lawrence as to the expediency of extended Employment, subject to careful restrictions.*
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1. *Particulars of Local or Municipal Taxation, and of Receipts therefrom.*
2. *Strong Condemnation of the Imposition of New or Increased Cesses during the Term of the Land Revenue Settlement; breach of Faith thereby.*
3. *Question of Oude being comprised in the Administration of the North Western Provinces.*
4. *Voluntary Fund for Payment of the Police, &c.*
5. *Objection to a Scheme for an Irrigation Canal in the Province.*
6. *Sale of Choukis, or Proprietary Rights.*
7. *Area and Population.*
8. *Revenue in* 1858 *and subsequently.*
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10. *Prices of Produce generally.*

1. *Particulars of Local or Municipal Taxation, and of Receipts therefrom:*

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1. *Generally:*

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1. *Native Complaint as to the burden of Taxation.*
2. *Views of Sir Charles Trevelyan as to the impolicy of various new forms of Taxation.*
3. *System of General and Petty Taxation under Native Rule.*
4. *Unpopularity of Direct Taxation.*
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6. *Question of levying New Taxes irrespectively of the Land Revenue Settlement; how far Breach of Faith is involved therein.*
7. *Effect of the Decentralisation Scheme as regards the Amount of Taxation.*
8. *Statistics of Taxation in the different Provinces.*

1. *Native Complaint as to the burden of Taxation:*

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Telegraphs. Full information in the Finance Accounts as regards the receipts and expenditure of the telegraphs, *Harrison* 4181. 4280, 4281.——*See* also *Indo-European Telegraph.*

Tippoo Sultan. Statement relative to the extraordinary liberality shown to the family of Tippoo Sultan at the expense of the taxpayers of India, this being an instance of expenditure which the East India Company would never have sanctioned, *Sir C. E. Trecelyan* 452. 456-458. 521. 556, 557.

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Complaint relative to the oppressive tolls on roads and bridges throughout the Bombay Presidency; vexatious manner in which levied, *Nowrozjee Furdoonjee* 5047–5062.

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1380——Extensive reimposition of town duties in Bombay, the North West Provinces, and the Punjaub after the Mutiny, without any exemption of the staple articles of the foreign trade; comment upon the evils of the system, *ib.*

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Minute, dated 14th January 1864, on the question of railways in Rajputana and Central India, *App.* 666, 667.

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Minute, dated Calcutta, 11th January 1864, on the Bombay Supplementary Estimates for public works; checks proposed upon this expenditure, *App.* 663–678.

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